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THE

Madras Journal of Co-operation

EACH FOR ALL AND ALL FOR EACH

Journal of the Madras Provincial Co-operative Union, Esplanade, Madras.

JUNE 1948. No. 12, VOL. XXXIX PRICE 10 As. NET

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The Shape of Things.

An Interesting Survey :

We have in this issue published the results of an enquiry into the economic conditions of the scavengers residing in a portion of the Madras City conducted by an officer of the Co-operative Department as far back as 1939. The facts gathered in the course of the enquiry are of interest even to-day as things are now as they were. While the wages have increased, though not in all cases commensurate with the increased cost of living, there has practically been no improvement in the economic condition of this class of workers. Efforts of social workers have not been of much avail. What then is the remedy? We feel the problem of Harijan uplift cannot be solved unless the causes which lead to the indebtedness of this class of workers are tackled. Though the survey relates to the City and to a particular class of employees, we shall not be wrong in stating that the facts disclosed are not only similar to those prevailing in other parts of the province but are also present in general in all working classes. How far co-operation can assist in the solution of the problem of indebtedness among the working classes is a matter which needs careful examination and the lessons drawn from efforts made in that direction in other parts of the country should prove invaluable.

Problems of Consumers' Co-operatives:

We are happy that the Hon. Sri K. Chandramouli avails of every opportunity to impress on consumers' co-operatives their role in the movement after the normal trade channels begin to function and they have to face competition without the facilities which they enjoyed during the time they were dealing in controlled articles. It is hoped his suggestions will receive the consideration of co-operators and they will rise equal to the occasion to face and solve the problems with which they will be faced.

It may be remembered time and again the co-operatives have demanded that the distribution of manures and agricultural implements should be entrusted to them. We have also pleaded for the transfer of this activity to co-operatives more than once. All our cries were in vain and the Agricultural Department continued the distribution even sacrificing their normal work. But we are pleased to learn from the Hon. Sri K. Chandramouli in his speech at the North Arcot Primary Co-operative Stores' Conference reproduced elsewhere that the Government have after all decided to entrust the distribution work to co-operative societies. We are happy in joining the Hon. Minister in the hope expressed by him "that in this way these articles (manures and agricultural inflements) will reach *bona-fide* agriculturists in larger members than at present, and that they will reach them direct from co-operative institutions of which they are members." May we also sound a note of warning? As these articles have to be sold to *all* agriculturists, including non-members of co-operatives, greater vigilance has to be exercised by the officers of the co-operatives so that the complaint that these articles have been monopolised by the members themselves may not be made against them. As the articles are meant for the use of all agriculturists, there should be equitable distribution.

Jubilee address:

Sri Rao Bahadur J. C. Ryan's address on the occasion of the Silver Jubilee Celebrations of the South Arcot District Co-operative Conference deserves careful reading. There is no denying the fact that for some years the consumers' movement has received such a fillip it looks as though the credit side has been completely neglected. At any rate it will be conceded that the credit movement has not kept pace with the non-credit development. He pleaded for re-orientation of the credit movement by developing non-credit activities in the credit organisations. There is nothing intrinsically wrong

in doing this though there is a school of thought which cannot reconcile itself to the organisation of separate multi-purpose societies. In the course of his address, Mr. Ryan indicated the directions in which rural credit societies can be transformed into multi-purpose societies by taking on additional functions like co-operative milk-supply, co-operative marketing, co-operative distribution of foodstuffs and even co-operative housing. He illustrated these activities with the aid of examples drawn from different districts in the province.

There is one more point in Mr. Ryan's address to which we wish to draw pointed attention. It is in regard to the principle of honorary work. Mr. Ryan was on perfectly safe ground when he said that to accelerate progress and secure solid results, we should not always stick to the principle of honorary work. Much of the progress achieved in the sphere of social service in the West is due to the fact every worker is paid either a salary or honorarium. It has always proved an incentive to good work and results achieved are far beyond the expectations. It is time we in this country learn to change our point of view in this and other matters instead of enthroning patriotism and self-sacrifice as virtues and allowing inefficiency and indiscipline to creep into our institutions. Let not patriotism and self-sacrifice prove to be our last refuges and become by-words for inefficiency and unbusiness like methods.

T. U. C. S.

Every branch of the T.U.C.S., celebrates its Branch Day and the occasion is availed of take stock of the achievements of the Branch as also of the parent body. Addresses delivered on the occasions by distinguished co-operators generally deal with the general progress of the movement and of the consumers' co-operation in particular. Sri Palaniappa Mudaliar's address delivered on the occasion of the Branch Day of the Madhavaram Branch of the T.U.C.S., is of more than ordinary interest. Besides dealing with the future of the consumers' co-operatives and the steps to be taken to consolidate the gains accrued during war-time, he pleaded that the stores should encourage the thrift campaign by encouraging the members to save as much possible through the system of trade deposits or small savings account. Though he pleaded for this campaign as a part of the ameliorative measures connected with the introduction of prohibition, we endorse his appeal on general grounds as well. All co-operators are agreed the promotion of the habit of thrift is one of the fundamental objects of the co-operative movement and no co-operative should fail to make provision for this in its set-up.

The Pre-Partition Strength of the Indian Movement.

Pending information on the effect of the independence and partition of India on the Co-operative Movement *Statistical Statement Relating to the Co-operative Movement in India for the year 1943-44 and 1944 45*, published by the Reserve Bank of India, Agricultural Credit Department, Bombay, August 1947, offer the basis for a short and purely quantitative survey on the pre-partition strength of Indian Co-operation. This survey is also a direct sequence to the article "Co-operation in India," published in the October 1941 issue of the REVIEW, which dealt with the history of the Movement and its development from 1904, the year of the passing of the first Co operative Credit Societies Act, to 1939.

The present statistics follow the same lines as those of pre-war years and thus permit a formal comparability without, however, giving a full insight into the newer developments and problems

The statements cover, as before, the 15 Provinces of Madras, Bombay, Sind, Bengal, Bihar, Orissa, United Provinces, Punjab, Central Provinces and Berar, Assam, North-West Frontier Province, Coorg. Ajmer-Merwara, Hyderabad Administered Areas, Delhi, which in 1945 comprised a total estimated population of 306 3 million (1939—277 million); 25 Indian States—with a total population of 60·2 million—of which co operatively the most important are Mysore, Baroda, Hyderabad, Bhopal, Gwalior, Indore, Kashmir, Travancore, Cochin, Bharatpur, Sirmur, Kotah, Patiala, Kolhapur, Bahawhlpur and Patna, *i.e.*, States with at least a hundred or more Co-operative Organisations, making a total population of 366·5 million (320·6 million).

In 1945 the Movement comprised 159,638 Societies (1939—122,167), 613 Central Banks (604)—Provincial, Central and Banking Unions; 482 Supervising and Guaranteeing Unions (526); 136,647 Agricultural Societies (105,498) including Cattle Insurance Societies, Mortgage Banks and Socie-ties; 21941 Non-Agricultural Societies (15,539) including Insurance Socie-ties. The number of Societies per 100,000 inhabitants has increased from 38·1 to 43·6.

Individual membership of all Primary Societies reached 8,355,180 (1939—5,374,112)—Agricultural 5·2 million (3 6 million). Non-Agricultural 3·2 million—and represents 2 28 per cent of the total population disregard-ing the families of individual members, compared with 1·68 per cent in 1939. In the aggregate the percentage of the Indian Provinces and the Indian States is practically the same but shows wider fluctuations between the various Provinces than between the States. Coorg, one of the smallest Provinces, with 200,000 inhabitants, still has the highest figure—16 per cent against 10 per cent in 1939; in the Hyderabad Administered Areas with 100,000 inhabitants the percentage is 15 8 against only 6·6 in 1939. The other percentages are: Bombay 4 5 (1939—3); Ajmer-Merwara 4·0 (3·6); Punjab 3·7 (3·6); Madras, with 51 3 million inhabitants, 3 4 (2); Bengal, the largest Province with a population of 61 9 million, 2·5 (1·8); Sind 2 (1 6); Delhi, unchanged, 2; Assam 1·7 (0·5); Orissa 1·6 (1·4); United Provinces, with 56·2 million inhabitants, 1 4 (1); Central Provinces and Berar, North-West Frontier Province, and Bihar, all three just under 1 per cent compared with ½ per cent before the war.

Amongst the States, Sirmur, with a population of only 200,000 has the highest percentage, 5·2, followed by Baroda, 3·7, Kolhapur 3·6, and Travancore 3·1; in other States the percentage fluctuates from ½ to 1 and 1½.

The co-operative penetration of the population has, therefore, made considerable progress in the six years under review although in most cases the percentage is still very small.

The previous survey pointed to the very high rate of increase compar-ing one quinquennium with another until the end of the 20's and the slow-ing down of this increase from 1930. From 1925-26 to 1929-30 the rate for Societies was still as high as 63 per cent; it then dropped to 13 per cent and 11 per cent in the two following quinquenniums and rose again in 1940-45 to 28 per cent. For membership the respective figures are 71, 18, 17 and 42 per cent, and for working capital 106, 26, 11 and 18 per cent. The difficulties which the Movement had to face following the world economic depression of 1928-29 have been frequently alluded to in the REVIEW but it is obvious from the foregoing figures that it has passed its lowest point and during the last five years has accelerated its rate of pro-gress. This is even more impressive if the present figures are compared with pre-war figures, which given an increase in Societies of 31 per cent, in membership of Agricultural Societies of 42 per cent, of Non-Agricultural Societies of 85 per cent, *i.e.* exactly double the rate of the Agricultural Societies, a total rate for all Societies of 56 per cent, working capital 38 per cent.

Whereas before the first world war the membership of Agricultural Societies was 83·7 per cent of the total it declined during 1935 36 to 1939-40 to 67·7 per cent, and in 1940 45 to 66·9 per cent; for the year 1944-45 the percentage is actually only 61 7 per cent.

Composition of the Working Capital.

In spite of the strong influence of the Government upon the promotion of the Movement its financial participation has always been small and the present data indicates a further downward trend. Government loans and deposits held at the end of each year averaged 1.62 per cent in 1030—31 to 1934—35; 1.24 per cent and 1.37 per cent in the next two quinquen-niums, 1.11 per cent in 1938—39, falling to 0.97 per cent in 1944—45.

Provincial or Central Banks, "Non-Members and other Sources" (which include all loans and deposits held by Central and Provincial Banks from individuals, Joint Stock Banks aud others) and also, since 1937—38, the newly established Land Mortgage Banks, are the chief sources for financing the Movement. Their combined share amounted to 59.28 per cent of total capital in 1930—31 to 1934—35, 55 95 per cent and 51.79 per cent in the two following quinquenniums; 55 45 per cent in 1938—39 against 49.28 per cent in 1944—45. On the other hand reserves increased from 13.55 per cent to 16.73 per cent and 16.50 per cent during the three quinquenniums.

Operations of the Movement During 1944—45.

In 1944—45 there were 11 Provincial Banks (2 in Indian States) against 10 in 1938—39; Central Banks, including District Banks, Banking Unions, and all other Societies constituted with the object of supplying the credit needs of individual Societies, numbered 602 against 594 before the war—471 in British India and 131 in Indian States. Most of them were also engaged to a certain extent in trading activities which show a remar-kable increase since the pre-war period.

The Land Mortgage Bank and Societies which started their activities in 1937—38 to meet the long-term credit needs of the Movement numbered 226 in 1938—39 and 289 in 1944—45.

The total Working Capital of the Provincial Banks increased from Rs. 128,512,207 in 1938—39 to Rs. 205,858,892 in 1944—45, or by 60.2

per cent, and of the Central Banks from Rs 294.219,864 to Rs 398,158,305, or by 35.3 per cent, and of the Land Mortgage Banks and Societies from Rs. 53,396,117 to Rs. 77,978,264, or by 45 8 per cent. All the Banks, with the exception of 1 Provincial Bank, 4 Central Banks, and 1 Mortgage Bank, closed the year with a surplus.

The most usual rate of intrest still shows the same-wide, or even wider, divergence—on borrowings :—Provincial Banks from ¼ to 2 per cent in Bombay to 4 to 5 per cent in Assam ; Central Banks from ½ to 4 per cent in Indore to 1½ to 10 per cent in Assam ; Mortgage Banks from 2 to 3½ per cent in Baroda to 10 per cent in Assam ; on lendings :—Provincial Banks from 2 to 6 per cent in Bombay to 3 to 8 per cent in Central Provinces and Berar ; Central Banks from 4½ to 6 per cent in Cochin to 3 to 12½ per cent in Bihar ; Land Mortgage Banks from 5 per cent in Cochin to 10½ per cent in Assam.

The composition of the 136,358 Societies (1938-39—105,271) was as follows : Credit 115,780 (93,767) ; Purchase and Sale 1.044 (459) ; Production 2,335 (4,358) ; Production and Sale 9,509 (4,118) ; Other types 7,690 (2,569). Total membership was 5,013,361 (3,560,425)

Of the Agricultural Credit Societies 107,877 worked on the basis of unlimited liability and 7,903 on limited liability. In all other Agricultural Societies limited liability predominated.

The 21.924 Non-Agricultural Societies (15,530 in 1938—39) comprised: Credit 7,472 (6,699); Purchase, and Purchase and Sale 5,073 (798); Production 28 (18); Production and Sale 2,741 (1,326); Other types 6,610 (6,698). Limited liability prevails amongst them.

The amount of loans overdue—loans due for repayment for which no extension has been granted by competent authority—has always been an alarming feature, but, probably largely as a result of the rise in prices of agricultural produce and, in general, the prevailing seller's market in recent years, they show a reduction as regards Agricultural Societies in 1944-45 to 37.31 per cent against 44,06 per cent in 1943-44 and 46.47 and 48.02 per cent in the two years before the war ; in Non-Agricultural Societies to 11.48 per cent in 1944-45 compared with 12.61 per cent in 1943-44 and 14.53 per cent and 15.49 per cent before the war.

The most usual rate of interest on borrowings fluctuated in Agricultural Societies between 3 and 6¼ per cent in Bombay to between 6 and 14 per-cent in Bihar, and on lendings between 6¼ 7½ per cent in Madras to between 6 and 25 per cent in Bihar, Orissa and Hyderabad ; in Non-Agricultural Societies rates on borrowings varied between 2½ to 4 per cent in Hyderadad Administered Areas and 1 to 14 per cent in Bihar ; on lendings between 4 to 9⅜ per cent in Sind and Baroda to 6 to 18¾ per cent in Bihar.

In analysing these "Statistical Statements" one cannot but be impressed by the steady progress revealed, which is a tribute to the untiring efforts both of the official and non-Official sponsors of the Movement during the forty years of its existence.

With the independence and partition of India the Movement to a certain extent enters a new phase, and it is with profound interest that Co operators all over the world will in years to come, watch the development of Co-operation in India and Pakistan with the earnest hope that it will increasingly contribute to the solution of tse countries' economic and social problems.

—*Review of International Co-operation.*

NOTICE.

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V. VIYYANNA,
General Secretary.
The Madras Provincial Co-operative Union
Esplanade, Madras.

Economic condition of Scavengers.

An enquiry into the economic condition of the scavengers residing in the Choolai area with special reference to their indebtedness to professional money-lenders.

(Report dated 1-11-1939 by A. P. Balasubramaniam, B. A. (Hons.) (Co-operative Department, Madras.) Secretary, The Madras Corporation labourer's Co-operative Society Ltd., Madras.)

I submit below my report on the enquiry into economic condition of scavengers residing in Choolai area in obedience to the Deputy Registrar's memo No. C. 2454/39 dated 16-10-1939.

1. Scope of the Enquiry.

The report called for by the Deputy Registrar was in respect of the labourers residing in Choolai area. The term "labourers" is a comprehensive one and includes, besides scavengers, other classes of workers also. The enquiry which I conducted was in respect of only scavengers for, after all, the problem of the outside indebtedness of the members of the Corporation Labourers' Co-operative Society is mainly a problem of the scavengers, who number more than 50 per cent of the members of the Society. The betterment of their condition should necessarily receive the foremost attention of the authorities concerned. As regards the other classes of labourers such as the Oddas and the Koravas who are employed as coolies in the Sewer, Main drain, Syphon and Road departments of the Corporation of Madras and who are scattered over the area, it may approximately be stated that their economic condition is worse than that of the scavengers.

2. History of the problem.

The problem of the indebtedness of the scavengers to the professional money-lenders in the City of Madras is as old as the Health Department of the Corporation of Madras which marks the beginning of the period of immigration of the Madhigas (Scavengers) into the City from the northern districts of the presidency for being employed as menials of the Corporation to attend to the conservency of the City. There is a family of money-lenders residing in Choolai who have been carrying on their profession of lending money to scavengers for the past more than 50 years. The family here referred to are the descendants of one Subba Naidu who amassed immense wealth through lending money to the scavengers, The profitableness of the business soon attracted others also into the field, with the result, that, today, there is a family of Reddies in Choolai wherein about a dozen persons are lending money to scavengers on a large scale, independantly of one another. Again there is a widow by name Appala Narasimmah who in partnership with her widowed daughter Ramulammah residing in Perambur Barracks, has also lent out moneys to the scavengers of the Choolai area. The business of these money-lenders was at its zenith in the days prior to the introduction of flush-out latrines in the City, for the scavengers had then considerable subsidiary income which provided a ready a ndassured means of repaying loans taken by them from these professional money-lenders.

About 20 years ago, co-operative societies were started exclusively for the benefit of the scavengers employed in the Corporation. There were the Corporation Depot menial employees' co-operative societies which have all been since amalgamated into the present "Corporation Labourers Co-operative Society" The Co-operative Society, it should be stated, while passing, has, instead of relieving the indebtedness of the scavengers to the professional money-lenders, only constituted itself into another source of borrowing for the scavenger and what is worse, a source of encouragement for the money-lenders to ply their business successfully, for the latter had in the Co-operative Society a sure means of recovering the monies lent out by them to the scavengers. If co-operation has failed to be of any use to the scavenger in relieving him of his indebtedness it was because the valuable advice of Sir. F. Nicholsons not heeded to by those who were charged with the administration of these Co-operative Societies. Sir F. Nicholson wrote :

"It is not merely cheap and facile credit that is required; it is a credit which must indeed be cheap and facile in that it shall be ever at hand but it must be credit which shall only be so obtainable that the act and the effort of obtaining it shall educate discipline, and guide the borrower; it should be only granted to those who have learned to think, to plan, to save; the method of providing it must teach the lessons of self and mutual help, and suggest the extension of those lessons to matters outside of mere credit; it must be safe not merely in eliminating the dangers of usury, but in being controlled, heedful, and productive."

This aspect of the question is dealt with at length in the succeeding paras. of the report.

The question of the indebtedness of the scavengers to the money-lenders received public attention for the first time when the late Burrah Satyanarayana and his band of Congress workers conducted an enquiry into their indebtedness and attempted to start a co-operative society separate from the depot societies, that were then existing. Their endeavours, however, did not fructify. Recently the Madras District Andhra Congress Committee appears to have made similar enquiries but nothing definite seems to have emerged yet from their labours.

3. Economic condition of the scavengers.

Housing condition.—This economic survey is confined to Choolai which is a typical area for purposes of ascertaining the economic condition of the scavengers. The economic condition of the scavengers residing in other areas being very much similar to that of the scavengers residing in the Choolai area, the conclusions arrived at as a result of the enquiry are applicable to the entire scavenger community scattered in the several parts of the City. The scavengers in the Choolai area reside in 3 different parts of the locality *viz.*, 1. Govindapuram situated in Angalamman Koil Srteet 2. Koravan Kulam (Corporation tenaments at the back of the Choolai Market) 3. Angalamman Koil hutting ground.

(*a*) *Kuravan Kulam area.*—In this area there are about 60 tenaments which have been built by the Corporation for the housing of the Corporation menials. Most of these tenaments are occupied by the scavengers and the monthly rent paid for each tenement is annas twelve. Besides these, there are some huts constructed on the vacant site at the back of the Choolai Market belonging to the Corporation and these are also occupied by the scavengers. The ground rent paid to the Corporation in each case is annas ten a month.

(*b*) *Govindapuram area.*—In the Govindapuram area the major part of the site belongs to Sri. Aujeneyar Temple Devasthanam and the ground rent paid by the scavengers to the Devasthanam ranges from annas twelve to rupees three. The ground rent for the portion of the area belonging to the Corporation ranges from annas eight to rupee one and a quarter. There are 36 brick houses and about 20 mud huts in this area. Scavengers residing here live in insanitary conditions and lot of congestion is also noticeable. The area is situated on the west of the big municipal open drain. A vast majority of the houses and huts in this area are under usufructuary mortgage to the money-lenders and the latter are collecting house rent every month from the scavengers occupying them.

A Scavenger money-lender.—There is a money-lender by name Bandari Chensiah of the scavenger community residing in this area. Of the 36 brick houses in the area seventeen appear to belong to this person. Five mud houses are under usufructuary mortgage with him. He is collecting a monthly rent of Rs. 3 from each of the occupants of these houses. This person is reported to have been in the employ of the Buckingham and Carnatic Mills as thoti and is said to have been dismissed on account of his money-lending activities. His father Bandari Kondia was a Corporation menial working in Basin Bridge incinerator and he was also lending money to the people of his community on a small scale. He bequathed some money to his son. Bandhari Chensiah is employing a clerk to maintain his accounts on a pay of Rs. 15 per month. So far as the rate of interest charged and the rendering of accounts are concerned there appears to be no difference between him and the other money-lenders; but it is said that he does not harass his debtors or take coercive steps against them for the recovery of the dues. It is understood that he has lent out nearly Rs. 30,000 to the scavengers and is reported to be keeping also some thousands with him in cash. He is also reported to be enjoying a monopoly of scavanging service which fetches him a monthly income of nearly Rs. 200. The nature and implications of this monopoly are described in detail later in this report.

(c) *Angalamman Koil Hutting ground area:*—The scavengers residing in Angalamman Koil hutting ground area live in the most insanitary conditions. The area is mostly water-logged and is too over-crowded. Part of the sites belongs to the Corporation and the rest belongs to Jeswanthul Sowcar and Sri Angalamma Temple. The ground rent paid to the Corporation in this area ranges from annas eight to Re. 1 and that paid to the sowcar is rupee one a month. There are 20 brick houses and about 100 mud houses in this area. Of these, about 40 houses (mud as well as brick houses) are under usufructuary mortage to the money-lenders.

Some of the scavengers residing in this area are Christians and there is a small church belonging to American Baptist Telugu Mission which appears to have been erected in 1934 by public subscription raised in the locality. One Erugupeti Narasiah who owns a good brick house adjacent to the church is said to be looking

after the church. He is employed as Thoti in Basin Bridge Railway station and is reported to be getting a monthly income of Rs. 20. It is said that his house was constructed in 1934 at the same time when the church was constructed. The house is worth more than Rs. 2,000 The activities of the Christian Mission in this area are purely religious and aimed at proselytisation of the scavenger residents of the area. The Mission does not appear to have done anything to improve the socio-economic condition of the scavengers nor does it even attend to the spread of literacy in this area.

Economic condition:—The scavengers residing in Choolai are Telugu speaking Madhigas hailing from the Andhra Districts of the Province. Most of the people appear to have come from the Nellore District. The vast majority of them are illiterates. Some of them have learnt to sign their names only. This utter lack of education has to a large extent contributed to the present economic plight of the scavengers which borders on servitude to the money-lenders and their agents on the one hand and to their own community headmen on the other. They are employed in the Corporation as conservancy menials each getting a monthly income ranging from 18 to 20 rupees. The hours of work are 6 to 10 a.m. in the morning and 2 to 5 in the evening. Each scavenger has got 3 to 4 dependents to be fed by him. In some cases the number of dependents is more. Some of these scavengers have two wives and some have concubines also. Only in few cases the wife happens to be an earning member of the family. In the days prior to the introduction of flush-out latrines in the City the scavengers were getting a decent supplementary income from their dependants through house-scavenging. This avenue is since closed. They own no moveable assets worth the name. In very few cases the women folk are seen wearing jewels worth anything. In short, it is all liabilities and no assets with the scavengers. It is interesting to examine the family monthly budget of the scavengers. The extent and nature of his monthly expenditure represents the amount spent on his food. The usual food consumed by the scavenger is simple; he takes rice of an ordinary variety with pepper water and greens-chutney. Now and then however he enjoys a feast wherein the main item in the menu is the cooked flesh of dead cattle. He also gets cheap beef in the slaughter house for his food. Though ill-clad and ill-fed he always looks gay chewing betel-nuts throughout the day. The insufficiency of his food is one of the causes that strengthens the temptation that awaits him at the toddy shop. Ordinarily the amount of rice required for a family of limited dimension will be Rs. 4 a month and other expenses will come to Rs. 3 to 5 excluding rent. So then, the scavenger does not need to borrow money to balance his monthly budget ordinarily, the reason being that his wants are few; but there are other expenses inevitable to him which he cannot meet except by borrowing.

Evil habits:—Most of the scavengers are addicted to the vicious habit of drinking intoxicating liquors. In fact it is not possible to think of any ceremony celeberated by the scavenger in which the major item of enjoyment and expenditure is not liquor drinking. The amount spent by a scavenger to perform a death ceremony is reported to be about Rs. 50. Of this sum of Rs. 50 the amount actually required for conducting a ceremony will not be more than Rs. 15. The balance of the amount is spent on drink. The amonnt required by a scavenger for performing a marriage is ordinarily Rs. 150. A scavenger spends about Rs. 100 for the ear-boring ceremony of his children. The scavenger would have it that his social custom necessitates a liberal expenditure on ceremonial occasions. It will not be too much to say that a considerable portion of the debts contracted by him was intended and utilised for drinking. A habit of thrift and economy in expenditure is foreign to him. He would never try to live within his means. This habit of spending recklessly on drink and social ceremonies only helps him to be caught in the trap laid by the rapacious money-lender and makes his life engulfed in utter gloom. The following are the festivals in a year which are observed by the scavengers:—

1. Pongal in January.
2. Peria Palayam festival in the month of August.
3. Deepavali in the month of November and
4. Telugu New Year day.

He spends Rs. 5 to 10 on each of the festivals. The major portion of the funds spent is consumed in drinking. A scavenger goes to his native place at least once a year. Instances are not wanting to show that some scavengers visit their native villages thrice a year, being bound by strong ties to the village in which they were born. The scavenger gets invariably some one or other of his relations as guests here once or twice in the year.

For expenditure of the kind detailed above the scavenger connot do without borrowing. Summarising, one finds in the scavenger a

person who is not alive to his miserable economic plight and who instead of cutting short his expenditure in all possible direction so as to meet it from his income and cultivating habits of thrift, prudence, self-help and self reliance goes on unchecked in his prodigal's progress of imprudence and improvidence and contracts debts for unproductive purposes without thinking of the serious consequences thereof. No drastic outward changes can help him unless they are accompanied by a new spirit of self-respect and independence. There arises the problem of the indebtedness of the scavenger.

Causes of indebtedness.

The saying "once in debt always in debt" is applicable as much to the urban scavenger as to the village agriculturist. Most of the scavengers have got what may be called an ancestral debt contracted in their native village. The scavenger leaves his native village invariaby with a small burden of debt and the moment he gets into the employ of the Madras Corporation as conservancy menial, pressure comes from home to liquidate this debt due to the village money-lender and middlemen are not wanting in his own community to help him in this direction. It is said that sometimes he is obliged to spend money to obtain a job in the Corporation. He cannot think of joining a Co-operative Society immediately as he has no funds from which he could pay the necessary share capital to get himself admitted into the society. Helplessly he is driven to the necessity of resorting to the local sowcar for a small temporary accommodation of funds. This small debt assumes in course of time large proportions. The following are the purposes for which a scavenger borrows money.

1. To liquidate debts contracted in his native village.
2. To meet the expenditure of his annual visits to his native place.
3. To feed his guests that visit him more than once in a year.
4. Marriage.
5. Death and sickness.
6. Religious festivals.
7. Purchase of rights of house-scavenging and
8. Purchase of food-stuffs and provisions.

Most of the scavengers get their food-stuffs and other provisions only on credit from the local dealers and they are, therefore, also indebted to the local provision dealer but this debt is cleared in the next succeeding month for, if a scavenger does not repay a debt once contracted thus, the dealer will not agree to supply provisions again.

(To be continued.)

Conferences

NORTH ARCOT PRIMARY CO-OPERATIVE STORES' CONFERENCE.

SPEECH OF THE HON. SRI K. CHANDRAMOULI.

1. I appreciate greatly the honour which you have done to me by asking me to open the Second North Arcot District Primary Stores' Conference. It has given me an opportunity of being in the midst of Co-operators who have done so much during the last five years in assisting Government to distribute food-stuffs equitably, at a time when they were very scarce. Organised into 65 co-operative stores and one Central Co-operative Stores, you have done marvellously in this District. Your Central Stores has distributed food-stuffs and other articles exceeding one crore of rupees during the year 1946–47, while your primary stores have distributed articles to the extent of over 38 lakhs of Rupees. This is a record of which you may be justly proud and over which I should extend to you my hearty congratulations.

2. A very large proportion of the business done by your institutions, however, has been done on account of the fact that Government entrusted the distribution of controlled articles to them and in some cases, even utilised them for doing procurement work. Although controls have been removed very largely, the Government are still procuring stocks of rice and few other food-stuffs from the surplus areas of the Province as well as from outside the Province. As long as Government hold such stocks, it is their intention that co-operative societies should be used to the fullest extent possible. I am aware that, here and there, official agencies connected with food supply have not been absolutely fair to co-operative institutions in allotting quotas. In every such case that has come to my notice, I have interfered, and, I believe, interfered effectively. But I should like to draw your attention here to a totally different aspect namely that I have found many stores asking for and taking more stocks than they should. During recent months, it has been the policy of Government to build up reserve stocks, and to hold them in tact, against seasons of stress. I have observed several stores getting hold of such stocks with avidity, irrespective of the consideration that much capital would be locked up thereby resulting in oss of interest and perhaps even in loss by deterioration of stocks. I must remind co-operators that, in their anxiety to serve the public, they should not ignore the interests of their own share-holders. Co-operative stores are business institutions and not charitable organisations. If they ignore sound business principles, and make losses, these losses will even recoil on the co-operative financing banks which are the

fountain heads from which credit flows to all co-operative institutions in the Province. That is a danger which should be zealously guarded against.

3. In addition to sound business in co-operative stores, I should also urge on you the development of truly co-operative business. Primary stores will have to increase sales to members by enrolling more members. They will also have to make more purchases from the Central stores. When a free market is restored completely by the total abolition of controls, the stability of the stores' movement will depend on the degree of loyalty evinced by the members to their primaries and by the primaries to the central stores. I am aware that in the past you have been building up large share capital and huge reserves. While strength of owned capital will certainly be a bulwark of strength in a competitive market, what will really make the co-operative stores to survive in such a market is the loyalty of its members.

4. The loyalty of members to their stores is obtained without asking when the stores is the only shop where they can satisfy their needs. But when more shops are available than the stores, loyalty can be secured only if the stores can provide better stuffs than other shops, and at the same prices as other shops, if not at cheaper prices. The management of every stores will have, therefore, to develop efficiency in shop-keeping, and their staff will have to cultivate courtesy and helpfulness to the customers of the stores. Very often, I have observed that the establishment in a co-operative stores behave like bureaucrats, authoritative and impersonal. They fancy that the stores exist for them and not that they have been employed for doing the business of the stores. Indeed, Government have had recently a petition from some employees of stores to the effect that several stores societies are closing down or contracting their business and that Government should not allow this and let them be thrown out of their jobs. The remedy is entirely in the hands of these employees. If they retain its business, they retain their posts.

5. In the Welcome Address read by the President of the Central Stores, my attention has been drawn to one or two important points. The first relates to the distribution of manures and agricultural implements through co-operative societies. I am glad to inform you that Government have decided the matter favourably and that the distribution work will be entrusted very soon to co-operative societies. It hoped that in this way these articles will reach *bona-fide* agriculturists in larger numbers than at present, and that they will reach them direct from co-operative institutions of which they are members.

6. The second important matter referred to by the President concerns the levy of audit fees and sales tax. As regards the former, the

views of various co-operative institutions have been obtained and the Registrar of Co-operative Societies has also offered his views. The whole question is now under the consideration of Government, and I may assure you that due weight will be given to the representation made by societies. As regards sales tax, I should state that the general impression is that this tax is paid by the consumers and not by traders or trading institutions. If co-operative stores have been adversely affected by the tax, I should like you to indicate clearly how this is the case. I shall then give the point due consideration and see if any relief can be given.

7. Gentlemen, I shall not detain you longer. You probably have many items of practical importance to discuss at the Conference and I should not detain you longer. I thank you all for having given me the pleasure of being here this morning and I declare the Conference open.

SILVER JUBILEE CELEBRATIONS OF THE SOUTH ARCOT CO-OPERATIVE CENTRAL BANK LIMITED.

JUBILEE ADDRESS DELIVERED BY RAO BAHADUR J. C. RYAN M. A.

I am grateful to the President and the Board of Directors of the South Arcot Co-operative Central Bank Ltd for having given me the honour of delivering the Jubilee address on the occasion of the Silver Jubilee of your Bank. I am very happy to discharge this function because I was connected with the administration of the bank for over a year when I was the Deputy Registrar of Co-operative Societies in this district during 1933 and 1934. The Silver Jubilee should actually have been celebrated in 1945, when the Bank completed 25 years of its existence; but the Management of the Bank very wisely put it off till today in order to have the pleasure of conducting the celebrations in the Bank's own new building. Such a postponement brought the additional advantage of the presence of the Hon'ble Sri O. P. Ramaswami Reddiar, a citizen of this district and the first Premier of Madras in Independent India. I am sure all of us are particularly happy today to have him in our midst and also to recollect that the first Chief Minister under the Montagu-Chelmsford Reforms, the late Hon'ble Dewan Bahadur A Subbarayalu Reddiar, was one of the founders of this Bank. With one Chief Minister founding the Bank and another Premier opening its new building on the occasion of its Silver Jubilee, the future of the Bank is indeed full of promise.

2. The past history of the Bank has been related to you by the President of the Bank. It was not one of uniform progress. There was a set-back in the fortunes of the Bank during the decade ending

1939. The economic depression through which the country passed and other unfortunate circumstances affected the Bank adversely during this period, and its Board of Management had to be superseded for a time. But since then, it has developed its finances, its business methods, and its profits; so that it stands today as one of the strongest of the 30 Co-operative Financing Banks in the Province. It has built up a share capital of nearly three lakhs and a Reserve Fund of one and a quarter lakhs. With the Fund's provided by its depositors, by the Madras Provincial Co-operative Bank and by the Imperial Bank of India, it has financed the co-operative societies affiliated to it this year to the extent of Rs. 30 to 35 lakhs. The Management of the Bank deserve to be congratulated on this achievement and will carry with them the good wishes of every one of us for continued progress and increasing usefulness to the masses of this district.

3. Some of the members of the first Board of Directors of this Bank are happily with us to-day. Messrs. V. Sreenivasachariar, K. Sitarama Reddiar, M. G. Parthasarathy Mudaliar and R. Krishnaswami Iyengar who were on this Board will be experiencing a sense of exhilaration at the thought that the Bank which they helped to start, and whose affairs they conducted in its initial years, has expanded to its present dimensions, and established itself permanently in this magnificent building worthy of the high ideals with which they had helped to found it. Mr. K. Sitarama Reddiar, in particular, should be experiencing a profound sense of satisfaction at the thought that a Bank which began to function in his own house in the year 1928, when he was its secretary and treasurer, should now have a delightful abode of its own, where it could carry on much enlarged transactions, when he is its President. We shall not envy him his happiness, but shall congratulate him on it and promise him our unstinted support in the further development and progress of the Bank. We cannot forget that unlike a Joint-stock Bank, a Co-operative Bank progresses not so much by the accumulation of capital as by the increase in the number of enthusiastic workers who give it of their best. May more and more such workers join the co-operative movement in the district, add to its strength and help the Bank to reach a larger number of the masses of this district than it has so far touched.

4. For 2340 villages in this district, there are now only 636 rural credit societies. As each rural credit society serves only one village generally, about 1500 villages are still without co-operative credit societies. The total number of members in these rural credit societies is only 23,748. Assuming that each member represents a family of five they are serving only a little over a lakh of people out of a rural population of about 25 lakhs. As the Central Bank is now lending to rural credit societies at 4½ per cent and as the ryot can get his loans

from them at 6½ per cent with facilities for easy repayments, great endeavours are necessary to extend this cheap and easy credit to agriculturists of this district by organizing more rural credit societies and by strengthening existing societies.

5. During recent years, the attention of co-operators was absorbed by the consumers' co-operative societies, and all over the Province, hundreds of co-operative stores sprung up and several co-operative wholesale stores were organized for the distribution of foodstuffs. This was a natural development of the co-operative movement, because co-operation succeeds best where the need is greatest; and the need during the last five or six years was greatest in the realm of distribution of foodstuffs. Moreover, Government realized that in discharging their responsibility for distributing controlled foodstuffs equitably institutions of the people based on co-operative principles would be a better ally than the ordinary channels of trade. Public need and the expediency of the State, therefore, fostered the growth of the consumers' co-operative movement. In addition, the comparatively high prices of agricultural produce reduced the demand for credit from agriculturists. All this combined to detract the attention of co-operators from pushing forward the co-operative credit movement. Mr. W. R. S. Satthianadhan, the then Registrar of Co-operative Societies, while giving his full support for the expansion and development of the consumers' co-operative movement, stressed, repeatedly, the importance of the co-operative credit movement; reminded co-operators that co-operative credit was their 'first love', which should not be forsaken; and reiterated the fact that the progress in the non-credit side of the co-operative movement became possible only on account of the development attained by co-operative credit societies in the Province, which was responsible for the strength of the financing banks and their ability to finance non-credit societies. Yet, credit societies did not keep pace with the progress of non-credit societies.

6. There is now a move to develop credit societies by getting them to undertake non-credit activities. In some quarters, this new line of development has been mistaken for the organization of new societies called 'multi-purpose co-operative societies.' In reality, it is only the organization of non-credit activities in rural co-operative credit societies. The by-laws of every one of these societies provide for these activities. Only, these activities have not so far been undertaken in many societies for lack of workers. Three months ago, an effort was made in one of your rural credit societies at Sholavally to organize milk supply through the society. A sum of Rs. 4,000 was given to 20 members for the purchase of cows and she-buffaloes. They are now supplying over 1000 measures of milk per month to the society which purchases cow's milk

at 0-13-0 and buffaloes' milk at 0-15-0 per measure and sells it to the consumers in Nellikuppam at 0-14-0 and 1-0-0 per measure respectively. The Panchayatdar who assists in the collection and sale of milk is given 50 per cent of the margin between the purchase price and the sale price of milk in return for his services. This system of collecting and selling milk through rural credit societies is spreading in other districts too and bids fair to catch up the progress made by milk supply societies and unions which sold 70 lakhs of rupees worth of milk in the Province in 1946–47.

7. In Kurapettai, another village of your district, I attempted the organization of co-operative marketing through a rural credit society when I was here as Deputy Registrar. That society had borrowed loans from your Bank and had failed to repay it. The Bank enforced unlimited liability against the members and recovered its money in full.

In such a society, the Bank again advanced about Rs. 4,000 as loans for the cultivation of groundnuts at the rate of Rs. 25 per acre, on the condition that the members should sell the groundnuts to the marketing society at Cuddalore, which would recover the loans for the Central Bank out of the sale proceeds of the produce. The scheme was watched closely and, when the groundnuts were harvested, over Rs. 8,000 worth of produce was collected and disposed of through the marketing society. The success attained in this society gave rise to the scheme of 'Controlled Credit' which was later developed on a larger scale in the Salem district. Many rural credit societies in that district advance loans under the controlled credit scheme for the cultivation of groundnuts and cotton on the condition that the produce raised with these loans will be delivered for sale through the nearest sale society. A marketing panchayatdar of the rural credit society collects the produce during harvest and transports them to the nearest sale society. If the prices are high when the produce arrives at the sale society it is disposed of then and there by the society in a public auction or by the tender system. If the prices are low the produce is held over in the godowns of the sale society, until a favourable market is available. Each of the sale societies at Tiruchengode and Salem dispose of Rs. 5 to 10 lakhs of produce in this way every year and the process gives every ryot an increased income of 10 to 20 percent. Each marketing panchayatdar gets a small commission from the sale society for his services. During 1946–47, 602 rural credit societies in the Province worked the controlled credit scheme through 73 marketing societies. They advanced loans to the extent of Rs. 9. 32 lakhs for the cultivation of paddy, ragi, cotton, groundnut and tobacco and produce worth Rs. 24.04 lakhs were disposed of through the sale societies. These rural credit societies are examples of societies which combined marketing activities with the issue of loans. They functioned as multi-purpose societies without calling themselves multi-purpose societies.

8. In many districts, rural credit societies have also undertaken the distribution of controlled commodities in addition to distributing credit to their members. Controlled articles like rice, wheat, pulses, kerosene, etc., were purchased by these societies from the co-operative wholesale stores of the district upto the extent of their paid up share capital and reserve fund and sold in the village. During the year 1946—47, 802 rural credit societies and 68 other forms of credit societies distributed controlled articles and other commodities to the value of Rs. 130 lakhs in the Province.

9. There is now a scheme before Government to utilise rural co-operative credit societies for providing agriculturists with decent houses in villages. Strong rural credit societies with plenty of share capital and reserve fund will be selected for the purpose. They will secure house sites from Government or from pattadars free of cost or for a price paid out of their own funds. On these sites, they will construct 12 to 50 houses valued at about Rs. 3,000 each on behalf of such members as will pay 1/5 of the value of the house, in advance, within an appointed date. The funds for this purpose will be provided by Government in the form of loans in accordance with the Rules governing State loans to Co-operative Building Societies. When the houses are completed, each member will occupy the house as the tenant of the society and pay a rent to the society which will amortise the loan taken from Government in a period of 20 years. When the cost of the site is also paid off by the member, the society will transfer the title of the house to the tenant. It is hoped that Government will finance this scheme of Rural Housing with Rs. 2½ Crores over a period of two years. There are already applications for the construction of houses in villages under this scheme from the districts of Nellore and North Arcot, and I hope, South Arcot will also avail itself of the scheme in a large measure.

10. Gentlemen, I have indicated to you the directions in which rural credit societies are transforming themselves into multi-purpose co-operative societies by taking an additional functions like co-operative milk supply, co-operative marketing, co-operative distribution of food-stuffs and even co-operative housing.

This line of development has been recommended by the All India Planning Committee on Co-operation and accepted by the XV Conference of Registrars of Co-operative Societies held in Madras last year. It has also been blessed by the Provincial Co-operative Conference which was held at Madras on the 12th and 13th of September 1947 under the chairmanship of the Hon. Sri K. Chandramouli, Minister for Co-operation. But to accelerate its progress and to secure solid results, it will not do to be tied, as in the past, to the principle of honorary work. If we want progress, we must pay the workers. I have already indicated

how the milk panchayatdar is paid 50 per cent of the margin between the purchase price and the sale price of milk. I have also indicated how the marketing panchayatdar is given a commission on the volume of marketing business he does. The stores business done by rural credit societies is a success where full-timed employees are appointed; and the housing schemes involve during the period of construction of houses much accounting and supervision of construction work which ought to be paid for. While the money for all these expenses should come from the societies themselves, the money for initiating and supervising all these activities should, in my opinion, come from Government. The All-India Planning Committee on Co-operation recommended that the working expenses of running a rural credit society as a multi-purpose society should be borne by Government to the extent of 50 per cent of the total cost for a period of five years and that the expenses for supervision should also be borne by Government. This recommendation was also supported by the XV Conference of Registrars of Co-operative societies held at Madras last May. But looking at the degree of progress attained by Co-operative instituions in this Proivince, and giving due consideration to the financial resources of the Province the Provincal Co-operative Conference held at Madras on the 13th and 14th September was content to recommend that Government might subsidise Co-operative Central Banks only for strengthening their supervisory staff to the extent of reducing the charge of each supervisor from about 25 societies per supervisor to about 15 societies per supervisor. The total cost to Government in this behalf works out to about Rs. 2½ lakhs per annum. The recommendation is under the consideration of Government. I hope that the Hon'ble the Premier will sanction this expenditure as a gift to the Co-operative Movement on the occasion of the Silver Jubilee Celebrations of the Central Bank of his district. When this sanction arrives, your Central Bank will have, not one supervisor looking after 25 societies, but one supervisor looking after 15 societies. This will help greatly not only in increasing the volume of credit given by rural credit societies to agriculturists of this district but also in converting hundreds of these societies into multi-purpose societies which will assist every agriculturist not only to buy the articles he needs from his co-operative society but also to sell through his co-operative society the articles he produces as well as to build houses for himself to live in comfort and happiness.

THE XI WEST GODAVARI DISTRICT CO-OPERATIVE CONFERENCE, RELANGI. 2-5-1948.

The XI West Godavari District Co-operative Conference was held at Relangi at the decorated pandal attached to the Board High School building.

The Deputy Speaker of the Legislative Assembly Srimathi Ammannaraja, unfurled the Co-operative Flag. In her speech she stressed the importance of the flag.

The Chairmen of the Reception Committee Dr. Sattiraju Venkatarao welcomed the delegates. The co-operative movement he said was started in the initial stages by persons with laudable aims. But later, it was run more to administer Government enactments. In so doing the movement forfeited the confidence of the people. An administrative machinery rather than a movement gathering the people under its banner was the aim persued by the officers of the department. Dr. Venkatarao, traced the manner in which producers-cum-consumers societies were inaugarated by Mr. Prakasam. The societies are today capable of being made useful to agriculturists. Rural banks scheme was launched and one of best rural Banks is thriving in this District. The policy of the Government about the weavers' societies is such that the future of the societies of handloom weavers is dark. The present Government favours development of the interests of cotton mills to the detriment of co-operative.

The Government spends huge amounts on co-operatives. This expenditure is contributing to strengthen individualistic as opposed to co-operative aims. The Chairmen of the reception committee pleaded for a wide propagation of co-operative principles, for a thorough revision of the Co-operative Societies Act and Rules; for encouraging initiative of the people. He pleaded for enectments to restrict and control private money lending; for exempting co-operatives from all taxes and for a consistant application of co-operative principles and for better treatment of the non-official co-operative employees and urged the need to give a fair wage ensure reasonable conditions of service.

The Ex-speaker of the Provincial Legislative Assembly Sri B. Sambamurthi in opening the conference spoke about the development and achievements of co-operatives in western countries and stressed the advisability of copying those principles in our country. He commanded the Gandhian principles of peace and democracy. He run on right lines, he said that co-operatives can usher in an era of bread for the millions. He condemned the policy of the department that militates against the development of co-operatives and wanted a consistent application of co-operative principles of democracy.

Sri T. Prakasam, who was received with ovation, spoke about the way the producer-cum-consumer co-operative societies were treated at

the hands of the Ministry now in power. He was opposed to the directions of the movement from the top by the department. He urged that popular initiative from below should be fostered and said that he had much greater respect for co-operative workers, who worked for rural uplift based on people's democracy and activity than for those who merely talked politics and did nothing to eliminate poverty and destitution.

He spoke about the formation of the Andhra Province. Pandit Nehru, he said, viewed the problem with sympathy. He asked the audience to be patient and he hoped that the formation of the Andhra Province would become a reality ere long.

Messrs. Narasimhadevara Satyanarayana and K. Krishna Rao spoke about the co-operative movement. The former spoke about the attitude of the A.I.C.C. towards the co-operative movement. He stressed the need for the formation of multi-purpose societies. Sri K. Krishna Rao explained the hostile attitude evinced by the department for the development of the consumers' movement. He pleaded for wide popular initiative and the full and consistent application of the four basic principles of co-operation, *viz.*, open membership, democratic control, elimination of profit motive and co-operative education. He wanted the co-operatives to absorb the entire population of the villages and more particularly the poorer sections and work for the elimination of poverty and destitution. He urged for the development of co-operative business and for ensuring security of service and fair conditions of service for non-official co-operative employees. Resolutions on problems effecting the movement were passed. The conference passed condolence resolutions about the death of Mahatma Gandhi and the late Ramadas Pantulu, V. V. Srinivasa Sastri, Sardar D. Narayana Raju, and of other co-operators whose death was a blow to the movement in the district.

A series of resolutions were passed. It was resolved that the Government be requested to reduce the powers of the department to be confined only to registration of societies. The power of audit, inspection, supervision, etc, are to be transferred to Provincial and District Co-operative Councils. Registration of by-laws and amendments thereof should be done in the manner decided by General Assemblies of Co-operatives. The various taxes and levies imposed by the department on co-operatives as also the sales tax imposed should be cancelled and full exemption should be given to co-operatives. The cost of the departmental staff engaged in Land Mortgage Bank work should be borne by the Government and the present system of recovering this from the Land Mortgage Bank should be given up. The system of nominating directors of building societies and other co-operatives, the conference opined, militated against the fundamentals of co-operation and the

Government was requested to give up this system, cancel the nominations already made and throw open these places for elections. The system of dumping departmental men as administrative heads of co-operatives was condemned. The Government was requested to withdraw such departmental men from co-operative institutions. The action for the department in usurping the functions of the Central Banks, *viz.* oganisation, supervision, educations and training was viewed with, dissatisfaction. The Government was requested to see that such usurpation is given up and direct the department to hand over these functions to the Central Banks in conformity with the objects by-law of Central Banks. It was further resolved that the work of the Deputy Registrars effecting co-operative societies in the district should be under the guidance and advice of the Central Banks. The Deputy Registrar should, the conference resolved, submit the tour programmes and reports to the Registrar of Co-operative Societies only through the Central Banks. The levy of sales tax on products of weavers' co-operative societies newly imposed from 1-1-1948 should be cancelled. The distribution of yarn, the conference urged, should be entrusted to weavers' co operative societies.

The organisation of District Co-operative Federations was urged. The re-organisation of the Provincial Co-operative Union and the language federations so that they can fulfil the tasks and duties expected of them was urged in a resolution of the conference. The conference opined that these bodies as they exist today lacked vitality needed to guide and direct the movement.

The system of restricting relative places in co-operative federal organisations to certain societies classified as A, B, C, D, for the purpose of audit was characterised as introducing caste system in co-operatives and it was resolved that the system be given up.

The Provincial and district co-operative councils, the conference urged, should be entrusted with the function of co-operative audit. The audit is to be carried on through the non-officials co-operative services, for which purpose the service of non-official co-operative employees engaged in inspection, supervision and audit should be provincialised.

The system of organising separate societies for Harijans the conference opined, would be detrimental to the growth of co-operative spirit. The conference urged that the societies for the depressed class should be merged with the caste societies in villages.

The Government was requested to introduce compulsory education, immediately in the whole province, to create necessary preconditions for the success of the movement.

It was resolved that the Provincial and District Co-operative Banks should have on their Boards of Management only representatives of

societies and that the individual share-holders of these Banks should be removed from membership and their share capital refunded. It was further resolved that the system of providing representation for depositors on the directorate should be removed.

It was felt that the conditions attached to grant of loans by Land Mortgage Banks for land improvement were so impracticable that the conditions operate to make loans for land improvement a very exceptional feature.

It was urged by the conference that Land Mortgage Banks should be permitted to utilise a portion of their Reserve Fund for the construction of their buildings.

In the case of employees co-operative societies, it was urged that the delegates from such societies to co-operative meetings and conferences should be permitted to attend these meetings on full salary and un-conditionally.

It was represented that the Ellore Municipal Commissioner was violating provision of G.O. facilitating recovery through pay sheets of loans due by members to the Municipal Employees Co-operative Society of Ellore. The Conference condemned the unhelpful and anti Governmental attitude of the Commissioner and resolved to address the Government to see that the said officer executes G.Os. on the subjects.

The Registrar was requested to send to all societies model by-laws framed under rule ii (u, u) under the co-operative societies act to ensure security of service and reasonable conditions of service with a view to ensure that by-laws of all societies employing paid staff contain provisions to regulate service conditions of non-official co-operative employees.

The societies in Bhimavaram Taluk of the District are affiliated to Kistna Co-operative Central Bank, instead of to the West Godavari District Co-operative Central Bank. The conference urged that a referendum be arranged among members of all societies in the Bhimavaram Taluk on the issue of their societies continuing to be affiliated to the Kistna Bank or whether they should be affiliated to the West Godavari Bank. It was further resolved to suggest that the decision should be arrived at by means of secret ballot.

The conference appointed a standing committee consisting of—

Messrs.

Sri K. Krishna Rao, B.A.
,, S. Venkatarao.
,, M. Purushotham.
,, T. Suryanarayana.
,, M. Ramakrishna Reddi.

With a power co-opt not more than five more members to take action on the various resolutions passed by the conference to convene district co-operative conferences and taluk co-operative conferences, where necessary to concert measures to suggest amendments to the act, rules and by-laws, with a view to see that the movement develop on democratic lines.

With a vote of thanks proposed by Dr. M. Purushotham to the distinguished President of the conference the proceedings came to a close.

T. U. C. S. Day.

SPEECH BY RAO SAHEB S. PALANIAPPA MUDALIAR.

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2. I understand that the Madhavapuram Branch was the third to be started in the Mylapore area and that this is the 20th year of its working. It is gratifying to note that yours is one of the important branches of the T.U.C.S. with 368 members on its rolls of whom 3 are women, catering to the needs of the area covering North-Mylapore, the bulk of whose inhabitants represent salaried lower-middle classes and wage-earners, who, more than any other class of people, stand to benefit immensely from consumers' stores. Your branch ranks about the 14th in point of membership among other branches and I am sure that it should be easily possible for this branch to increase its membership considerably, nay even double or treble it and reach the 1000th mark within a very short time. I sincerely hope that the appeal for membership—both men and women—that you have made in your annual report, will bear fruition and that by the time you celebrate yonr next Branch Day, you will have reached this target. With an energetic director and an enthusiastic set of panchayatdars like the present team that you are having, this should not be a difficult goal to achieve. The monthly average sales of your branch during the first four months of the calendar year 1948, amount to about Rs. 13,500 and have recorded an increase over the previous year, testifying to the increasing utility of the branch to the public. From the point of sales turnover your branch occupies about the 10th to 14th rank among the branches of the T.U.C.S. Its total sales during the period January to April 1948 constituted about 11 per cent of the sales turnover of all the branches put together and about 7½ per cent of the total sales including the depots and piece goods section. It is, however, a matter for some disappointment that though there are about 380 members in the branch, only about 150 are eligible to vote. This means that about 60 per cent of the members of this branch make purchases for less than Rs. 50 for every half year. I sincerely trust that the management will take effective and appropriate steps to ensure a greater degree of loyalty on the part of its members and to increase the sales considerably and vie in friendly competition with other well-established branches such as Chepauk, Triplicane, Mylapore, Thyagarayanagar etc., for the rank of honour both in point of membership and business. It is pleasing to learn that your branch has to its credit leading personalities who have played a notable role in the history of the T. U. C. S. I understand that our veteran co-operator, Sri Rao Bahadur S. K. Yegnanarayana Iyer, the present Managing Director of the T. U. C. S. originally hailed from this branch and was its representative on the Board of Management from 1929 to 1934. Your branch is singularly fortunate in having Sri T. Balasundara Mudaliar, your representative on the Board of Management of the T. U. C. S from

1934. Your branch had also the honour of having its representative as the President of the T. U. C. S. during the last 3 years. This is indeed a record of notable contribution to the parent institution of which any branch can legitimately be proud. I sincerely hope that in the coming years this branch can claim equally notable personalities as their members who can guide the destinies not only of the branch out of the parent institution in worthy manner.

3. The T. U. C. S. the premier consumers' stores in the provinces, nay in the whole of India, has set in illustrious example in evolving a system of catering to the needs of an extensive city like Madras through a net work of branches and depots. The succesful way in which the branches are working and the enthusiasm exhibited by the local members in celebrating ths "Branch Day" clearly indicate that the present line of development of the T. U. C. S. namely one big institution with several branches is more suited for big cities like Madras, than, small, independant stores working in isolated prrts of the city. Your system of branch organisation offers the greatest advantages when the goods are in regular demand, are capable of being standardised and are suitable for bulk-handling. Groceries and provisions possess these qualities to a high degree. It is claimed on behalf ot this system that shortage of stock in any one branch can be remedied by transfer of stocks from the nearby branch at short notice, that a speedy turnover is attained which results in lower cost of management, that each branch is an advertisement for the other branches of the institution. Further each branch is assured of a central direction of a policy, uniform prices and is in a better position to withstand competition. The disadvantages of having a centralised executive far removed from the place of business is remedied by the constitution of local panchayats who advise the Head Office in matters pertaining to the administration of the branch. I think that the recent decision of the general body of the T. U. C. S. voting for the retention of the present constitution was a wise one. I should think that small, isolated, independant stores have no future and that if many of the stores in the moffusil, particularly those in our country-side, are to survive, they should follow your line of organisation and re-organise themselves into sturdy branches of a strong and well developed stores at the headquarters of a taluk. In this process of reorganisation, I am sure that the moffusil stores will be guided by the experience of the T. U. C S in the system of branch organisation and develop into 'multiple shops' or 'chain stores' as are functioning successfully in the West. What is visualised is that bigger stores in important centres should function like the T.U C S. with a number of branches or chain stores serving over a radius of 3 to 5 miles Otherwise, I am afraid that a considerable number of our rural primary stores which are functioning as autonomous or independant entities cannot continue to thrive under a competetive system of trade.

4. The achievements of the consumers' movement in the province during the last 8 years have been phenomenal. We had only about 200 retail stores with 34,4^0 members and a paid up share capital of Rs. 3.2 lakhs at the end of the co-operative year 1939-40. Their annual sales turn-over hardly exceeded Rs. 35 lakhs. But, to-day we have nearly 750 primary stores with a membership of 5.5 lakhs and a paid-up share capital of nearly a crore of rupees. Their monthly sales turn-over exceeds a crore of rupees and their annual sales during the last co-operative year 1946-47 was Rs. 18.15 crores. Apart from this remarkable progress, stores societies have rendered a most praiseworthy and splendid piece of service in the midst of the trying conditions of the last quinquennium. Their achievement in the field of food procurement and distribution including rations have already become a matter of history and it is unnecessary for me to recapituate the part they played in checking profiteering, in putting down black marketing and hoarding, in stabilising prices and in the equitable distribution of essential and scarce commodities to the best of their abilities subject to the limitations under which they worked. Government also recognised that co-operative organisations which are composed of public spirited men and which are amenable to official guidance, were the most suitable agencies for the effective procurement and distribution of foodstuffs and other commodities and encouraged and utilised this agency in carrying out their food policy. Your own institution, the T.U.C.S., played a gallant role during the crisis of 1942 and the valiant stand put up in the critical years by the institution and its noble band of workers will be written in letters of gold when the history of the war comes to be written. It has played an equally important part since then in the system of food distribution in Madras City and its monthly sales exceeded Rs. 6 lakhs. Yes, gentlemen, our past is inspiring and glorious.

5. Now, let me turn to the future. We have almost left behind the era of controlled trade and the little vestiges of rationing and control that we have at present are sure to go away sooner than later. Normal trade will once more reign supreme. Of official patronage and quotas, there will hardly be any trace. The ordinary laws of economics will begin freely to operate. How do these factors affect the consumers' movement? It is admitted on all hands that the process of de-ration and de-control will result in the shrinkage of business of consumers societies. This is already in evidence as may be seen from the fact that the transactions of primary stores during the first 3 months of 1948 amounted to Rs. 375 lakhs, while the transaction for the corresponding period in 1947 was Rs. 421 lakhs. Indeed, this fall was anticipated. No one need feel sorry for the return of normal trade conditions. However justifiable and even necessary controls were during the years of the war, there is no gain-saying the fact that controlled trade was at best an unnatural system, creating artificial scarcities, bamperjng production by restricting the profit-motive and giving rise to a series of social evils such as profiteering, hoarding, black-marketing, etc., that characterised the trade during the last few years. I think most persons including consumers welcome the return of normol conditions. We, co-operators, too, should welcome normal conditions, because they alone will provide the normal atmosphere for our institutions to thrive and enable us to weed out the weaker ones which had a sheltered existence under the protective wings of licenses, quotas, and ration cards. If the consumers' movement is to develop into a sturdy, well-developed and well-organised system capable of giving the utmost satisfaction to consumers, they have successfully to face competitive forces and establish their superiority to the system of private trade, and prove their survival value by withstanding normal trade competition. It is inevitable that in the changed conditions of today, many of the weaker stores that had a superficial existence will go to the wall, but one need not be unduly concerned over their fate; because they sprang into existence at the behest of the public to fulfil a specific purpose and having performed their services, they fade away leaving behind the fragrance of a sweet memory of service rendered in the midst of trying conditions. What we should be more concerned about is the future of stores that have a survival value. There are still a good many stores which, if properly re-organised and re-planned, can serve the public as efficiently in future as they did in the past. It is up to us to capitalise the war-given gains and make the co-operative stores a permanent feature of the normal distributive system. If the public consider that co-operative trading is far superior to private trade and continue to patronise the consumers' societies, then competition or no competition, stores are bound to continue to succeed. If they should so shape their business methods and policy as to suit the return of normal and competitive trade conditions, there need be no anxiety over their future. Again as I said earlier, a system of a strong stores at the headquarters of the taluk with a number of depots or branches in the moffusil may be attempted to carry the benefit of consumers' co-operation to the villages I am sure that nothing will be wanting on the part of co-operators not only to conserve and stabilise wisely the progress already registered but also to plan and steer the expansion of the movement in the future with vision, courage and in a spirit of public service.

6. I do not think that it will be out of place if I digress for a while, and indicate in broad outlines the steps that are necessary to make consumers stores an integral part of the system of trade in the province. It is, no doubt, a familiar theme; but it is important enough to bear repetition. We are living today in a world that is torn between two conflicting ideals—large scale private enterprise and capitalism on the one hand and state socialism and schemes of nationalisation on the other. I am sure that you are aware of the merits and demerits of the two systems and I need hardly spend any time discoursing on the subject. What I would like to impress is

that the advantages and disadvantages of the rival systems are no longer of academic interest for us. With August 15th, 1947, we achieved political independence and today our country is free to decide its economic policies and programmes without dictates by any foreign country. Hence in the present-day conditions, the choice between the two alternatives has become a matter of vital importance to millions of the inhabitants of this vast country. As a half-way house between capitalism and State socialism and as a *via media* policy between the two radically opposite notions, the idea of a Co-operative Common Wealth has been mooted in some quarters and has received support from all those who have the well-being of the masses at heart. No doubt, there is much to commend the suggestion of a Co-operative Common Wealth which will reconcile private enterprise to planned economy and subordinate the profit motive to the ideal of service and the good of the largest number. Co-operative order of things, Co-operative ways of doing business, co-operative way of living-in short, the ideal of co-operative has a distinctive role to play in the order of things to evolve. It is a great ideal which, as practical men, we should admit, cannot be attained in a day. But with the attainment of political independence, progress towards that ideal should be quickened and we shuld be failing in our duty if we do not accelerate its pace and promote economic independence in the wake of political independence. Much of social and economic unrest in evidence in many parts of the country, the unhappy clash between the capital and the labour, sharp differences between large scale employers and employees between land lords and tenants all these are symptomatic of the basic problems confronting men and women all over the world. The idea of a Co-operative Common Wealth would seem to indicate a promising line of approach to solve this admittedly difficult problem. whatever may be the ultimate choice, no one can deny that the Co-operative order of things have a bright future in this free country of ours. As observed by the Hon'ble Dr. Rajendra Prasad, " the Co-operative Movement will provide the best solution for many of our problems. Co-operation is primarily a poor man's is organisation. It fits in with an economy in which the small cultivator is the central figure. As an individual the cultivator is weak and cannot hope to stand up against the gigantic forces that lead to his exploitation. Through co-operation he acqires strength. At the same time the co-operative method affords sufficient freedom to the individual, unlike extreme forms of planned state control in which the individual is perhaps better housed and better fed and clothed, but is drilled into a uniformity that cannot but ultimately stunt his stature as a human being. There is an element of democratic freedom inherent in co-operation and this freedom has to be prized above all things. The freedom of the individual, however, has to be used for the benefit of the community of which he is a part, and it is this healthy compromise between discipline and freedom that is embodied in the co-operative method " all for

each and each for all" one cannot think of a more wholesome philosophy for a country of self-reliant cultivators living in communities small enough for one person to know another, and willing to pool their resources and create social and economic unity and strength. The various organisations in the co-operative movement have to be conceived and created in this combined spirit of advantage to one's self and benefit to others. Without the background of this ideology, individual institutions will lose much of their significance."

7. It is against this background that I would like co-operators to view the future of the consumers' movement and endeavour to carve for it an abiding place in the scheme of things to come. The consumers' movement unlike other types of co-operative organisations, which are concerned with particular classes of people in particular regions, carries a universal appeal to all persons as all of them are consumers and co-operative stores may be regarded as organisations having the whole society for their membership. The movement, I need hardly say, is of particular interest to women since it enables them to make substantial savings in domestic expenses. Women, more than the men, are in a better position to determine the quality of articles, verify the price of the goods required for the house. etc. Special effort should be made to encourage women to join the consumers' societies. The first step in the direction of expanding co-operative trading is the building up of a loyal body of customers who will stick to the institution through thick and thin. Sales to non-members is a temporary phase and is likely to be stopped as soon as the last remnants of control are scrapped. Then, you will have to rely only on your members; and hence the paramount need for building up membership and share capital. So long as customers are attached to stores by the registration of ration-cards, you are assured of a steady clientele which puts up with all kinds of inconveniences such as inferior quality, high prices, indifferent salesmanship and even uncivil service. But, when once rationing goes away, it is but natural that the purchaser will patronise the shop where he is welcomed most, is assured of good quality, reasonable prices and a fair deal and above all is treated civilly and made to feel that he is a patron of the business. That is human nature and it can't be changed. Our stores will, therefore, have to re-organise their methods of salesmanship and service so as to attract the custom of an ever increasing number of purchasers. Another line of development will be to increase the number of branches so as to provide a network of sole agencies in all important parts of a city or town. The T. U. C. S. has already 30 depots opened during the war period in addition to its 37 normal branches. I hope that in due course each depot will be converted into a full-pledged branch. Stores in the muffusil towns can open out depots or branches in rural areas where small stores previously functioned and in new centres after neccessary investigations and develop a system of " multiple shops". A third important

step will be to enlarge the range of the trade or consumer services so as to deal in all varieties of goods having a large demand and embrace all the normal requirements of the customer, giving him the benefit of purchasing all his requirements under one roof. Trade in foodgrains and groceries alone will not do. Other departments of business such as cloth, crockery, and utensils, drugs and medicines, stationery, confectionary, toilet, miscellaneous consumers' goods, etc., will enhance the utility of co-operative stores and attract a larger nnmber of customers. Stores may act as agents for Government products, soaps, honey, shark-liver oil, etc. In semi-urban and rural areas, they may undertake the sale of such articles as buckets, ropes, ploughs, manure and other agricultural requisites, Processing of goods is another useful line of expansion. The T.U.C S has already undertaken some activities in this direction such as the crushing of oil from gingelly seeds, manufacture of coffee powder, betel-nut powder, etc. Actual manufacture of articles may also be undertaken by muffasil stores (both wholesale and primaries) depending on the raw-material available in their respective districts. There is a vast scope for the expansion of this kind of activity which ensures purity of the commodities supplied to customers at the same time providing increased margin to the stores. I venture to go further and suggest that a big urban stores like the T.U.C.S. or District Central Stores may even consider the desirability of taking up agricultural production for the purpose of distribution. Consumers stores in Western countries are owning extensive coffee, tea and rubber estates to secure their own supplies of these commodities. Large capital is required for reclaiming cultivable waste lands and it is generally beyond the means of individuals to invest such large capital. But a strong institution like the T. U. C. S. and Central Co-operative Wholesale Stores which can afford the initial outlay may take up such schemes of land colonisation or reclamation and assist the Government in increasing the production of food-crops, by bringing more lands under plough. Increased agricultural production is the crying need of the hour, and any effort that is likely to further the Grow More Food Campaign is worth exploring. Again, there are a number of cottage industries products including handloom goods manufactured on a co-operative basis, and consumers stores can effect a link with weavers societies and other industrial co-operatives and serve as their show rooms and sales emporiums of their products. Likewise they can bring about a greater and closer co-ordination with agricultural marketing societies, fruit growers' societies, milk supply societies, jaggery manufacturing societies etc., and establish a buyer-seller relationship between consumers' organisations and producers' organisations to the mutual advantage of both. If, in, addition to the above, stores societies contact trade centres within and outside the province and make bulk purchases at the proper season from production and market centres and organise an up-to-date system of market intelligence, improve their method of storage and ware-housing, they will

go a long way to ensure their stability in the years to come. As far as the T.U.C.S. is concerned, it is a well-established institution which has elecited appreciation not only in India but outside also as a successful consumers' co-operative and I have every hope that it will so further organise, plan and develop its business in the future years that it will maintain its position as a premier institution in India and show what co-operation can do in the socialisation of the service of distribution.

8. I should now like to refer to an important aspect of co-operation in which consumer-store can play as important a role as any other co-operative society. Perhaps, this aspect has not received as much attention as it should. I refer to the thrift aspect. Promotion of thrift is an object common to all forms of co-operative societies and is one of the cardinal principles of self help. Every consumer-store inherently promotes thrift and economy on the part of the members by insisting on cash purchases which checks any tendency towards waste or extravagence. Bonus on purchases is another form of compulsory savings but these by themselves will not suffice. I would like to see a more active association of consumer organisations in the promotion of thrift among the members. I would urge an active thrift campaign to be launched in every branch by inducing the members to open trade deposit or savings accounts with their branches. We have a net-work of consumers' organisations in this Province and they can encourage a system of small savings among their members to be utilised for specific and useful objects such as social ceremonies, festive occasion, purchase of agricultural requisites, etc. In this connection, I may tell you tbat Government have decided to introduce Prohibition in the Madras City with effect from 2nd October, 1948 on which day the whole Province will become dry. Here is a splendid opportunity to initiate schemes of savings and thrift among persons who are now addicted to drink. Co-operative societies in the districts are already playing a useful role in the thrift campaign in prohibition districts and I am sure that when prohibition comes to Madras the T.U.C.S. will not lag behind others in undertaking thrift schemes among the members and particularly the ex-addicts.

9. I shall be failing in my duty if I do not take this opportunity to make an appeal to the members and panchayat of this branch and through them all the members of the T.U.C.S. as well as the public to give their full support and co-operation in working out successfully the scheme of prohibition when it is introduced in the city of Madras in October next. Prohibition was a cause which was most dear to the heart of the late lamented Mahatma Gandhi, the Father of the Indian Nation. It is an experiment in social reform of far reaching importance. It is a human experiment, the object of which is to promote the uplift of the masses. Any such programme has necessarily to include the eradication of the drink evil which is responsible for the unhappiness in many homes especially among the poorer classes. Thanks to the teaching of the various religions

which have taken root in our country, drinking of intoxicants is generally regarded as a sin. It saps the physical energy of the drinker, clouds his senses, depraves his nature and reduces him to the level of a beast. He has no respect for his neighbour and besides himself becoming a physical wreck, he sadly neglets his family and other immediate responsibilities. It is to save the families of a large section of our people who suffer endless miseries on account of the drink evil that Mahatma Gandhi inaugurated a campaign for prohibition. The Congress is wedded to this policy from its earliest days.

Pandit Jawarhalal Nehru has repeatedly said that the true wealth of a nation depends upon its manhood and womanhood even more than its material resources. Ours is one of the poorest countries in the world and the standard of living of the masses is miserably low. Many factors have contributed to reducing our splendid manhood to its present low state. It is universally recognised that the drink habit is widespread among the people and that those who drink spend such a large part of their wages on drink, as they have less than the absolute minimum necessary for a healthy physical existence. India has gained political independence. But, if she is to take her rightful place in the family of nations by virtue of her population and the traditions which she has inherited not only from her past but also from Mahatma Gandhi, we have to do everything that we can to raise the economic, social and moral level of the masses. This can be done not only by increasing their earning capacity—a matter which is seriously engaging the attention of the State, but also by eliminating all wasteful expenditure so that their earnings are utilised to the best advantage to promote their well-being. It is considered that no single measure of reform can help the masses and raise their social and economic level to the same extent as total prohibition can.

The introduction of prohibition involves a loss of nearly Rs. 17 crores of rupees to the Madras Government. They are nevertheless prepared to forego this revenue for the reason that the introduction of this reform will save millions of our people from starvation, misery and debt and help them to lead a life of peace and prosperity in happy surroundings and they are convinced that this policy will ultimately enrich the wealth of our province. In October 1946, prohibition was introduced in the eight districts of North Arcot, Salem, Coimbatore, Chittoor, Kurnool, Cuddapah, Bellary and Anantapur. It was extended to eight more districts on the 1st of October 1947 *viz.*, Guntur, Nellore, Madura, Trichinopoly, Tanjore, The Nilgiris, Malabar and South Kanara. Two-third of the Madras Province have thus become dry. The programme of the Madras Government is to complete the introduction of prohibition all over the province by October 1948. Of all provinces, the Madras Government have taken the lead in implementing the scheme of prohibition as one of the foremost schemes for the amelioration of the people of this province. In a recent message on the occasion of

the Madras Budget in the Legislature in March last to the Hon'ble Minister for Finance, whom we have the privilege of having in our midst to-day, H. E. Sri C. Rajagopalachari, Governor of West Bengal and Governor-General designate of the Indian Union congratulated the Madras Government on the extension of prohibition throughout the province and observed as follows :—

"It makes me feel a sense of achievement when you have extended prohibition to the whole of the province. I hope the people and especially the *de-facto* leaders of men in the rural areas will co-operate with officials and make this great reform the Kamadhenu, it can be.........I convey to you and to your Premier my grateful appreciation of courage and enterprise shown in completing the edifice of prohibition in Madras which was my dream. You have by this raised a great memorial for Mahatma Gandhi."

The enforcement of prohibition involves the changing of the habits of large section of the people. For its success propaganda and ameliorative work among the ex-addicts are as important as detection and prevention of crime and the punishment of the offenders under the Prohibition Law. With this object in view, Government have introduced various ameliorative measures in the districts, in which prohibition has been introduced. In a message to the Hon'ble Minister for Prohibition on the eve of the introduction of Prohibition to eight more districts in October 1947, Mahatma Gandhi enquired as follows :—" Are you following up the law by doing instructive and educative work I pointed out the other day in the columns of Harijan ?" In the *Harijan* under the caption "Prohibition of Intoxicants," Mahatma had referred to the measures which the Madras Government have adopted such as the opening of refreshment stalls, organising games and counter attractions, etc. Sri C. Rajagopalachari stressed the same point of view in his recent message to the Hon'ble Minister for Finance referred to. In the course of that message, H. E. has said "we should immediately devise effective measures for a widespread savings bank movement and for a programme of joy in rural and industrial areas to replace the undoubted physician consolation that drink had hitherto been given to the miserable. Without this total prohibition would become a dead-sea-fruit however great the enterprise might have been."

The introduction of prohibition is not for its own sake but to promote the well being of the poorer classes. It is not a mere negative programme of abolishing the drink evil. It is a positive programme of reconstruction of rural life. Simultaneously with the introduction of prohibition, thrift campaign should be launched and full use made of the occasion for organising rural uplift work. It aims at building up a more healthy and prosperous society of men and women of the land. It therefore behoves one and all of us to do our mite and make the cause of prohibition a great success. One of the greatest monuments that could be ever raised to the memory of Mahatma Gandhi is to the work of prohibition succesfully. And it is the fundamental duty of every citizen to co-operate with the Government and make this reform a complete success.

10. I shall now indicate the part which the T. U. C. S. and its several branches can play in the scheme of prohibition when it is introduced in the Madras city and I have no doubt that the T. U. C. S. will rise equal to the occasion and interest itself in this sacred reform in a manner worthy of its past traditions and the esteem it commands among the general public. First, the T. U. C. S. and the several branches can participate in the celebrations connected with the inauguration of prohibition in the city of Madras on the 2nd of October 1948 in a fitting manner worthy of a premier institution like the T. U. C. S. by holding meetings at several places, and arranging for distribution of free drinks and harmless drinks and eatables out of common good fund or out of public subscriptions that may be raised for the purpose. Secondly, the T. U. C. S. can interest itself in various ameliorative measures connected with prohibition. The most important item of ameliorative work is the provision of substitutes for drink. Refreshment stalls serving drinks like tea, coffee, butter milk, etc., with snacks provide effective substitutes for the tavern and toddy shop. The T. U. C. S. can play an important role in this field. Branches which are located in areas inhabited by persons addicted to drink can open hygienic and neat refreshments stalls and sell harmless drinks and eatables to ex-addicts as well as the general public. The T. U. C. S. can run a mobile canteen and supply tea and coffee and eatables at fair prices to the public particularly for the poorer classes and in areas where there may be a large number of ex-addicts.

Secondly, the branches should be well stocked not only with food grains and groceries but other eatables and processed food, cloth, etc., because the families of ex-addicts will then have more money to spend on food and clothing. Branches and depots working in *Kuppams*, and cheries should begin their plan of work even now so that by October next they may be in a position effectively to cater to all the needs of the ex-addicts and their families. Thirdly, I would like that each branch and depot of the T. U. C. S. should function not only as a shop serving their customers but also develop into community centres, to which the members may resort for recreation purposes. No doubt, this is an ideal; but it is worth striving after. Already some of the branches including your branch have reading rooms attached to them where the members come and read news papers and magazines. This is a step in the right direction and should be further developed. In addition to a reading room, you can have a library stocked with useful books of topical interest. A radio will be a really useful adjunct and will provide pastime to members in the evenings. A small park and a play ground for children will, of course, be ideal, if they can

be secured. The members of each branch should regard their branch as a place of social intercourse besides a centre of shopping. The importance of the branches functioning as community centres is very great in areas which are inhabited by persons addicted to drink. The branch can provide the most effective counter-attraction to drink by providing indoor games, music, adult literary class, etc., and effectively assist the ameliorative work carried on among the ex-addicts.

If the T. U. C. S. and its branches widen their sphere of activities and undertake such additional responsibilities as are calculated to promote the uplift of the masses, particularly the down-trodden backward classes given to drink, I am sure Government will render you all possible assistance in the furtherance of your programme. By functioning as shop-keeper, alone, you cannot claim a preferential treatment or apply for other forms of assistance not ordinarily admissible to the private trader. But if you reorganise your branches into centres of social welfare, certainly you will have greater claim for assistance by Government. We are indeed fortunate in having in our midst the Hon'ble Mr. B Gopala Reddy, Minister for Finance, on this occasion and I am sure that any request from the T. U. C. S for grants or subvention for the construction of building to serve as a shop as well as a community centre, particularly for backward communities or for the equipment of the library and the reading room or for the purchase of radio will receive his most sympathetic consideration. It is a pity however that the Madhavaram branch has as yet no building of its on. I understand that negtiations are afoot for the purchase of a suitable building for the branch. I hope that these efforts will soon materialise and that you will have a decent building not only to locate your shop but also to provide the social recreations I have referred to. And I hope I will not be wrong when I say that the Madhavaram branch may be the first branch of the T. U. C. S. to approach Government for a free grant in the matter of acquiring building for its use as a community centre.

Thirdly, as I said earlier, the T. U. C. S. and its branches can participate in the thrift campaign and try to encourage the members of its branches to save as much as possible through the system of trade deposits or small savings account.

Fourthly, you can establish contact with various producers' co-operatives formed for the benefit of ex-tappers and ex addicts in the prohibition districts and establish trade relationship with them to the mutual advantage of both. With the introduction of prohibition in the 16 districts, 398 palmyrah and 31 cocoanut jaggery manufacturing co-operative societies have been formed with about 31,200 members and they have produced jaggery to the extent of about 6,76,685 maunds worth Rs. 22.31 lakhs. Central and primary co-operative stores in the prohibition districts purchase the jaggery produce by the ex-tappers. In Madura, for instance, the co-operative wholesale stores bid in auction and purchase large quantities of palmyrah jaggery. Likewise, in Malabar, jaggery is sold in some cases through the local co-operative stores. I suggest that you may contact these institutions and arrange for the marketing of the jaggery produced by the societies in the district. Besides jaggery manufacturing societies, cottage industries societies have been for the benefit of the ex-tappers and ex-addicts, for such industries as leather goods in Trichinopoly and Cuddappah districts, woollen carpets in Salem, mat-weaving in Cuddappah, Bellary and Tanjore, etc., and the products of these societies could be arranged to be sold by you. You will be incidentally helping the tappers who have been thrown out of their work consequent on the introduction of prohibition in the districts.

11. Gentlemen I have taken much of your time and I do not wish to detain you any further. Your branch has in a good record of 20 years of useful service. It has a still greater future and is am convinced that this branch will play a worthy role in the history of the T. U C. S. As I said, at the beginning, the good working of a branch is an advertisement for the whole institution. Unfortunately, the converse is also true, the bad working of a single branch can damage the head office a well as the other branches. Thus a great responsibility rests on the branches They have not only to safeguard their working but also safeguard the fair name of the other branches and the reputation of the institution as a whole. The indiscreet behaviour of a salesman, a single instance of unfair price being charged, an occasional lapse on the part of the employee in your branch may bring untold harm on branches working in T'nagar or Ayyanavaram. I am sure that the Madhavaram branch will never give room for any such complaint. Another important matter in which the branch can assist the head office is by keeping the latter informed of the trend of price levels in the locality, the demand for goods, local tastes, and preferences, etc. The branches are the eyes and ears of the head office for their respective localities. I see from the very interesting report on the working of your branch which has been read, that the branch is keenly alive to the needs of the consumers, and has various suggestions to make in order to extend its sphere of usefulness to the public. You have suggested seasonal purchase of articles like dholl, tamarind at wholesale prices from the place of production and the installation of two expellers, one for gingelly and another for groundnut oil. You have also suggested that the T.U.C S. might arrange for the sale of stationery, grocery electric bulbs, cloth, vegetables, coconuts, etc. Another suggestion is the appointment of additional staff to ensure speedy supplies of materials to the branches and the opening of godowns at different places in the City to stock rice with a view to economise the cost of transport. I welcome these suggestions and commend them for favourable consideration by the management of the T. U. C S. Judged by your past achievements and present enthusiasm, the future of the branch is full of promise. I have the least doubt that the Madhavaram branch will play a very prominent role in the distributive system in North Mylapore and come to occupy a coveted place of honour among the several branches of the T. U C S. May Providence grant your leaders foresight, wisdom and courage to carry on the noble work that they have been doing and to buildwith the hearty and loyal co-operation of the members of the branch an enduring edifice of consumers' co-operation in the locality, which will redound to the credit of not only the T. U. C. S. but of the consumers' movement as a whole in the province

Consumers' Co-operation

REVIEW FOR APRIL

BY THE REGISTRAR OF CO-OPERATIVE SOCIETIES, MADRAS.

Co-operative Wholesale Stores

Membership and share capital.—As on 30-4-1948, the total number of members was 10,691 and the paid up share capital amounted to Rs. 34,53 lakhs as against Rs. 34.54 lakhs in the previous month. It is observed that there is a slight fall ih the share capitai position. Efforts should be made by the co-operative wholesale stores to strengthen their shrre capital in order to stabilise their position and it should on no account be allowed to decrease. The Co-operative wholesaie Stores should realise this and devote particular attention to raise the share capital. The Deputy Registrars are also requested to advise the co-operative wholesale stores accordingly.

The owned capital of the Co-operative Wholesale Stores was Rs. 50-69 lakhs, comprising share capital of Rs. 34.53 lakhs and Reserve fund of Rs. 16.16 lakhs. The total borrowed capital amounted to Rs. 188.20 lakhs of which Rs. 176.14 lakhs represented loans and cash credit from the Central Banks and the balance of Rs.12.06 lakhs from others. Thus the total working capital as on 30-4-1948 was Rs. 238.89 lakhs as against Rs. 226.80 lakhs in the previous month.

Business.—The total purckases and sales of the co-operative wholesale stores during the month under review were Rs.94.31 lakhs and Rs. 80.68 lakhs respectively as against Rs. 97.74 lakhs and Rs. 80.51 lakhs respectively in the previous month. The purchases and sales in the month of February 1948 were Rs. 128.59 lakhs and Rs. 92.45 lakhs respectively. The transactions of the co-operative wholesale stores are going down when compared to the progress shown in the months of February and March The fall in purchases during the month under review was in respect of the co-operative wholesale stores at Cuddalore, Bellary, Chengleput Chittoor, Guntur, Ootacamaund, Trichinopoly Vizagapatam. The Co-operative whole sale stores should make serious attempts at developing the business in non-food lines in new directions as already suggested and prevent shrinkage in the volume of trade. Unless this is done promptly the position may become worse for the co-operative wholesale stores. They should shake off their complacency in the matter and take effective steps to develop the business in other lines to compensate loss of business in foodgrains.

Sales to Primaries.—Sales should be classified properly under the 3 heads *viz* ; (1) sales to Primaries (2) sales through retail depots and (3) sales to private merchants and others. This has not been done properly by the Chinglepnt co-operative Wholesale Stores. The Bellary Co-operative Central Stores has neglected the classification and it has only mentioned the net amount of sale during the month. All Co-operative wholesale stores are requested to mention their sales to primaries, depots and merchants separately in their returns in future. The Deputy Registrars also wil palease see to this. Then only can the co-ordination bet ween the Co operative Wholesale Stores and Primaries be watched. It is observed that Rs. 33 65 lakhs represent sales to premaries (as far as classification has been made) out of the total sales of Rs. 80.63 lakhs which works out to 41 per sent. This is not up to the mark and has to be improved considerably. It is obvious that Deputy Registrars have not taken any tamgible steps for better co-ordination between the co-operative wholesale stores and Primaries in their transactions and development of business. The special staff and the departmental officers working in the co-operative wholesale stores should take special interest in this and show better progress in future.

Primary Co-operative Stores.

Membership and share capital :—Their were 1752 stores societies with a membership of 5.68 lakhs and a paid up share capital of Rs. 100.90 lakhs as against Rs. 5 51 lakhs and 97.89 lakhs in the previous month The total working capital on 30-4-1948 was Rs 200 6 lakhs as against Rs. 195.77 lakhs in the previous month. Out of 41 stores in Bellary district the Deputy Registrar reports that 30 stores have not submitted their returns This is rather strange. It is clear that the Deputy Registrarhas not taken steps to get the returns in time from the primary stores. Teere are similar cases in North Arcot, Cuddapah, and in some other districts in which the Deputy Registrars report that the returns from some of the stores were not received. It is not known why these Deputy Registrars allow such a large number of stores to default. They should, in futur exercise stricter control over the stores in this respect and get the returns from all the stores in time. Previous month's figures have to be adopted on case of defaulting stores to avoid huge discrepancies in figures. In spite of such instructions the Deputy Registrars are sending incomplete returns. This should stop.

Business :—During the month under review, the total purchases and sales of primaries were Rs. 98.83 lakhs and Rs 116.38 lakhs as against Rs. 111.37 lakhs and Rs 118.32 lakhs respectively in the previous month. The Deputy Registrars and the special staff should take special interest to develop the business of the stores in non-food lines by broadbasing their trade on the lines suggested by the Registrar in his various circulars.

Special Consumer Activities.

Handloom and Mill-made cloth :—The total purchases and sales were only Rs. 2.87 lakhs and Rs. 5.15 lakhs as against Rs. 3 12 lakhs and 8 67 lakhs in the previous month. They were Rs. 6.19 and 10.93 lakhs respectively in the month of February, 1948. It is seen that the business is fast declining and that an efforts have been made by the Co-operative wholesale

stores to obtain cloth supplics from the Mill and Importers. The Co operative wholesale Stores should have been able to secure adequate supplies since control over cloth has been relaxed. The special staff should look to this and show a substantial progress in future. The distribution of mill cloth through fair price shops run by Co-operative Stores is under consideration and when this materialises, it is hoped that the position would considerably improve

Consumer goods :—The total purchases under this head amounted to Rs. 1.87 lakhs and Rs. 2.11 lakhs as against Rs. 11.14 lakhs and 1.69 lakhs on the previous month. This is very poor. Some Deputy Registrars for instance, the Deputy Registrars at Vellore and Vizagapatam have left the column blank in respect of purchases and sales in consumer goods in respect of primary stores. It cannot be that the primary stores are not dcaling in consumer goods at all. It is obvious that the Deputy Registrars have not taken steps to get the necessary information from the primary stores and furnish the correct figures. They are requested to get all the necessary particulars in respect of purchases and sales in regard to cloth, consumer goods, processed food stuffs, agricultural implements and bakelite articles ete , as refund and examine the figures whether they are classified properly before submitting the return to the Registrar. Unless this is done, the progress of primary stores in their business in non-food lines cannot be judged correctly.

Processed Food stuffs :—It is gratifying to note that the total purchases and sales amounted to Rs. 14,946 and Rs. 19,736 as against Rs. 476 and Rs. 1,071 respectively in the previous month. The increase in this respect has mainly been contributed by the Stores societies in Coimbatore district their purchases and sales under this head being Rs. 12,756 and 13,321 respectively. Efforts should be made by the stores in other districts also to improve this business.

Agricultural implements :—The purchases and sales were Rs. 85 and Rs. 1,496 under this head. Only the stores in the districts of South Kanara, Madura and Salem have made business in this line. Volume of business done has gone down to a considerable extent when compared with that of the previous month It is not known why Ramnad district (whose purchases and sales in the previous month were Rs. 79,149 and Rs. 42,726 respectively) does not find a place in the list this time. The special staff have repeatedly been asked to advise all the stores to take up this line of business but nothing tangible is being done. It is obvIous that the special staff are not taking effective steps to develop this business in stores. This slackness on the part of the special staff should this sternly checked by the Deputy Registrars.

General :—On the whole, the progress made by the co-operative wholesale stores and the primaries during the month is not up to the mark. All stores should be strongly advised to implement the suggestions made in the Registrar s Circular Rc. 2262/47 3.1 dated 9-2-1947 and the special staff should see that stores societies take effective steps to broadbase their trade and develop the business on an all-round basis. The Deputy Registras should closely watch the work turned out by the special staff and show better progress in future. They should not hesitate to take stern disciplinary action against the special staff who may be slack or fail to carry out the instructions of the Deputy Registrars in the matter.

Circular.

No. Rc. 12854/48. V. I *Dated 15th May 48.*

In the Government Order first cited, members of the scheduled classes who are members of co-operative Societies including land mortgage Banks were exempted from payment of fees for the registration of documents and for obtaining encumbrance Certificates in respect of applications for loans on the security of immovable property. To ensure that only members of scheduled classes get the benefit, instructions were issued in the Registrar s Circular cited as item (2) above regarding the procedure to be followed in claiming the exemptions. According to this, the application for the exemption followed by a certificate from the secretary of the society concerned to the effect that the member on whose behalf application is made is a member of the scheduled class, has to be sent to the Registration Department through the local Deputy Registrars. The period upto which the concession is to be inforce has been extended from time to time and according to the G. O. cited as item (5) above, it will be in force till 31-3-39

2. It is now represented that the procedure of sending applications through the local Deputy Registrars involves some delay and to obviate this it has been suggested that the applications might be certified by the Secretary or the President of the society concerned with the societys seal affixed thereto and presented to the Registration Department direct. The Inspector General of Registration who was consulted in the matter writes to say that he has no objection to the above procedure. In modification of the Registrar s Circular second cited, the procedure indicated in this paragraph may be followed by the societies in future. The Registrar trusts that the office bearers of the societies will follow this procedure carefully as any abuse of the conession will constitute and in offence under Section 52 (a) of the Madras Co-operative Societies Act VI of 1932

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The General Secretary,

The Madras Provincial Co-operative Union,

Esplanade, Madras.