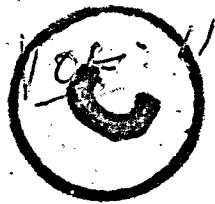


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THE MADRAS JOURNAL OF CO-OPERATION

Among "others" the suggestions to train the public in austerity, to nationalise the basic industries and to stop further issue of currency formed the main suggestions. The Bureau has also published what it chooses to call some of the high lights from the comments which deserve perusal.

"The delay due to red-tapism should be avoided in meeting out rigorous punishments to profiteers." "Laws must be promulgated to enable Government to freeze all available stocks in the market at any time when required, giving adequate reason for their impartial action."

"A dealer found to be creating artificial high prices should not be allowed to remain open to do business."

"Want of transport is holding us up at present. Linking up major markets with a system of well-built roads will be the most important asset of Government both from the civil and military point of view. This work should receive priority over all others like the urgency of war-time measures."

"It is mainly in the hands of individuals to for bear buying anything unless absolutely necessary. This, I know, is hard to enforce because most people, even the humble workers, have more money to spend today than they had in pre-war days."

"Use more transport, and for local purposes, use some of the ex-army trucks or lorries that are still lying rotting in various dumps through India."

"Government should abolish the intermediary system and arrange to purchase the consumers' goods directly from the manufacturers or producers."

"Government have to strengthen and harness their investigation machinery for the detection of all sources of supply."

What has been summarised and reproduced above is what the citizens of Bombay think and what they have to say. While one cannot assert with any certainty the Bombay citizens reflect in a greater degree the public opinion in the country, there is no denying the fact one finds himself bewildered by the rising prices and has no other alternative to offer but controls. "More production" is no doubt the ultimate panacea. But production is governed by many factors and unless conditions favourable are created more production will be a cry in the wilderness. But to depend on controls alone for ever without making strenuous efforts to improve production is to cut the nose to spite the face. More emphasis should be laid on

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production, be it food or cloth, and every inducement should be offered for the purpose.

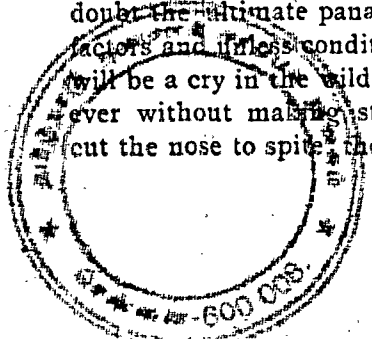
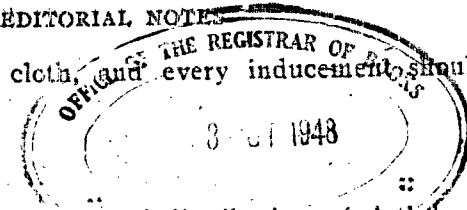
Cloth Control :

The introduction of control of distribution of cloth has once again afforded an opportunity to the co-operatives to serve the community. It is learnt that the first consignment of mill cloth from the mills will be made over to the wholesale stores and the Triplicane Urban Co-operative Society, for sale to the public. While the Triplicane Urban Co-operative Society will use its branches and depots for the purpose, the wholesale stores will employ the primary stores for sale to the consumers. As regards further consignments a maximum of 50 per cent of the quota allowed for this province would be reserved for distribution through the co-operative stores and that they would be allowed 12½ per cent margin of profit over the ex-mill price to be shared equally between the wholesale stores and the primary stores and that in addition the wholesale stores will be allowed to charge transport and handling charges. It is gratifying to learn that in the co-operatives the Government have found an agency which can be trusted to undertake equitable distribution. We have no doubt the co-operatives will rise equal to the occasion and conduct their transactions in a manner worthy of the trust reposed in them by the Government. It is needless to point out the co-operatives will practically act as fair price shops indirectly checking the rapacity of the ordinary channels wherever it exists. Though rationing has not been introduced, it is hoped the co-operatives will frame regulations to regulate sales only to the needy and deserving and of quantities absolutely necessary. As handloom cloth is not affected by the Control Order, it is hoped those who can afford will go in for handloom cloth leaving the mill-cloth to the much needed poorer classes who can never hope to buy handloom cloth.

Yard Distribution :

It is a matter of common knowledge that but for the active steps taken by the Madras Provincial Handloom Weavers' Co-operative Society in arranging for the distribution of yarn to weavers' co-operatives during the period of last control, the weaver members of co-operatives would have suffered considerably. The experience gained in this task of equitable distribution of yarn to co-operatives is to be utilised for the larger purpose of distribution of yarn to all

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weavers, members and non-members of co-operatives. This additional responsibility undertaken has thrown a great burden on the Society which we trust it will bear and discharge the responsibility with credit and justify the trust reposed in it by Government. We are informed that the Society asked for monopoly of distribution for a period of six months and that the Government have agreed to entrust the work only for three months. The task undertaken is stupendous and needs great vigilance in distribution. The affiliated co-operatives may not all be equal to the task. The Society should be prepared to make alternative arrangements for distribution lest the weavers may be put to unnecessary hardships. We wish well for the Society in the great work it has undertaken and hope it will survive the ordeal and come out unscathed. It should be prepared for much ill-informed criticism also and bear it patiently rectifying mistakes wherever they exist.

Bombay Housing Programme:

As we pointed out in our last issue, Bombay is forging ahead in her housing programmes. Only the other day the Hon'ble Minister for Labour and Housing announced in a press interview that the Government of Bombay hopes not only to expedite but also to expand its housing programme, making a total outlay of between Rs. 7 and Rs. 8 crores in one year, if the request to the Centre for a loan of Rs. 4 crores is favourably considered. It has been estimated that 4,00,000 tenements are required to satisfy the immediate housing needs of the four industrial areas in the Province—Bombay, Ahmedabad, Sholapur and Hubli, not to speak of the housing needs of other cities like Poona. The programme of the Government envisaged the construction of 1,25,000 tenements in a period of five years and that of these 15,000 were to be put up by the Government. As part of the post-war reconstruction programme a provision of Rs. 4 crores spread over five years has been made and to supplement this a loan of Rs. 4 crores has been asked for. We are greatly struck by the optimism of the Hon'ble Mr. Nanda, when he announced that the present housing programme would be scrapped in favour of a more ambitious one as he was confident of securing building materials fast enough to complete the programme far in advance of the five-year period. How we wish the Government of Madras also launches a similar programme of house construction without still continuing to consider the recommendations of the Provincial Housing Committee. What is necessary is well-concerted

action to produce quick results. Housing shortage has been acute for some time and there appears to be no prospect of improved supply of accommodation.

Consumers' Co-operatives:

The growth of the Consumers' Movement in the Province has been phenomenal. Even though controls have been removed and the favoured treatment the consumers' co-operatives received is no longer available to a large extent, the Movement has not happily shown any decided signs of retrogression as will be evident from the monthly official reviews we have been almost regularly publishing. As already mentioned, the choice of consumers' co-operatives for the purpose of distributing mill-cloth will give greater fillip to its strength. It is gratifying the example of Madras is to be followed in the United Provinces. But the set-up is slightly different in that members attached to a shop run by the society will elect delegates to represent them in the General Body of the Society. We give below the scheme of the United Provinces.

"Membership of these co-operatives will be open not only to the rationed population but to others as well residing within the operational field of a society in case it is able to cater for their essential requirements.

In areas where the public is interested in forming such co-operative societies officers of the Co-operative Department will give all possible help by way of advice and guidance.

A primary Consumers' Co-operative Society will be formed in each sub-area (of the rationing department) which will cover a population of 10,000 to 20,000. Each such society will control from five to ten shops and each shop will cater for the requirements of 200 to 500 families.

The following are some of the rules guiding the constitution of the Co-operatives.

- (i) Members of families attached to a shop will elect delegates to represent them in the General Body of the Society.
- (ii) Delegates representing members attached to various shops located in the area of operation of the primary society will constitute the General Body of that society and will elect a Board of Management.

In order to secure uniformity in the functioning of these consumers' co-operatives throughout the province the Government has framed model by-laws."

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The Government of the United Provinces have advised people to organise consumers' co-operative societies which will have the full support of the Government and to whom will be entrusted the work of distributing all essential commodities including cloth.

Scavengers and Co-operation :

We have published the second part of the Report dealing with the economic condition of scavengers compiled as a result of a survey specially carried out some years ago. As we stated in introducing the survey, there has been no appreciable change in the lot of the scavengers and facts mentioned in the Report exist even to-day. The main part of Harijan welfare should be the economic uplift and it is hoped the Government and the public will spare no efforts to tackle the problem of indebtedness among the scavengers.

Resettlement :

We are glad to publish elsewhere accounts of two societies for ex-service men sponsored by the Re-settlement Directorate. The results may not be imposing; but these attempts to rehabilitate those who gave their all during the War form part of a moral obligation while incidentally it solves the problem of unemployment.

Co-operative audit :

The need to separate audit from administration has received universal support. But it is contended that at the top the control may be vested in the Registrar of Co-operative Societies, constituting the department into two distinct branches. We understand this subject received the careful and anxious consideration of the Reorganisation and Retrenchment Committee appointed by the Government of Madras which seems to have obtained every available expert advice on the question. We do not want to anticipate the recommendation of the Committee. Whatever that may be, we have no doubt co-operators will be interested to read what the *Indian Co-operative Review* wrote as far back as June 1938. It was then edited by the veteran co-operator the late Mr. V. Ramdas Pantulu. The views then expressed merit every consideration even to-day.

If we are to have a voluntary and autonomous Audit Federation, it must be on a provincial scale and it is best associated with the Provincial Co-operative Union or Institute, which may pool the audit fees levied on all societies in the Province, appoint a graded and competent staff to audit the various classes of societies, big and small; not only to audit but to

offer every advice on the lines of Continental co-operative auditors, who themselves educate or work in harmony with the Educational advisers of the Union. This is, perhaps, crying for the moon just at present, when all non-official enthusiasm has been chilled by the depression and its disastrous consequences.

It is natural that in such an atmosphere audit by a purely or thinly veiled, official agency must dominate. Apart from the loss of democratic ideals which co-operation is expected to foster, there are other grave defects associated with Government audit. Recruitment of co-operative staff, in recent years in particular, has not been made on grounds of general efficiency proficiency in auditing work, but on communal and other or irrelevant considerations. A Government Inspector is expected to be a jack of all trades in turns or even simultaneously. Not only the work of supervision but even administration is often combined with the work of audit. Independent of audit is impossible where the auditor is but a petty clerk subordinate to the district Co-operative official who is in a way responsible for the proper conduct of societies in the district. There are now a number of big societies and even financing banks in administrative charge of co-operative officials, specially lent by the Department. Departmental loyalty is sure to stand in the way of a frank and full exposure of defects in the working of such institutions. We have personally come across cases where obvious and glaring defects in the working of financing banks have not been brought to light by departmental auditors.

If the investing public and the members of societies themselves still have more faith in Government audit than in any other, it is time the Government audit staff is divorced from the administrative staff and something like the system of audit of Local Bodies by an independent Government staff is set up. The recruits should be fully trained in Co-operative theory and practice as well as in the technique of audit, so as to be of some service in setting right and improving the affairs of societies in an advisory capacity. The scale of fees prescribed should have regard to the time and labour involved in audit and to the ability of the societies to pay, which does not depend merely on their turn over. A separate department or section presided over by a Chief Auditor or Auditor General of Co-operative Societies is certainly preferable to the existing anomalies of Audit.

A Personal Explanation:

The editorial note in the June issue of the *Journal* dealing with the principle of honorary work has given cause for misunderstanding. A letter on the subject has also been published under correspondence. If the note is read in the context of Mr. Ryan's speech, there is nothing to find fault with. The valued correspondent himself sees nothing wrong to remunerate sincere workers and retaining their valuable services instead of losing them. Mr. Ryan quoted in his speech instances to prove that if we want progress we must pay the workers and how the commission given to the milk panchayatdar and the marketing panchayatdar had secured solid results. There is nothing inherently wrong to receive payment either as honorarium or salary for good service done. The fact that a person receives remuneration for work done does not in any way lessen the value of services rendered. Those who can afford to render service without payment are welcome to do so and all honour to them. But it will be conceded the work in all co-operatives is day by day becoming complex and onerous and the need for payment for work done is increasingly felt, to secure the attention the work demands. Even members of legislature are paid salaries and the receipt of salaries has in no way affected their reputation. Nor has it been considered derogatory to their self-respect patriotism and self sacrifice. On the other hand the salaries have enabled them to devote more time and attention to public work. It is time we cease to be sentimental and face facts however unpleasant they may be. What is more important is work done, be it honorary or paid. There is much practical wisdom in Mr. Ryan's observation that 'to accelerate 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 regret very much the above views are not shared by the Executive Committee of the Madras Provincial Co-operative Union who wish to dissociate themselves. Personally I still feel these views are correct and before long they are bound to receive general recognition. In the absence of clearly expressed views of the Executive Committee on most topics, the position of the Editor is extremely difficult for he has often to take a line of his own which may or may not be relished by some prominent members who had different views and feel aggrieved as it has happened in the present instance. The less said the better for things are what they are and it is the part of wisdom to take note of them.

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.)

(Continued from June 1948 issue.)

Nature of Indebtedness.

(a) *Surety Debt.*—The scavengers are indebted only to local indigenous money-lenders. Not a single instance is noticed where a scavenger is indebted to a Marvari (Gujarathi Sowcar) a Pathan or a Mullanee. The reason is that the latter class of money-lenders do not ordinarily lend money except on the security of some tangible property. The scavenger owning no property which he could offer as security for the debts he wants to contract, approaches a local money-lender through some of the latter's agents. Lately, however, the Pathan money-lenders are also reported to be entering the field. Enquiries show that some of the scavengers residing in other areas of the City are borrowing small sums of money from the Pathan money-lenders. It appears that these money-lenders do not lend more than Rs. 40 to an individual.

It is of interest to note that the agents of the money-lenders are themselves scavengers. These agents, it is said, get some commission from the money-lenders as well as from the borrowers for the transactions effected through them. In some cases, the remuneration given by the money-lender to the agent is in the shape of a lenient treatment towards the latter in regard to the repayment of loans or instalment of loans taken by him. In one case the agent is reported to have been paid a monthly remuneration by the money-lenders. The latter also make strenuous attempts to see that their agents get into the directorate of the Co-operative Society so that they can see to the admission of all the persons indebted to them into the society and get loans sanctioned to them; the amounts of which can be passed on easily to their hands. It is reliably stated that in the last election of directors of the society the Reddies who do a predominant portion of money lending business in the Choolai area financed liberally one Chenchala Venkatigadu

who is at present one of the directors of the society and worked vigorously for his return to the directorate.

The money-lender is careful to obtain the security of 2 or 3 personal sureties for every loan given by him and gets a pronote executed therefor. The borrower or the sureties are seldom aware of the actual contents of the document executed for the debt. Mention has been made already of the rank illiteracy of the scavengers. This together with their habit of drink is cleverly exploited by the money lender to his advantage and it is widely complained that the loan amount mentioned in the pronote will invariably be far above the actual sum lent to the scavenger. Even in the rate of interest there is a difference between what is actually expressed to the borrowers and what is mentioned in the pronote. Ordinarily the rate of interest collected by the money-lender is 2 annas per rupee per month. The money-lenders after lending money effect regular collections from the scavengers by presenting themselves at the conservancy depots on pay days and knocking away from their borrowers what little that they get as their wages for the month. Instances are reported where some scavengers do not go to their homes for one or two days after they have received their pay for the fear of the money-lenders. The money-lender does not give any receipt for the collections he now and then makes even when demanded nor does he render proper accounts even orally. It appears that he would only say in a stentorial voice that collection-effected were appropriated to the interest dues outstanding in the loan. After some months the borrower is told that there are large interest arrears due in his loan and he is asked to execute a fresh pronote for a higher sum which includes the interest arrears due on the loan plus the original amount lent with fresh sureties wherever possible. He has neither the knowledge of the real meaning of the bond nor has he the power to check the illegitimate addition to his debt. The old pronote is not cancelled and returned to the borrower. Harrowing tales are told of harassment and coercion of borrowers who try to evade their monthly repayments to the money-lenders. The money-lender and his agent try to catch hold of the defaulter in the early morning hours at his residence, remove him to a place in their own residence, keep him the whole day in the place without giving him food or shelter intimidating him with physical punishments all the time. The borrower loses his pay and his food for the day. In the evening his dependents scenting his absence from duty and his detention in the house of the money-lender helplessly run to his rescue and by

furnishing one or two good sureties afresh and executing a fresh bond, obtain his release. Once a borrower gets into the clutches of the money-lender it is hardly possible for him to get out of them at any time, for the money-lender is ever forging fresh fetters on his legs. So far, about the debt incurred by the scavenger on the security of personal sureties.

(b) *Mortgage debt.*—Coming to the mortgage debt of the scavenger one comes across almost a similar set of facts noticed in the case of surety debts. It was only in the days before the introduction of flush-out latrines in the City when the scavenger was commanding a decent income through house scavenging, that he was in possession of surplus funds which he utilised together with borrowed funds for constructing dwelling houses. The houses that are now occupied by the scavengers in Govindapuram and Angalamman Koil hutting ground areas were mostly constructed only in this period. In almost all the cases of house construction, a scavenger was not in possession of all the funds that were necessary therefor. Any amount required over and above that which he had, he borrowed from the local money-lender on the security of the house and a mortgage deed was then executed and registered in the Sub-Registrar's Office nearby. Enquiries show that even in the case of documents registered in the Sub Registrar's office the actual contents thereof were scarcely expressed or made known to the borrower. Even the rate of interest mentioned in the deed was not divulged. The rate of interest collected by the money-lender on the mortgage debt is reported to be 2 or 3 per cent per month. In course of time the interest due on the mortgage loan accumulates and the scavenger finds himself unable to clear the interest arrears. Pressure comes from the money-lender who calls upon the debtor to execute a fresh mortgage deed for an amount which is equal to the interest arrears plus the amount of principal noted in the previous deed. This time it is usufructuary mortgage that is effected. The debtor-owner of the house becomes at once a tenant of the money lender and begins to pay monthly rent to the latter. In the course of the enquiry, scarcely was a scavenger able to state the amount borrowed by him from the money-lender, the circumstances under which it was borrowed and the purpose and the rate of interest in regard to his mortgage debt. They make it appear that they were all invariably defrauded from start to finish by the money lender and his agent or agents.

Even in the case of mortgage debt it is reported that receipts are not issued to the debtor for the monies paid by him on account of the loan, nor is he furnished accounts regarding the appropriation of the payments made by him or of the present outstanding in his loan or interest arrears. It is said that all the payments made by the debtor in the case of a usufructuary mortgage debt are treated as rent due by him. In one or two cases the scavengers produced account note-books wherein entries reported to have been made by the creditor specifying the date and the amount of collection made were seen. These collections are appropriated to rent dues. Nothing is known of the amount due in the mortgage debt under interest or principal. Thus the scavenger leads his life in his long bondage to the local money-lender never thinking for a moment of his utter destruction or any means of delivery therefrom.

Debt contracted for the purchase of house—Scavenging rights.

The scavenger gets into indebtedness in another manner also and thereby reduces himself to the position of a serf all through his life. A peculiar feature observed in the business of house-scavenging is the prevalence of a kind of monopoly which reminds one of the medieval times. The monopoly commences in the following manner. A scavenger who first procures a house scavenging job in a street, spreads his business in course of time and does scavenging for a number of houses in the locality. He thus comes to enjoy a monopoly of house scavenging in that particular area with the result that other scavengers find it difficult to get any house scavenging business in that locality. As house scavenging is a source of supplementary income to a scavenger he is anxious to get some business at all costs and goaded by this anxiety approaches the monopolist and agrees to abide by the terms that may be dictated by the latter. The monopolist then sells his right of house-scavenging in respect of some houses in return for a decent sum of money. Thus he puts his brother-scavenger to the necessity of borrowing money in order to purchase from him the right of house scavenging. Sometimes the right of house-scavenging is not sold by the monopolist but leased out for a definite sum to be paid monthly to him by the lessee. By entering into a lease of this kind the scavenger only courts a list of slavery which it becomes difficult to shake off at any subsequent time, for, if he fails to pay the lease amount any month he becomes a perpetual debtor to the monopolist. Though there is no legal sanction for all these malpractices, yet, for want of a

questioning spirit on the part of the scavenger these practices acquire the force of convention or law in the society of the scavengers and they dare not disobey them. No scavenger can attempt to do house-scavenging in a house where it is being done already by another even if the house owner is willing for a change. The whole monopoly possesses the rigidity of an age long social custom and passes from father to son as a matter of hereditary right.

Remedies.

(a) *Co-operative movement—the only agency of uplift—* Having regard to the economic condition of the scavenger detailed above, his drinking habit, his imprudence and improvident expenditure and chronic indebtedness, drastic steps have to be taken to ensure him a decent living and to relieve him from indebtedness to the usurious money-lenders and the consequent servitude. The co-operative society, though it has failed so far to play its legitimate role of bettering the economic condition of its members, is still the only agency through which any improvement in the economic condition of the scavengers could be brought about and their redemption from age-long debts worked out. The present co-operative society it should be stated is not the result of any conscious endeavour of the scavengers to better their economic condition. It is an institution whose significance they cannot understand, and whose potentialities they are not able to appreciate. It was superimposed upon them and it has led its dreary existence of dealing out credit in season and out of season for all imaginary purposes without even touching the fringe of the problem of their indebtedness. It has only contributed indirectly to the perpetuation of their indebtedness to the professional money-lenders. A mere credit society with the management vested in an elected directorate is an institution ill suited to deal with the problem of the indebtedness of the scavenger. In fact, its very democratic management has wrought considerable mischief all these years and it is fraught with immense danger in the future.

(b) *Relief of outside indebtedness.*—The first step to be taken in the direction of reform is to prepare a programme of relief of the outside indebtedness of the scavenger. The amount involved in the surety debt of an individual scavenger who runs a family will not be more than Rs. 150. The society can without difficulty commend the necessary finance to take over his burden of debt. Provision

can also be made for taking over the mortgage debt of the scavengers. But the question is not so simple; it bristles with difficulties. It is not so much the redemption of outside debt that is the point to be considered as a relapse into it which should be provided against. No amount of persuasive propaganda will bring home to the scavenger the evil consequences of a relapse into indebtedness. It is not my intention to belittle the importance of propaganda. But the fact that propaganda in the case of scavengers has not yielded the expected results cannot be lost sight of. It appears, therefore, necessary that it should be laid down by the Corporation as one of its service conditions that if, after the outside debt of the scavenger is discharged by the co-operative society, he again contracts debts outside the society, his services in the Corporation will be terminated. The Corporation owes duty to the public and to the scavenger community that this menace of indebtedness and poverty among its employees should be tackled by it and that proper steps are taken for preventing these menials from being dragged again into the mire of indebtedness to the professional money-lenders. It is a blot on the municipal administration of the City that this question, which affects so much the economic welfare and prosperity of its menials, has not received the amount of attention that it demands.

(c) *Welfare Work.*—Another service condition which the Corporation will have to stipulate is that they should not go to any person or institution other than the co-operative society functioning for them for any financial aid. It is necessary also that the present democratic character of the management of the society should be suspended until such time that members receive sufficient education and get a spirit of enquiry so as to exercise intelligently the powers vested in them as members of a co-operative society. An educated, intelligent, and critical electorate is necessary for the successful working of a democracy. Without this precedent democracy only degenerates into an exploitation of the many by a few. At present the members are simply tools in the hands of unscrupulous persons who are more often friends of money lenders than of themselves and who make use of their influence to get into the directorate of the society. A committee of management consisting of the heads of the departments of the Corporation in which the members of the society are employed has to function in the interregnum during which the present elected Board of Directors of the Society will stand superseded. The appointment of a Welfare Officer by the Corporation is a measure which is long overdue. The Welfare

Officer will be the *ex-officio* President of the society and as he will be in charge of the affairs of the co-operative society, he must possess a working knowledge of corporation. Welfare work among the scavengers is a crying need and it can best be attended to through the medium of the co-operative society. What lines this Welfare work among the scavenger should follow is explained in the succeeding paras.

(d) *A Multi-purpose Society.*—If the Co-operative Society is to be really useful to its constituents it should be what is called a *multi-purpose society* and take over the financing of the entire economic needs of the scavenger. For instance after redeeming his outside indebtedness it should undertake to supply food and clothing required by him. The funds necessary to meet his urgent and ceremonial expenses should also be provided for him. Here comes the question of the necessity of watching the utilisation of the funds borrowed by the scavenger.

(e) *Utilization of loans given by the Co-operative Society.*—Having regard to the extravagance of the scavenger on ceremonial occasions it is necessary that the utilisation of the loans taken by him should be watched. This work will have to be attended to by the welfare staff of the Corporation proposed to be inaugurated. Again a schedule has to be prepared in advance where in the amount which is barely necessary for the conduct of the ceremony will be fixed after proper enquiry. The scavenger should not be allowed to spend more than the amount fixed in the schedule. In this respect the society will work on the lines of a better living society. Credit given to the scavenger should be controlled at every stage.

(f) *Thrift.*—The next important question to be considered is the promotion of the habit of thrift amongst the scavengers. This thrift will be compulsory in character and the amount collected as thrift fund cannot be drawn upon or withdrawn until the retirement of the member from the service of the Corporation. A scheme of life assurance can be linked to this thrift system. The question of the pernicious drinking habit of the scavenger presents lot of difficulties. He cannot be persuaded to give up this habit by any amount of propaganda. In this connection the reformer eagerly looks forward to the introduction of Prohibition in the City. But that will be only marking time. The proper reform will be that no cash

should be left in the hands of a scavenger from the pay that is paid to him by the Corporation every month. His pay will be received by the co-operative society and any surplus left after meeting his dues to the society will be kept in a separate account to be returned to him in the shape of some properties useful to the scavenger or after his retirement from service.

(g) *Subsidiary occupation.*—The scavenger has enough leisure which he can usefully utilise in engaging himself in some subsidiary occupation. The enhancement of his earning capacity is as much a necessity as his relief from his chronic indebtedness. Cottage industries like coir-making, rope-making and hand spinning may be introduced under the aegis of the co-operative society which will undertake to market the finished products turned out by the scavenger.

(h) *Money-lenders' bill.*—It is also necessary to check the usurious ways and other malpractices of the professional money-lenders who so much abound in the City. Recently public attention was drawn by the District Andhra Congress Committee to the prevalence of usury and harassment of debtors by the money-lenders in the City. The nature of these malpractices has been described at length in the foregoing paras. In the case of scavengers and other illiterate debtors the Madras Debtors Protection Act is only a dead letter. A money-lenders' bill embodying stringent provisions must be enacted forthwith to check the evils of usury. Some of the cardinal provisions and principles embodied in the Madras Agriculturists' Debt Relief Act of 1938 may have to be incorporated herein. The legislation should include among others the following.—

1. Each money-lender should take out a license from Government. Unlicensed money-lenders should be punished with imprisonment.
2. A maximum rate of interest should be fixed for the loans issued by the money-lenders.
3. The need for the maintenance of correct accounts and issue of receipts and pass books for the recoveries effected by the money-lenders should be stressed and penalty fixed for any default.
4. An inspecting staff should be appointed by Government to make periodical visits of inspection to the money-lender's

place of business to see that the provisions of the money-lenders' Act have been complied with.

5. All harassment, coercion and exaction should be treated as offences under the act punishable with imprisonment.

(i) *Scaling down of debt.*—The next question to be considered is the scaling down of debt. A committee of non-official gentlemen should be appointed forthwith by Government with powers to make necessary enquiries into the matter and to scale down the scavengers' debt. The debt so scaled down will be discharged by the Co-operative Society of which the debtor will be a member. This Committee will of course work on the lines of Debt Conciliation Boards functioning in the mofussil in respect of agricultural debt.

Conclusion.

It is true that most of the recommendations made herein above to improve the economic condition of the scavengers are rather too rigid and too drastic but it must be remembered that a drastic remedy has to be administered to cure a chronic disease. The evils that are eating into the vitals of the scavenger community can be combated with success only by adopting the drastic measures suggested. In the first place a moratorium should be granted by the Government in respect of the debts due by the scavengers to the money-lenders and the situation reviewed exhaustively before the above measures are adopted. Sporadic ameliorative attempts and piecemeal reforms will do good to none. The emancipation of the scavenger from his present economic thralldom should be as much the concern of the co-operators as it is of the Municipal Corporation, Government and the public and co-operation is the only panacea for all the ills that the scavenger is a victim to.

Some Practical Suggestions for the formation of Co-operative Farms.

BY C. W. B. ZACHARIAS.

Taking all circumstances into account co-operative farming or joint cultivation appears to be the only feasible alternative available to the country to the existing small-scale individual cultivation. That has been recognised by the many committees and conferences which have recommended its adoption. Theoretically providing all effective safeguards of efficient farming, it suffers from a complete lack of proof regarding its suitability to Indian conditions or its immediate or ultimate superiority over individual farming. Co-operation as a form of association or business organization is familiar to the Indian cultivator, but the type of co-operative experience he has is altogether insufficient to ensure success in the new adventure. Nor is there any foreign example to serve as inspiration. The Cartels and Collectives of Soviet Russia and the small-holders' settlements of Palestine are the nearest approach to such farms. But Russian success was due to the peculiar quality of the Russian social and political system and the political power behind the joint farming movement there—circumstances which have no counterpart in this country—and in Palestine conditions prevalent were those associated with new settlements backed by much wealth and great enthusiasm. The few attempts made in Bombay are not all of the pure type and are still in their infant stage to serve as models.

The inauguration of co-operative farming in this country, therefore, must proceed on the tacit assumption that it is an altogether new experiment, that the early attempts are going to be crucial to the whole movement and that they need all the fostering care that can be given both in their formation and subsequent working. In view of this the proposal to operate a degree of compulsion in their formation made in some quarters would appear to be altogether premature. The only justification for compulsion would be assured business success and lack of response to the voluntary movement. Early attempts at formation therefore should be on a voluntary basis and should be made only in areas of special facility and after the creation of favourable conditions. In this article some suggestions are made on that behalf.

A co-operative farm to be an optimum business unit must be at least a hundred acres in size. To get such an area together in a

SOME PRACTICAL SUGGESTIONS FOR THE FORMATION OF CO-OP. FARMS

compact block on an average 25 families must join the society. The average size of a patta in the Madras Presidency is about 4 acres, and conditions in other Provinces will not be very different. The average however has no concrete existence, and in many localities a larger number of families alone will be able to contribute the required acreage. But since large and small farms are intermixed a membership of 25 landholders may be taken as the minimum for a society.

This membership should be partly made up of working landholders and partly of non-working owners. In the early stages it would be wise to exclude tenants and landless labourers from membership as they cannot contribute any land to the society but only labour. The presence of non-working owners is desirable in order to ensure the optimum labour-land ratio in the farm. The labour-land ratio will depend on the technique adopted, and so no hard and fast rule can be laid down regarding it. But having in view the imperative necessity there is, to minimize displacement of labour and adopt a technique which as the Central Food Minister recently stated, would obviate dependence on the scarce foreign supplies of machinery, it seems advisable to eschew mechanization and introduce intensive scientific methods of farming. The components of such a technique would be improved seed, intensive manuring, both artificial and natural, more efficient implements and cattle power, intensive application of labour, greater care and attention in cultivation and fuller exploitation of land and its powers. Under this technique, the increase in yield or the economy in cost will not be spectacular, but would nevertheless be appreciable enough to establish the superiority of co-operative farming. The saving in the number of labour force, its fuller utilization, the elimination of bunds and boundaries and the other results of scientific agriculture and more efficient management would themselves be well worth having.

Under this technique the optimum labour-land ratio on an average basis may be assumed to be 3.3 labourers to 10 acres. This ratio will not hold in all areas. In dry areas under dry farming the labour ratio will have to be less and on the heavy soils of the delta regions where intensive rice culture is practised it will have to be more. But estimating the agricultural labouring population (including working owners and tenant workers, both full-time and part-time) at 12.7 million for Madras, the net area sown per labourer is seen to work out to 2.5 acres. Under a more intensive method of

farming and greater economy in the employment of labour, the optimum acreage per labourer under average conditions may be placed at 3 acres. On this basis only 33 labourers would be required on the 100 acre farm, and this number can be contributed under present conditions by 10 families. The average size of an agricultural family as revealed by the recent enquiry into the rural indebtedness of the Presidency is 6.2, and if we assume that a family will have 3 adult workers and a child of working age, it will be easy for 10 families to contribute the required number. The remaining 15 families included in the membership should, therefore, be non-workers.

The problem is to get together in a society such a composite membership. One way in which the proper labour-land ratio may be maintained is by taking into the farm some new assignments of land. Where societies are started on the fringes of cultivation, it will not be difficult to include within the farm some new land capable of being brought under the plough. These need not however be any insistence on this, for if a 100 acre farm can be formed in occupied area alone with the proper labour-land ratio, the need for new assignments will hardly arise. But where it is difficult to do it, new assignments will help.

An identical result will be obtained if the society should take on lease and cultivate as part of the farm, land belonging to adjacent large holders. But the rents payable on such leases should be deliberately fixed lower than what the owners can obtain through membership.

For the successful working of a farm and its efficient management both the non-working large holders and the working small holders should be induced to join the society. Such inducements may be given through the proper selection of the villages where the farms are to be started and the offer of certain positive and negative benefits.

The location of societies or farms may be carried out on the following considerations:—

(1) The existence in the village of a considerable number of holdings owned by non-cultivating small proprietors, especially urban folk.

(2) Wide prevalence of fragmentation under which even large holders may have their land in scattered bits.

(3) The existence of a large number of uneconomic holdings whose owners will find full employment on a co-operative farm.

(4) Availability of land contiguous to the occupied area for new assignment.

(5) Facility for bringing such new land into cultivation through extension of irrigational facility, etc.

(6) Uniformity in cropping.

(7) Familiarity with co-operative credit, marketing, supply, etc.

Positive inducements to both large and small holders to join the society may be given by the offer of:

(1) a Government grant to meet the initial cost of formation and layout of the farm;

(2) a bonus for three or five years per acre of land contributed, to be paid by the Government through the society in addition to the payments due to members from the society in respect of labour or land contribution;

(3) grants and loans by the Government for the construction of wells and other land improvement, and loans for the purchase of seed, manure, implements, cattle, etc., at reduced rates of interest;

(4) remission of land revenue for a few years on land incorporated in a co-operative farm, and reduced water rates or free supply of water for a limited period;

(5) gratuitous scientific and technical advice by Government through officers of the Agricultural, Veterinary and Co-operative Departments; and

(6) sale at concession rates of seed, manure, implements, etc.

To these positive benefits may be added a few negative benefits such as denial of membership of land mortgage banks to small holders of such localities, prohibition of small tenant farming in those areas, denial of extension of irrigational facilities except to co-operative farms, stoppage of taccavi loans and the special loans under the Grow More Food Campaign to individual farmers, etc. As has been seen in Russia these negative benefits will be as efficacious as the positive ones in popularising the farms and inducing the agriculturists to join. To induce the large holders also to join in large numbers permission may be accorded to surrender only part of their holdings to the society, provided however the remainder is large enough to be worked as an efficient farm. These large holders whose holdings are fragmented may avail themselves of this concession.

To give publicity to these measures and make the agriculturists realize the advantages accruing to them through membership intensive propaganda should be carried on for which a special staff attached to the Co-operative Department should be appointed.

Resettlement of Ex-servicemen.

The Tirumangalakottai Ex-servicemen's Co-operative Agricultural Colonisation Society.

His Excellency the Governor's Visit.

16th June 1948 was a gala day for the men, women and children of the Ex-servicemen's Co-operative Colony at Tirumangalakottai in Tanjore district when His Excellency Sir Archibald Edward Nye, the Governor of Madras, visited the Colony accompanied by Mr. MacLaughlin, Collector of Tanjore. The members of the Colony were busy, whitewashed their houses, decorated pandals, put up welcome arches and gave a grand reception to His Excellency. Sri Rao Bahadur K. Subrahmanyam Nayudu, M.A., Joint Registrar (Re-settlement), Madras, and Sri S. Agniswaran Pillai, B.A., Deputy Registrar of Co-operative Societies, Tanjore, received His Excellency at the entrance and took him round the Colony.

Co-operative Agricultural Colonisation Societies constitute one of the popular schemes for resettling ex-servicemen. The Tirumangalakottai Ex-servicemen's Co-operative Agricultural Colonisation Society started work in April 1947. The Colony is situated about 25 miles from Tanjore and is connected with the Tanjore-Pattukottai main road by an approach road constructed at a cost of Rs. 35,400. The total extent of the Colony is 1,567 acres of which 1,428 acres can be reclaimed and irrigated by channels under the Cauvery-Mettur Project. So far, 548 acres of land have been allotted to members and 250 acres were brought under cultivation during the last fasli. The reclamation of the remaining land will be speeded up as soon as a bull dozer is made available to the society by the Agricultural Department. Provision has been made for excavating the necessary irrigation channels.

The lay-out of the colony is based on a plan approved by the Town Planning Expert with streets 40 to 60 feet broad. Provision is made for 285 huts to house 285 members. Nine drinking water wells are proposed; 2 have been constructed and 5 are under construction. Provision has been made in the plan for common amenities like School, Play ground, Maidan and Park, Stores, Godown, Dispensary, etc.

The ultimate strength of the colony is 285 members. So far, 186 members have been admitted with a paid-up share capital of Rs. 6,810. More will be admitted as soon as the lands are reclaimed. Ninety-nine members have so far commenced cultivation of their lands. Eighty-two are residing in the Colony in the huts allotted to them and the rest are living in adjoining villages. More huts are being constructed, and the remaining members will soon be shifting to the Colony.

RESETTLEMENT OF EX-SERVICEMEN

Each member is allotted 5 acres of wet land which he can enjoy for his life time without alienation and pass it on to a single heir nominated by him without fragmentation of the holding. The land is free from assessment for the first two years.

Besides the land, each member is allotted a house site 100 feet by 60 feet with a thatched hut (18 by 12 feet) constructed at Government cost of Rs. 150 each. Good drinking water is available within 10 feet. Many of the colonists dug their own wells at a cost of Rs. 20 to Rs. 30 each in the backyards for raising kitchen gardens. His Excellency visited a vegetable garden belonging to one of the members and paid him a compliment on the interest he evinced in growing it. Each colonist will be provided with a pair of bulls, and 50 per cent of the cost (upto Rs. 125) will be given as free grant and the remaining Rs. 125 given as loan repayable in 3 years. Already some pairs were purchased and distributed to the colonists. His Excellency was pleased to distribute some bulls to the colonists on the day of his visit.

A Vocational Training Centre is conducted from the Government of India grant. One Agricultural Demonstrator assisted by two Instructors is in charge of the Centre. The members are given both theoretical and practical training in agriculture and allied subjects like dairying, sheep-breeding, etc. Each trainee member is given a stipend of Rs. 10 plus a messing allowance of Rs. 23 per month. The course is for one year.

The crop programme includes cultivation of green manure crops or pulse crops from February to June when the channels are dry. From June to September short-term paddy (kuruvai) can be raised in about 1/3 of the extent. From September to February long-term paddy crop (samba) can be raised. In the kitchen gardens, brinjals, tomatoes, greens, beans, and gourds are grown. Fruit trees like Mango, Jack, Lime, Papaya, Plantains and Coconut have been planted in the avenues and house compounds. The society supplied the members with seedlings of coconuts and mangoes and proposes to supply some more. The Instructors have raised seedlings of lime, papaya, jack, etc., in the sea-beds for distribution to members.

His Excellency and party were greeted with a blow of bugles at the entrance. After inspecting the Guard of Honour provided by the ex-servicemen colonists, His Excellency was introduced to the Directors. His Excellency walked round the streets. He was pleased to see one colonist who, by his industry, had raised a good kitchen garden in his backyard with plantains, brinjals, chillies, etc., and congratulated him. He entered a hut and spoke with the members of the family. One housewife expressed that it would be more convenient if the hut was a little more spacious. An address of welcome was read on behalf of the members by Mr. Ramachandran, a Director. They expressed that in His Excellency

they found a warm hearted-friend and sympathetic well-wisher of ex-servicemen and valued his visit as a source of encouragement in their future endeavours. His Excellency then distributed bulls to some of the colonists. The colonists had gone to the cattle shandy at Tanjore and each had selected his own pair of bulls. Then His Excellency planted a Nicebar Coconut in the Park. Each colonist planted two mangoes and four cocoanuts in his house compound. His Excellency entered the play-ground and was pleased to see the children playing happily at the see-saw and cradle.

His Excellency said that he formed a very favourable impression of the Colony and was of opinion that with the good soil and plentiful supply of water from channels and wells, the Colony was bound to flourish.

In his reply to the Colonists His Excellency said :—

"I am myself an ex-serviceman like you and am very much interested in the welfare of all ex-servicemen. I must consider you all fortunate in having become members of this Co-operative Colony. I have been discussing just now about the urgent need of a Bull Dozer to reclaim your lands and you will have priority number one. I shall do all I can to help you provided you help yourselves. In the army you have judged a man by his merit irrespective of his caste, religion or place of birth and I hope you will continue to maintain the same spirit and be a model for other villagers to follow".

The Kumbakonam Co-operative Metal Works.

Co-operators may be aware that Co-operative Workshop have been formed for the re-settlement of Ex-servicemen and are working at the following places :—

Tiruvahiyur (Madras)	... Reid Co-operative Timber Works.
Katpadi (N. Arcot District)	... Co-operative Timber Works. Co-operative Metal Works.
Kumbakonam	... Co-operative Metal Works.
Thalaisyuthu (Tinnevely District)	... Co-operative Timber Works,
Duvvada (Vizagapatam District)	... Co-operative Timber Works. Co-operative Metal Works.
Olavakot (Malabar District)	... Co-operative Timber Works. Co-operative Metal Works.
Madras	... The Strathie Engineering Co-operative Workshop: ▲

The timber workshops are manufacturing office and house-hold furniture and the metal workshops are producing varieties of house-hold utensils (brass, copper and aluminium). The following is an account of the working of the Kumbakonam Metal Works:

RESETTLEMENT OF EX-SERVICEMEN

The Kumbakonam Metal Works, Ltd., was established in April 1946 for the benefit of ex-servicemen at Kumbakonam which is noted for its metal ware. It is recognised as a technical training centre by the Government of India.

Membership and paid-up Share Capital.

On 30-6-48, there were 70 members with a paid-up share capital of Rs. 3,599.

Borrowings.

The society has been permitted to borrow upto Rs. 50,000 from the Indian Bank, Ltd., Kumbakonam. On 30-6-48, its borrowings from the Indian Bank, Ltd., amounted to Rs. 24,880.

Business.

From the date of its starting, the society manufactured finished articles to the value of Rs. 1,07,719. During the year 1945-46, it sold utensils of various kinds to the value of Rs. 3,406. During 1946-47, its sales amounted to Rs. 54,978 and during 1947-48, to Rs. 42,063. During 1947-48, it earned a net profit of Rs. 6,223.

Training Centre.

The sanctioned strength of the training centre is 60. There are at present 40 trainees. They are given training in the manufacture of household articles under 5 master-workmen. Besides some Ex-servicemen who completed their training, are employed in the workshop as piece-workers.

The training period is one year. Each trainee is given a stipend of Rs. 15 per mensem. If the trainee resides in the hostel attached to the centre, he is given free boarding and lodging. If he is permitted to reside outside the hostel, he is paid Rs. 23 per mensem as messing allowance. After the period of training of one year, the trainee is absorbed in the workshop as a piece worker, if he is willing to continue here. A dispensary is also attached to the training centre.

Capital Equipment.

A sum of Rs. 1,01,111 has been contributed by Government towards the purchase of lands and buildings for the workshop. In addition, the society has spent Rs. 7,141 out of its own funds towards capital expenditure.

The society manufactures all kinds of house-hold brass vessels like kudams, chembus, thavalai and has kuvalais, iddliapanai, thambalams, jadies, peepais, sambadams, tiffin carriers, drums etc. It can also undertake the manufacture of any brass vessel on order. It has been manufacturing and supplying vessels to the Annamalai University Hostel, the South Indian Railway, etc.

May we appeal to co-operators and co-operative institutions to extend their support towards these infant workshops, place orders for office and house-hold furniture, utensils etc., and encourage them? We hope our appeal will have sympathetic response.

Conference

THE FIFTH TAMILNAD CO-OPERATIVE CONFERENCE, MAY 1947.

Mr. V. C. Vellingiri Goundar of Coimbatore, presiding, the Fifth Tamilnad Co-operative Conference was held at the Salem Municipal College Hall, on Friday, May 14, under the auspices of the Tamilnad Co-operative Federation before a large gathering of delegates and visitors from all over Tamil-nadu. Rao Bahadur J. C. RYAN, Registrar of Co-operative Societies, Madras, declared the Conference open. Mr. T. A. Ramalingam Chettiar, President of the Co-operative Federation was also present.

As an adjunct to the Conference, a large scale exhibition of cottage industries, Salem co-operative handloom societies' textile products, and agricultural implements, seeds etc., had been organised in the College premises.

Mr. Srinivasalu Nayudu, Director, Conjeevaram Co-operative Central Bank, who hoisted the Seven Colour Rainbow (Co-operators') Flag said that their Flag symbolised equality and unity, the cardinal features of Co-operation. The pressing question of the day was the economic uplift of the masses and Co-operation had a vital role to perform in this direction. Co-operative effort was the backbone of economic uplift work. The Government were also preparing several schemes for economic uplift and he appealed to all co-operators to give a helping hand in this direction.

Mr. K. A. Nachiappa Goundar, M.L.A., President, Salem Co-operative Central Bank and Chairman, Reception Committee, then delivered his welcome speech and requested Rao Bahadur J. C. Ryan, Co-operative Registrar to declare the conference open.

Declaring the Conference open, Mr. Ryan expressed pleasure at the opportunity afforded to him to meet many co-operative leaders and be back in his "own" district of Salem where he had worked for several years as a co-operative officer.

From its inception, the co-operative movement had always succeeded best where the need was also most. The co-operative credit movement struck root in the country and developed fast in areas where agriculturists were suffering most at the hands of the usurious money-lenders. The Land Mortgage Banks had also shared periods of high and low business according to the prevalent money market conditions. The marketing and stores societies also shared the vicissitudes consequent on war and control conditions to the present days of decontrol and after,

CONFERENCE

It behoved the co-operators to work for progress on the lines for which there was great need and demand.

Continuing, the Registrar said that he would confine his address to two such pressing demands of the day, viz., food shortage and housing shortage in the Province.

The food shortage engaged their first concern and they had to produce more, as they were at present importing from outside. Truly had India's Prime Minister, Pandit Nehru, stated "Produce or perish". In England and other producing nations the cry was "Export or expire".

In this context, the Registrar first detailed the good work already accomplished by the co-operative movement in solving the food shortage. As an example of practical work done, Mr. Ryan pointed out that within two years about 3500 acres (out of a total of 4000) of waste land had been reclaimed in Pattukottai Taluq in Tanjore District by the formation of 16 Land Reclamation Co-operative Societies in 18 villages. The Government had given about Rs. 1½ lakhs as advances at the rate of about Rs. 200 to Rs. 250 per acre. At present, paddy, ragi, etc., were being grown in 3,500 acres.

Following the lead given by Salem district, about 22 Land Colonisation Co-operative Societies had been started in the Province involving about 10,000 acres. 9,000 acres had already been brought under the plough for production of food-crops. Similarly 10 Land Colonisation Societies for Ex-servicemen were bringing an additional 7,000 acres of waste land under cultivation. From the Governor's Post-war Reconstruction Fund, a sum of Rs. 15 lakhs had been set apart for helping the Ex-army men with Rs. 475 each, Rs. 250 of which being freely given away to each of them. All these were illustrative facts to show what Co-operation had achieved recently to solve food shortage.

Last Sunday, four land-holders and 50 tenants of Marudur village in Trichinopoly district which he personally visited had registered a new co-operative society to irrigate 400 acres by taking out a sub-channel from the Cauvery channel and arrange for electric pumping of water from the well storage, to irrigate paddy and ragi etc., A scheme had been prepared and submitted to the Government with an application for a loan of Rs. one lakh, repayable in twenty years. Seeing this, two other neighbouring village land-lords and tenants, have also asked for similar help being given to them in the co-operative way.

Mr. Ryan appealed to all those who could influence the Government to work for more such colonisation and reclamation co-operative societies being started to increase the food production.

Referring next to the housing problem, Mr. Ryan pointed out that 150 towns had come forward with House-building Schemes and with

necessary financial backing. 30 such societies for house-building had already been started. Out of the Rs. one crore enthusiastically sanctioned by the Government, Rs. 54 lakhs had already been given away and as the balance of Rs. 46 lakhs would not be sufficient they had urged for more amounts. The speaker hoped that the Conference would consider the question whether they would like to have a Central House-building Society to finance them with debentures etc., with Government guarantee etc., and whether they would like to carry on their work on the basis of self-help alone.

Apart from the 150 towns, the Registrar pointed out schemes had also been sanctioned for House-Building Schemes for two weavers societies (on the model of Yemmiganur Society in Bellary district) including two weavers societies at Tiruchengode and Dharmapuri in Salem Dt. Schemes were also under way to help the agriculturists in the villages, and a scheme had been sent to the Government recently and orders were being awaited.

Under this scheme, one or two best Rural Credit Societies would be selected in each taluk. The society would purchase the house-sites at its own cost and intending applicants for houses would pay one-fifth of the cost of building the rest being got from the Government as long term loan repayable in say 20 years. On a two year plan, about Rs. 2½ crores would be needed as loans under this scheme. There was ordinarily no scope for any loss under this scheme and orders were awaited from the Government. The Registrar hoped that the conference would support this scheme to help villagers to build houses.

Continuing, the Registrar said that the Government had often been blamed for not helping the poor, (with deficit budget) to build houses. Co-operation was not charity but business and they had to consider how best to help poor people who were already in deficit with loans for house-building. Out of the one crore of rupees ear-marked for Harijan uplift fund, a special committee, appointed to consider details, had recommended Rs. 15 lakhs being set apart for house-building schemes for Harijans by giving half as loan and half as grant. That would inculcate in practice the co-operative maxim of self-help. That scheme was also awaiting Government sanction.

Turning to co-operative stores societies, the Registrar said that the Wholesale Stores societies with large capital must take to new lines of work, as per changing conditions with a view to serve themselves and the public better. Under the controls the Government gave them the grains which they distributed. They must now turn their attention to produce food-grains also and sell them. He instanced the Wholesale Stores in England which were producing Coffee and Tea from far-off

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estates also. He believed that whole-sale stores could economically turn to production work in the lands and make profit also.

The speaker recently went to Tiruvengimalai, and made searching enquiries regarding land cultivation etc., in the farm of the Hon. Minister, Dr. T. S. S. Rajan. He found that cultivation was profitable after meeting wages and other costs also. The Registrar asked why the Wholesale Stores societies could not usefully turn to such production work and with profit. As an alternative they could buy lands and lease them also for ~~work~~.

The speaker believed that Wholesale Stores could produce more cheaply and could attract good custom from the primaries by offering favourable prices. Further if more consumers joined these stores societies, they would be introducing "production for use in place of production for profit". Thus they would be producing more food-grains which were needed in place of commercial crops etc. Co-operation meant self-help and why not they all do it to solve the food shortage, the Registrar asked? Concluding, the Registrar hoped that the conference would consider the proposal and give full support to it.

Mr. T. Narayana Pillai, Secretary of the Tamil-nad Co-operative Federation, next read messages received from the following among others: The Hon. Mr. T. S. Avinashilingam Chettiar, M. Bhakthavatsalam, Dr. T. S. S. Rajan, Ministers; Dewan Bahadur C. S. Ratnasabapthi Mudaliar, Coimbatore; Rao Bahadur T. M. Chinnayya Pillai, Mr. M. Giriappa, Mr. V.I. Muniswami Pillai, Rao Bahadur C. Tadulinga Mudaliar, Dr. C. Nanjappa, Senapathi Manrادیار, Pattakar of Palayakottai, Mr. Paramasivam Pillai, Mr. S.A. Venkataraman, I.C.S., Secretary, to the Minister for Industries and Supply) Mr. R. G. Sarayya, President, Bombay Provincial Co-operative Bank, Mr. Satyanarayana (Alamuru) and others.

Dr. Natarajan, Economic Adviser to the Government of Madras, had in a message stated: "In Co-operative Commonwealth lies Tamil-nad's economic destiny."

Mr. V. C. Vellingiri Goundar, Conference President, then delivered his presidential address.

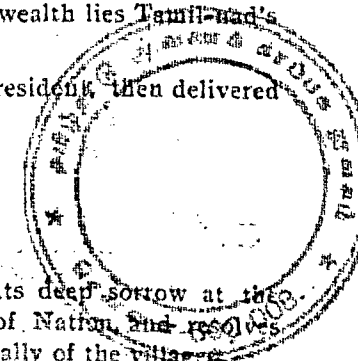
The conference then adjourned for lunch.

RESOLUTIONS

Condolence

I (i) This Conference places on record its deep sorrow at the sudden demise of Mahatma Gandhi, the Father of Nation, and resolves to implement his scheme of re-construction especially of the villages.

(ii) This Conference places on record its deep sorrow at the demise of Sri N. Krishniah Chettiar and A. N. W. Dixon Esq., I.C.S.



Independence

II (i) This Conference rejoices at the attainment of Independence by India and resolves to work in co-operation with the National Government for the development of the Indian Co-operative Commonwealth.

(ii) This Conference welcomes the National Government's plan for developing industries, especially, cottage industries and agriculture on co-operative basis.

Central Banks and Societies

III (i) This Conference requests the Government and the Registrar to revise the maximum borrowing power of all the Central Banks to twenty times their share capital and reserve fund.

(ii) This Conference requests the Government and the Registrar to revise the maximum borrowing power of members of unlimited liability societies to Rs. 3,000.

(iii) This Conference requests the Registrar and the Government to permit the Central Banks to issue loans upto 7 years to the extent of their long term resources—Central Bank's Share Capital and Reserve Fund of societies invested in the Central Banks, and long term deposits for 7 years and over.

(iv) This Conference requests the Government to pass early orders asking the Registrar to make the existing rural credit societies undertake multi-purpose activities like joint purchase and sale by the members of societies.

Wholesale and Primary Stores

IV This Conference is of opinion that the Wholesale Stores can usefully take up processing of stuffs and own and work rice mills, flour mills etc., and should also employ itself in producing consumer goods such as oils, soaps etc., and where finance permits they can purchase agricultural lands, plantation gardens etc., to produce consumer goods such as paddy, coffee, tea, etc.

Weavers' Societies

V (i) This Conference views with apprehension the sad plight of co-operative weavers and urges the Government to prohibit mills from producing certain kinds of cloth which must be produced solely by the handloom weavers. The Government are requested in furtherance of the above to appoint a Committee of Handloom Weavers and Mills and decide the respective varieties and enforce the decision at an early date.

(ii) This Conference feels that Provincial Handloom Weavers' Society must undertake to market at their risk at least 75 per cent of the production of each weavers' society if the society undertakes to produce the varieties specified by the Provincial Handloom Weavers.

CONFERENCE

(iii) This Conference strongly feels that the Provincial Handloom Weavers' Society should take immediate steps to start a spinning mill in Tamil Nad for producing the necessary yarn to the Co-operative Handloom Weavers.

Building and Housing Schemes

VI (i) This Conference requests the Government to formulate comprehensive schemes to provide house to all handloom weavers and members of other co-operative institutions which require buildings.

(ii) This Conference requests the Government to formulate a rural housing scheme on co-operative basis to provide convenient and suitable houses to villagers and by speedy compulsory acquisition of lands for house-sites.

(iii) This Conference requests the Government to approve the scheme of the Registrar to build rural houses at an early date.

(iv) This Conference strongly feels that the Government itself should finance rural and urban building co-operative societies,

Audit Fees and Concessions

VII (i) This Conference urges upon the Government that no Audit Fees should be levied on unlimited liability societies, as such a levy would lead to the extinction of many of the societies and arrest the expansion of the movement.

(ii) This Conference requests the Registrar and the Government to levy audit fees on limited liability societies on the basis of the net profit as the present method of collecting audit fees is very heavy.

(iii) This Conference requests the Government to exempt marketing societies, sale societies, weavers' societies, milk societies and industrial co-operatives from the payment of Sales Tax as they are original producers.

(iv) This Conference requests the Government to take their necessary supplies such as milk, eggs, clothes, provisions etc., from the co-operative institutions without resorting to the calling for tenders.

(v) This Conference feels sorry that though the policy of the Government is to encourage co-operative institutions, in practical working, the policy is not being implemented and special favours are only shown to private merchants.

(vi) This Conference requests the Government that all sales and permits by the Government must be only through co-operative stores and marketing societies and that there should be no departure in that policy.

(vii) Resolved that the Government be requested to arrange for easy and quick supply of diesel oil, crude oil, petrol, electricity etc., required for machinery etc., for agricultural purposes.

Controls.

VIII (i) This Conference requests the Government to utilise the co-operative institutions for the distribution of all controlled articles like iron, agricultural implements, cement and manures of the quota allotted to the Presidency.

(ii) This Conference strongly feels that the complete distribution of yarn in the Presidency must be given to co-operative institutions.

(iii) This Conference requests the Government to remove all controls of transport and price of all food products produced in this Province.

Irrigation.

IX (i) This Conference urges the Government to take immediate action and carry out the under-mentioned irrigation projects:—

1. Supply of Mettur water to Coimbatore and Salem Districts including Namakkal Taluk.
2. Thoppiar Project to supply irrigational facilities to the Taluks of Dharmapuri and Omalur and Trichengode.
3. Thomas Project to supply irrigational facilities to Dharmapuri, Krishnagiri and Harur Taluks.
4. Thenee Reservoir Project to supply water to Usilampatti and Tirumangalam Taluks.
5. Sathiar Project, Nilakkottai Taluk.
6. Koodamalai Project, Attur Taluk.
7. Pennar Project, North Arcot District.
8. Amaravati Project, Udamalpet and Dharmapuram Taluks in Coimbatore District and Palani Taluk in Madura District.
9. Aliyar Project, Pollachi Taluk in Coimbatore District.

(ii) This Conference requests the Government to extend the time for giving bonus and free grant for digging and improving wells and tanks for two more faslis and give that facility throughout the Presidency without restricting to any area.

(iii) This Conference requests the Government to take immediate legislative measures to enable agriculturists to consolidate agricultural holdings.

(iv) The Co-operative Agricultural Societies are requested to undertake the improvement of agriculture through improved modern methods, such as the use of tractors, rotation of crops etc., with government help.

Regional Language.

X This Conference requests all the Central Banks and other Co-operative Institutions to use only the Tamil Language unless communications are intended to regions other than Tamil Nad.

Railways.

XI This Conference requests the Provincial and Central Governments to immediately restore all the dismantled railways and to link up Hosur and Bangalore, Krishnagiri and Palakode, Salem and the West Coast, Mettupalayam and Satyamangalam, and Karaikudi and Aranthangi.

"Kootturavu" and Federation

XII (i) This Conference requests every Co-operative Society to subscribe to the journal "KOOTTURAVU" and to get affiliated to the Federation and also requests the Government to purchase and supply the Journal to every Inspector of the Co-operative Movement in Tamil Nad.

(ii) This Conference strongly feels that the Tamil Nad Federation should take greater interest in education and propaganda and must have several training centres in rotation in every district.

Non-Official Employees.

XII This Conference requests the Government to recruit Government employees from among the non-official co-operative employees and that a portion of recruitment of Deputy Registrars must be from the Secretaries of Central Banks.

Prohibition.

XIII This Conference feels strongly that prohibition is essential and the enforcement of the Act must be left entirely with the Police Department.

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6. K. V. Press, Vellore.

Government Order

G. O. Ps. No. 1223, Local Administration Department, dated 23-6-48.

ABSTRACT.

Sub. Funds—Investment—District Boards and Municipal Councils—
Opening of current accounts with District Co-operative Central
Banks—Permitted.

Read the following :—

G. O. No. 1407, Local Administration, dated 5th April 1948.

From the Registrar of Co-operative Societies, Rc. No. 8740-47, dated
24th May 1947.

From the Inspector of Municipal Councils and Local Boards, L Dis.
No. 27943/47 dated 31st October 1947.

ORDER :—

Under paragraph 3 of G. O. No. 1407, Local Administration, dated 5th April, 1939, a District Board or a Municipal Council should conduct all its ordinary transactions with the nearest treasury or sub-treasury, but if there is no treasury or sub-treasury at its headquarters and it considers as absolutely necessary the keeping of a current account in a bank, in addition to its account with the nearest treasury or sub-treasury it may open a current account with a bank with the previous special permission of the Government. The Government now permit all District Boards and Municipal Councils, irrespective of the fact whether there is a Government Treasury or not at their headquarters, to open a current account with the concerned District Co-operative Central Bank, in addition to the account maintained with the nearest Government treasury or sub-treasury, subject however to the condition that the amount at the credit of the local authority in the Co-operative Central Bank does not exceed Rs. 10,000 (Rupees ten thousand at any time.

Consumers' Co-operation

REVIEW FOR MAY, 1948

By THE REGISTRAR OF CO-OPERATIVE SOCIETIES, MADRAS.

Co-operative Wholesale Stores.

Membership and share capital.—It is observed that at the end of the month under review, the total number of members was 10,695 and the paid-up share capital amounted to Rs. 84.52 lakhs as against Rs. 84.53 and Rs. 84.54 lakhs in the months of March and April respectively. The share capital position of the Co-operative Wholesale Stores is going down when compared to that of the previous months. The fall has occurred in the Bellary, Cuddapah and East Godavary Central Co-operative Stores. The Co-operative Wholesale Stores are strongly advised not to allow the share capital to dwindle. When the Co-operative Wholesale Stores are being instructed in Registrar's several circulars to devote particular attention in regard to strengthening of share capital, it is rather regrettable that some co-operative wholesale stores are neglecting this important item of work. Any complacency on their part will have disastrous effects. All co-operative wholesale stores are therefore requested to strengthen their *share capital* in order to stabilise their position and not to allow refund of share capital in the usual course.

The owned capital of the co-operative wholesale stores was Rs. 51.05 lakhs, comprising share capital of Rs. 84.52 lakhs and reserve fund of Rs. 16.53 lakhs. The total borrowed capital amounted to Rs. 212.82 lakhs of which Rs. 200.64 lakhs represented loans and cash credit from the Central Banks and the balance of Rs. 12.18 lakhs from others. Thus the total working capital as on 31-5-1948 was Rs. 263.87 lakhs as against Rs. 238.89 lakhs in the previous month.

It is gratifying to note that the total purchases and sales of the co-operative wholesale stores during the month under review were Rs. 123.33 lakhs and Rs. 96.50 lakhs as against Rs. 94.31 lakhs and Rs. 80.63 lakhs in the previous month. The progress should be kept up in future months and the co-operative wholesale stores should make serious attempts at developing the business still further in non-food lines and new directions as already suggested in Registrar's various Circulars.

Sales to Primaries.—It is observed that Rs. 38.40 lakhs represent sales to primaries out of the total sales of Rs. 96.50 lakhs which works out to only 40 per cent as against 41 per cent for the previous month. This is not satisfactory and has to be improved considerably.

The Deputy Registrars should see that the special staff and the departmental officers working in the stores take active steps to ensure better co-ordination between the co-operative wholesale stores and

primaries and see to the development of business of the co-operative wholesale stores. Better progress should be shown in future.

Primary Co-operative Stores.

Membership and share capital :—There were 1755 stores societies with a membership of Rs. 5.59 lakhs and a paid up share capital of Rs. 99.64 lakhs as against Rs. 5.68 lakhs and Rs. 100.90 lakhs in the previous month. The total working capital on 31-5-1948 was Rs. 194.60 lakhs as against Rs. 200.61 lakhs in the previous month. The membership and paid-up share capital seem to be declining during the month under review but this may be due to the non-furnishing of correct particulars as some Deputy Registrars say that they have not received reports from all stores societies. There are large number of stores societies that have not sent reports in the districts of Anantapur (29 out of 48), Arcot North (50 out of 65) and Cuddapah (53 out of 67). The Deputy Registrar Anantapur has adopted previous months figures in respect of stores from whom reports have not been received. This does not seem to have been done by the Deputy Registrar Vellore. The Deputy Registrar Cuddapah states that he has furnished particulars only in respect of 14 stores out of 67. This shows that the Deputy Registrars concerned have not taken proper steps to get the reports from all Store societies in time. Besides this, there are some societies that have not sent reports in the districts of Bellary, Chittoor, Godavary, West, Guntur, South, Kanara, Kistna, Madura, Nellore, Nilgiris, Tinnevely and Vizagapatam in respect of which it is observed that previous months' figures have been adopted in respect of Madura, Tinnevely and Vizagapatam districts only. All Deputy Registrars are once again requested to exercise stricter control over the stores and obtain their returns in time. They should not allow large number of stores to default. North Arcot, Cuddapah, and Tinnevely districts seem to be the worst and persistent defaulters in this respect. The Deputy Registrars concerned should pull up the stores and the special staff and ensure prompt submission of the reports. Previous months' figures have to be adopted in case of defaulting stores to avoid huge discrepancies in figures. But this does not mean the wholesale adoption of old figures in respect of a large number of stores.

Business :—During the month under review, the total purchases and sales of primaries were Rs. 116.79 lakhs and Rs. 125.00 lakhs as against Rs. 98.88 lakhs and 116.88 lakhs respectively in the previous month. The Deputy Registrars in the districts of Anantapur, Bellary, Chingleput, Godavary East, Guntur, Nilgiris, Tanjore and Tinnevely and in Chicacole area have not submitted the supplemental reports showing particulars regarding the business done by the primaries in their districts in respect of Handloom and mill made cloth, consumer goods, processed food stuffs, Agricultural implements and Baklie articles. It cannot be that the



primary stores in these districts are not at all dealing in these non-food articles. The Deputy Registrars should in future, take steps to get all the necessary information from the primary stores and furnish correct figures. Unless this is done, the progress of primary stores in their business in non-food lines cannot be judged. The stores societies which are doing very little business in non-food articles should be advised to develop their trade on these lines still further.

Special Consumer Activities.

Handloom and Mill-made cloth :—The total purchases and sales were only Rs. 2.17 lakhs and Rs. 3.69 lakhs as against Rs. 2.87 lakhs and Rs. 5.15 lakhs in the previous month. The business is fast declining and it is a pity that no efforts have been made by the co-operative wholesale stores and primaries to improve the position in spite of repeated instructions. The special staff should look to this.

Consumer goods :—The total purchases and sales under this head amounted to Rs. 2.74 lakhs and Rs. 3.18 lakhs as against Rs. 1.87 lakhs and Rs. 2.11 lakhs in the previous month. The progress is not appreciable and calls for greater efforts.

Processed Food stuffs :—The total purchases and sales amounted to only Rs. 6,548 and 7,635 as against Rs. 14,946 and Rs. 19,736 in the previous month. The business done in Coimbatore district has fallen down to a considerable extent. Efforts should be made by the stores in all districts to improve this business.

Agricultural implements :—The stores societies in South Kanara district and in Kumbakonam area only have made business in this line and the sales of the stores in these districts were Rs. 62 and Rs. 25 only. It is obvious that the special Staff are not taking effective steps to develop this business in stores in spite of repeated instructions. They should make earnest attempts to improve the business of stores societies in non-food lines.

General :—On the whole, the progress made by the co-operative wholesale stores and the primaries during the month is not encouraging. The special staff should devote more attention in regard to collection of share capital and enlistment of more members in stores societies. They should also see that they take effective steps to broaden their trade and develop the business on an all-round basis by developing their trade in non-food lines, by taking up processing and manufacturing activities suitable to the locality and by undertaking Agency business. The Deputy Registrars should have strict control over the supervision staff and ensure good outturn of work on their part.

Correspondence.

"Co-operative Commonwealth?"

The Committee of the Congress High Command in their Blue Print of the future India have affirmed that they envisage creating a *Co-operative Commonwealth*. But in practice their Ministries are out to harass and stampede all progress in the co-operative movement.

The Communist witch-hunting has lead the invarigable British trained police to invade co-operative societies said to be run by communists, and arrest wholesale the office bearers and paralyse the work of such big institutions as Dulla Weavers' Co-operative Society and other societies in Andhra, Tamilnad and Malabar.

Dulla is twelve miles from Rajahmundry with 750 looms. In 1945 the Local Weavers' Co-operative Society was having only 100 looms and was working under loss under the management of pro-rich and congress, in outlook. But at the end of 1945 a new management representing true workers came into office and today the Dulla Weavers' Co-operative Society has under its fold 700 looms leaving only 50 looms in the hands of the local masterweavers. This phenomenal progress has been an eye-sore to the vested interests and many are the attempts made by them to desrupt this premier institution. But thanks to the understanding and help given by the Registrar of Co operative Societies the Society has weathered many a storm and has built its own building, declared open by the Hon'ble Minister for Revenue on 30-12-47 and is giving work and living wages to 700 families.

But the recent anti-communist drive has given the long awaited opportunity to the local rich who have in league with the police succeeded temporarily in stopping the working of this institution. On 14-6-48 the Deputy Superintendent of Police of Rajahmundry with about 100 reserve police raided the office of the society and mercilessly lathi charged all those that were in the premises and in the nearby houses arrested 36 persons, including the President, two directors, including 3 women and four children and the Secretary, the production Manager and other staff. There was another raid on 17-6-48. The local congress gentlemen it is reported are intimidating the poor weavers and demanding that they should sever their membership from the society so that once again the masterweavers may exploit them. But what is the crime that these weavers have done to see that their living organisation is smashed thus. I therefore appeal to the powers that be to enquire into this incident and restore at once the working of the society and create confidence in the members that co operative field would not be jack-booted to satiate the greed of power-mad persons.

V. V. R.