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UNITED THEY STAND

Stories of successful co-operatives

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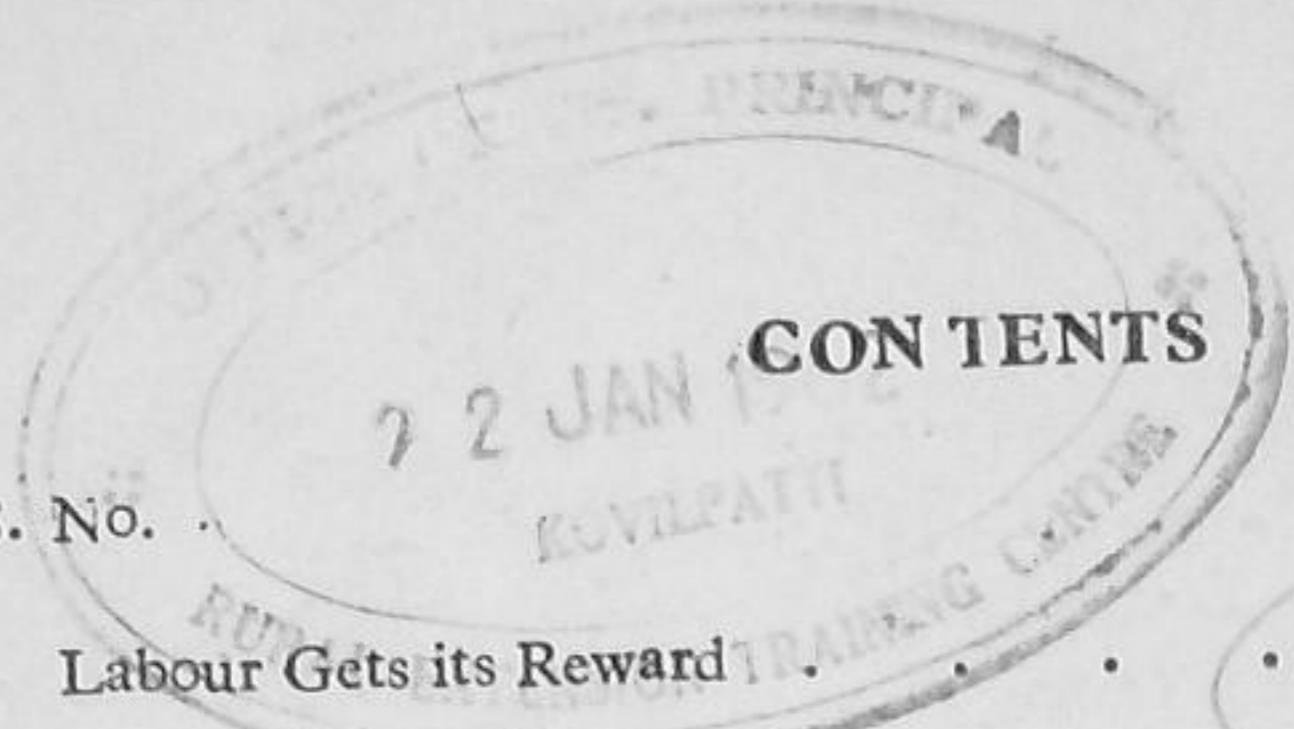
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MINISTRY OF
COMMUNITY DEVELOPMENT & CO-OPERATION
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GOVERNMENT OF INDIA
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LABOUR GETS ITS REWARD

Sitting among his fellow labourers one spring evening, Rattan Chand, as if inspired, said, "We lost all our worldly possessions in Pakistan. Yet we saw ourselves through many a trying situation." There was a brief pause before he continued, "Does that prove anything to you?"

After a long day's toil, the labourers had gathered for their usual evening chit-chat. They wanted to relax. Why had then Rattan Chand made this serious remark? They were trying to comprehend its meaning.

Having set them thinking, Rattan Chand proceeded to make himself clear. It is five years since we came to this small village Madhopur. True we found work here but what else have we gained.

Why! the whole group shouted, "We have not starved".

Animated by this remark, Rattan Chand went on, "Exactly! we cannot think in any other term but making our both ends meet. Have we ever looked around. There is Pathankot, 11 miles away, the gateway to Kulu and Kashmir. The whole area has been a centre of development activities all these years. Contractors from outside have come and benefited from expanded opportunities".

"But they have money and education," replied the group.

"There you are", Rattan Chand said, "You are now thinking of handicaps. But these can be overcome. You have surmounted bigger handicaps in the past."

Seeing their interest, he remarked by joining hands we can both raise resources and procure the requisite knowledge.

Organisation of Labour Cooperative

This marked the beginning of the Madhopur Labour and Construction Society in 1953.

Rattan Chand and fifty two other labourers with a share capital of Rs. 1,475 thus set out on a road which has since shown the way to many. For the organisation of labour cooperatives has engaged the attention of various forums from the field to the summit. Recently at a conference it was said that construction was a very heavy item of expenditure in the development projects being executed in the country. Could not labour cooperatives be formed to eliminate contractors and middlemen? Such a step, the Planning Commission says "can make an important contribution to the relief of rural unemployment."

And Madhopur has indeed given a lead in this field. From 52 the membership of the society has gone up to 250 covering 12 villages. Its share capital is now over Rs. 20,000.

Activities

Since its inception the society has handled 305 major contracts with a total value of Rs. 55 lakhs. Many of the contracts have been of the value ranging from Rs. 50,000 to Rs. 1½ lakhs. Their first success was in 1955 when they completed an important embankment and their most outstanding achievement in 1959. The work was the construction of 8,000 ft. long Dhussi Bund on the river, Beas. No contractor was willing to handle it. It had to be finished before the Monsoons. The society offered its services. It was confident of the capacity of its members and their morale. After all it was their own work. It was no mercenary engagement. And the society completed the work in record time thus saving Kapurthala district from recurring floods.

The society followed up this success by undertaking another work which the contractors had refused to do.

They again completed the Dera Baba Nanak Dhussi Bund before time.

The labourers of Madhopur were now on firm feet. They were not only able to compete successfully with established contractors but undertake works which even the latter would not.

Initial Difficulties

But it was not that the labourers did not have their teething troubles. Their stiffest opposition came naturally from the contractors who saw in this new movement a danger to their own existence. They resorted to all unfair means to throttle it. They took to underquoting in submitting tenders and creating dissensions among the labourers by throwing baits to them in the form of higher wages.

Again, not being rich in resources, the labour cooperative found it difficult to get loans from cooperative banks which had themselves been hit by partition.

The P.W.D. also did not show any consideration for the labourers inexperience in the execution of works. They were exacting in their assessment and subjected the labourers to heavy penalties for even slight deviations. Again there were delays in the measurement of works and payment of bills.

But the workers under the leadership of Rattan Chand were determined to succeed. They pledged either to succeed or sink together. They refused to fall apart and get into the clutches of contractors again.

Their perseverance paid off in 1955 when they showed their competence by completing a rather difficult embankment. The P.W.D. recognised their merit and the objectives guiding them to bring about collective welfare.

Position of Strength

Since then the society has not looked back. It has grown from strength to strength. It has assets worth over

Rs. 98,000. It has constructed its own office at a cost of Rs. 9,000. The labourers have themselves constructed a motorable road from Madhopur to Therial. They have their own truck.

Seeing the success of the Madhopur Society, labourers in other areas of the district were also inspired. As a result 80 labour cooperatives were formed in the district of Gurdaspur.

The Madhopur Society again took the lead to ensure that their Sister organisations developed on sound lines. They formed a District Cooperative Labour and Construction Union, with individual labour cooperatives as its members.

This union has played a very important role. It has helped the individual societies by making available to them technical advice which they themselves could not afford. They appointed inspecting supervisors to ensure the execution of works according to specifications.

Again certain items were centralised for which the Union was made responsible. Tenders for all works were to be submitted by it. The union in turn distributed works to societies according to their capacity. This checked unnecessary competition among the societies.

The success of labour cooperatives in Gurdaspur district caught the attention of the state. Now there are over 850 labour cooperatives in Punjab with a membership of 80,000 and a share capital of Rs. 16.7 lakhs. They have executed works worth Rs. 134.9 lakhs. There are 15 labour and construction unions in the state with a working capital of Rs. 1 lakh.

Thus the pattern provided by the Madhopur Society became the pattern of development of labour cooperatives throughout the State.

Resources

The Madhopur society only allowed labourers to become its members. The contractors were strictly kept out. Each member had to buy one share of Rs. 10 each and pay an admission fee of Rs. 2. The share money can be paid in 10 monthly instalments.

While relying on their own resources, the society received much encouragement and amenities from various agencies. From the Central Cooperative Bank it could borrow an amount three times the subscribed share capital plus reserve. Again the society could draw from the Central Bank 70 per cent on the estimated value of works.

Labour cooperatives have been exempted from depositing any earnest money.

The P.W.D. became helpful in its dealings with the society. It started making monthly payments. To ensure harmonious relations monthly meetings were held between the representatives of P.W.D. and the labour cooperatives assisted by the officers of the cooperative department.

Further, the State Government has reserved all unskilled works and minor skilled works up to Rs. 2,000 for labour cooperatives.

Management

The Madhopur society is guided in its working by a Managing Committee of 7 elected members including a President and two Vice-presidents. The members of the committee also do manual work and earn wages. To run the office a secretary and one accountant have been employed. Elections are held annually.

Economic and Social Benefits

Apart from feeling their own masters, labourers have for the first time realised to what extent joint and co-operative endeavour can improve their lot in various

fields. It is not only the economic gains but many other tangible and intangible gains that go to make the life fuller and richer.

Economically, the labourers are earning $3\frac{1}{2}$ times more per day than before. Against Re. 1 their average daily earning now is Rs. 3.50 nP. Again they can get advance wages, if necessary. They get their share of annual profits and a rebate according to the value of work done by them. The profits distributed by the society in 1957 came to nearly Rs. 18,800.

The society was able to demonstrate its full maturity in 1960 when it earmarked Rs. 20,000 as bonus for distribution to its members.

In the field of welfare amenities the labourers and their families are now enjoying facilities they could not have thought of before. A medical officer has been appointed to provide cheap medical aid. In a building given by the Government, a school has been started.

At the work site a cooperative mess is organised with utensils, *durries*, gas-lamps, etc., provided free by the society. At the headquarters members get free board and lodge at the guest house.

In the cultural field a *bhangra* team has been organised and a radio set provided in the office.

Housing Colony

To help its members to solve their housing problem, the society helped to construct a cooperative labour colony at Madhopur. Ten of the members have already constructed their houses at a cost of Rs. 1 lakh.

The proudest day for Rattan Chand came when he, an humble worker, was called upon to preside over the second State Labour Conference at Gurdaspur. Visibly moved, he recalled the evening when he sat discussing the idea of a cooperative with his colleagues. He was now

the Vice-president of that society, which was represented on the State Co-operative Board.

He looked at his audience, who will yesterday had been known as the weaker sections of the population. They had to be looked after. It was not the position any longer. They had become their own masters. They had all joined hands to march ahead together. They had learnt to look after themselves.

Rattan Chand then knew that he had not laboured in vain.

DELHI RIKSHAW PULLERS' COOPERATIVE SOCIETY

Jumping into a rickshaw, on a hot summer mid-day, I asked the rickshaw puller to drive a little faster. Then my conscience pricked me as I looked at the June sun blazing away in full fury. To appease my conscience I said a few palliatives as if trying to take away the edge from the rickshaw puller's hard labour. But my few inquiries revealed to me that Lalu Singh was not a helpless driver as I had thought him to be. He was not ashamed of his work. He was not frustrated. The rickshaw he was pulling was his own.

When he took to rickshaw pulling, he had no other choice. He was not so helpless now. Even from his present work, he could look forward to improving his lot. And he had ample reasons to sustain him in his faith.

He was no longer in the clutches of the rich Sethji who owned rickshaws. He had no longer to suffer losing the lion's share of his day's earnings to him. Previously he had to pay him Rs. 6 a day for taking his rickshaw out on hire. And all his sweating and toiling could hardly get him a square meal a day. Now all his earnings were his. He was earning Rs. 125 per month.

Seeing my surprise, Lalu Singh explained that all his progress was the result of organised effort. There was a time when he could hardly imagine that people of such humble origin as he could ever get a start in life. There was no one they could look to. They felt grateful for the little favours they could get from Sethji.

Lalu Singh had however grown wiser. He had learnt the meaning of self-help and self-reliance through co-operative organisation. He now belonged to the Delhi

Rikshaw Pullers' Cooperative Society. The Society was also benefiting 400 others who were its members.

Organising the Cooperative

When the Cooperative was organised in 1955, there were 3,000 regular licenced pullers in Delhi, as against 600 rikshaws. There was naturally a cut-throat competition for the daily hire of rikshaws by the pullers. All this was to the advantage of the owners of rikshaws. No wonder, they were charging Rs. 6 per day on a rikshaw costing Rs. 325. Exploitation did not end there. The defaulters had to pay an interest to the owners on the amount unpaid.

It was this condition of the rikshaw pullers which attracted the attention of some of the social workers of Delhi. But it was no easy task to instil faith in the illiterate pullers of rikshaws. They were mostly pavement dwellers scattered all over the city. All talk of self-organisation was foreign to them. Moreover, how could they think of organising against the owners of rikshaws on whose goodwill they solely depended. They were afraid.

The first two meetings called of the rikshaw pullers proved infructuous. However, in the third meeting, 24 of the pullers came forward to join hands in a cooperative venture. They raised a share capital of Rs. 345 and formed the Delhi Rikshaw Pullers' Cooperative Society.

Rapid Growth

The Cooperative started with a pioneering spirit. It was undeterred by its meagre resources and membership. It was determined to prove its worth by showing results.

The problems were many. Foremost, it had to provide its members with rikshaws. While it was able to get the licences for them, the big hurdle was the capital required for their purchase. The members among themselves could pool no more than Rs. 7,000. Then, for the first

time, the rikshaw pullers realised what strength lay in unity and organised activities. They could get a loan of Rs. 35,000 from the State Cooperative Bank to supplement their own resources. A bigger surprise, however, awaited them. Even the rikshaw manufacturers found them worthy of credit and advanced them Rs. 15,000.

With the capital so raised, 154 rikshaws were purchased. This provided employment to 356 pullers.

In Their True Colours

The rikshaw pullers now found the owners in their true colours. Seeing their business going to pieces, owner of rikshaws entered into expensive litigation with the pullers. But they had miscalculated the strength of the pullers, who had fully realised their potentialities. This challenge further strengthened them in their resolve. The pullers won their case and with it swelled the membership of the Society.

Rikshaw pullers had known their strength and the weakness of the rikshaw owners, who had already brought down the hire charges from Rs. 6 to Rs. 3 per day. Even this drastic reduction compared miserably against the 62 nP. charged by the Society for 24 hours from its members, who usually paid 31 nP. for the 12 hours for which they required the rikshaw.

Present Strength

During the five years since its inception, the membership of the Society has increased to 453 with a paid up share capital of Rs. 41,300. It now owns rikshaws worth more than Rs. 20,000.

From pull-rikshaws, the Society has already taken a big jump of buying some auto-rikshaws also. It owns 16 of these valued at Rs. 62,000. Five members have already paid back their instalments and own the auto-rikshaws. Jagannath and Nand Kishore belong to this proud tribe.

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The Society's progress in this field is hampered by the short supply of auto-rikshaws and not by resources or the enthusiasm of its members. Members can get an auto-rikshaw on hire-purchase by paying an instalment which works out to Rs. 8 per day.

Economic Benefits

Apart from lower rents on hire, and easy instalments for hire-purchase, the rikshaw pullers are deriving many other benefits. The Society has provided servicing facilities for rikshaws at reasonable cost and each member is given a pair of uniform and badges every year free. From the stores department, members can get parts cheaper than in the market.

Social Benefits

The rikshaw-pullers sense of belonging and faith, however, flows from the many social benefits they are able to derive because of their membership of the Society. They are provided for against accident by the Society and can get free medical treatment through authorised private medical practitioners. A scheme is now under consideration for the monthly medical check up of the Society members. For the education of their children, members get assistance from the Society.

To make the life fuller for its members, the Society is now thinking of setting up a hostel with facilities for recreation for unmarried workers and finding accommodation for the married workers.

These are the benefits which have provided a firm base to this down-trodden section of the population. They can now be sure of retaining the rewards of their toil and are well on the road to recovery.

HATHRAS COOPERATIVE MARKETING SOCIETY

Provision of cheap, easy and elastic credit to the members of the cooperative and at the same time arrange sale of produce, through the cooperative agency, with a view to helping them to get better price had been a long standing problem. The Hathras Cooperative Marketing Society in U.P. had been trying not only to achieve both the ends, but in the process, build up a federated cooperative structure! for some time past. In 1956-57 forty 'mandis' in twenty nine districts were selected for this purpose. Hathras 'Mandi' in the Aligarh District of U.P. is one of them.

The Marketing Society was registered on January 30, 1957. Its field of operation extended to 450 villages. The vested interest represented by the 'Arhatias', which in the past was responsible for wrecking similar cooperative ventures, could not, this time, face the combined strength of the cooperators.

Within a short time of the registration of the company, five thousand members were enrolled and Rs. 10,000 as share money was raised. Besides individual members, large size societies of the area were enrolled as 'A' class members, each purchasing ten shares of Rs. 100 each. The State Government became a special member of the society and contributed Rs. 25,000 towards its share capital. In the past four years the membership of the Society has considerably increased together with the share capital which in 1959-60 stood at Rs. 1,11,721. The main objective of the Marketing Society was to evolve a system under which the cost of its service was reduced to the minimum to ensure for its members the maximum price. But the Society, to avoid friction with the vested interests at the

initial stages, did not make revolutionary changes in the local practices of the 'mandis'. According to that, the local 'Arhatias' charged Rs. 0-12-6 in cash for a sale of Rs. 100/-. They also took two 'chhataks' per maund in kind of the salable produce. The Society reduced it to eight annas per maund. Correct weighing was also assured to all.

In the beginning grains etc. were not reaching the Society to the extent as it should have. It was because of the 'Arhatias' old business relation with neighbouring traders. But shortly more and more grains were arriving, thanks to the action taken by the State Cooperative Federation and the Local Agriculture Department. Members were also told the benefits they would derive if, rather than sell their produce through the *baniyas*, they bring it to the Society direct for correct measurement and fair price. As a result of all these actions, handling of grains by the Marketing Society has increased. It now handles 25 per cent of the total arrival. The Society which earned a commission of Rs. 3,011 in 1956-57, earned Rs. 41,520 in 1959-60. The members of the Society are also deriving the benefit of pledging of the produce with the Society. This increased the holding on power of the cultivators.

The 'Arhatias' have now combined to boycott the Society. The U.P. Cooperative Federation, the apex marketing society in the State, came to the rescue of the Marketing Society and has set up a pucca 'Arhatia' at Hathras to purchase the stocks from the shop of the society at usual market rates. This timely step on the part of the apex society helped the society in transacting its business successfully. The local 'Arhatias' are already noticing the strength of the Society, from the village upto the apex organisation, and it is hoped that they would soon give up their policy of non-cooperation.

As has been referred to earlier, the main business of the Society is to link up credit with marketing. Under

this scheme additional credit limits are allowed to the members by the large size society to enable them to draw any necessary production finance for carrying on their agricultural operation on modern lines and increase their production. But they have to bound their produce for sale through the Marketing Society, and the latter, acting as agent of large-size credit societies, effects recovery of its dues from them out of the sale proceeds of members' produce. This has been quite successful as will be evident that in 1959-60 the percentage of recovery to total demand was 82.9 per cent.

Besides the advantage of higher rates varying from Rs. 0-2-0 to Rs. 0-4-0 per maund on account of better bargaining power of the Society, the members get the following additional benefits by selling their goods through the Society:

- (1) Every member gets bonus on the total amount of sales and the rate of this bonus has been on the increase every year.
- (2) Every member pays less for the services of a *Kachcha* 'Arhatia' rendered by the Society.
- (3) The rate of interest charged by the Society on the amount advanced on pledges of goods is much less than the market rate.
- (4) A member has to pay only 10 nP. per bag per month on account of godown rent, rent of bags and insurance which is much less than the market rate for such services.

With the increased activities, the Marketing Society opened up new branches. Already it has branches at Sasni, Sikandra Rao and Vijaygarh. Besides, the Society opened collection centres at Biswan and Iglas.

The Society has so far confined itself only to 'Kachcha Arhat' (Commission Agent), but it was decided to take up 'Pucca Arhat' business against assured demand of sister

institutions. In the year 1957-58 the Society supplied 9,373 maunds of grains and cereals valued at Rs. 1,52,556 to seven marketing societies in deficit areas of eastern districts of U.P. It also supplied 3,438 maunds of coarse foodgrains valued at Rs. 39,543 to Civil Supplies Department in the same year. In recent years, the Society supplied many more things worth lakhs of rupees.

After three and a half years of working the Society has not only won the confidence and loyalty of the members, but has also earned good profits. From Rs. 3,942 in 1956-57, the profit was increased to Rs. 25,288 in 1959-60. In 1958-59 it declared a bonus of 0.50 per cent. This was double the rate that was declared in 1956-57.

The Society is now planning to construct a godown of its own. A sum of Rs. 25,000, as loan and subsidy, has been received from the Government for this purpose. Right now it is doing its business through a rented godown.

NAYA BASERA BHATIA FARMERS' COOPERATIVE SOCIETY BAREILLY

In 1948 twenty-three agriculturist, refugee families from Multan in West Pakistan decided to form a cooperative society at their new home in Bareilly District, Uttar Pradesh. They not only wanted to forget the sad memories of the past resulting from the partition of the country, but boldly decided to quicken the pace of rehabilitation. The society has since been working on a joint farming pattern.

The society which was registered in July, 1949, is located in the village Jugroonagar in Baheri Tahsil of Bareilly District. The initial investment of the society was Rs. 26,000 by way of purchasing 550 acres of land together with some existing buildings. The land was acquired in the joint names of 23 members, with the share of each specified in the sale-deed in proportion to his capital contribution. The society lost about 32 acres under ponds, channels, roads and pastures with the abolition of Zamindari. But in 1950 it acquired 200 acres more in the neighbouring villages by way of lease. The total area of the cooperative farm now is 718 acres of which 588 acres are 'bhumidhari' and 130 acres 'sirdari'. The minimum area of land held by a member is ten acres, while the maximum holding is 70 acres. The ownership rights in the land continue to vest in the members, but the land is "pooled" for joint management for all practical purposes.

But the land was not cultivable when the society first acquired it. It was all under dense forest and Kans. The intrepid settlers set themselves to the task of reclaiming the land with the help of machinery bought out of the pooled capital. Men, women and children worked day and night. In six years' time every inch of this whole

undeveloped area became cultivable. The jungle was turned into a well laid out farm with proper roads and well-measured plots.

The members of the society are a well-knit and closely affiliated group which had already attained a certain measure of homogeneity in its original home land. The adversity caused due to partition brought them all the more nearer. The anxiety to preserve their customs and language, to quicken the pace of their resettlement, maximise their returns and minimise their production cost and to arrange medical and other facilities and other conveniences has been a potent force in the substance of the co-operative spirit and common will of this group.

The society, starting with 23 members, has now in its roll 36 members. 25 of the members live in the cooperative colony. Others are expected to join the group soon. Only five members left the society so far. They left the society as they could not face some of the calamities that be fell it in 1950-51. The machinery was broken. Money was needed for its repair. More capital contributions for reclamation etc. were wanted. On the top of it there were natural calamities which resulted in low income and consequent non-declaration of profits. But the rest helped and saw that the society ultimately becomes a successful one.

The farm is operated as one unit. The members work with the help of some hired outside labour in the busy season. They are paid on contract basis and rarely on daily wage system, the work contributions of the member-workers, their families and permanent non-member employees is rewarded through a fixed monthly remuneration. The minimum salary paid to a member worker or a member of his family is Rs. 65 per month and the maximum paid at present to Secretary-cum-Manager in the form of honorarium is Rs. 200/- per month. This amount is voted every year. While fixing the monthly pay, workers skill and capacity is taken into consideration.

The accounts relating to the management of the co-operative farm and its income and expenditure are not mixed with those of the society. Such division offers better scope for the comprehension of the problems and the actual state of affairs. The procurement of finance, upkeep and maintenance of costly machinery and implements, stores and live-stock, housing, education and medical facilities etc., are the concern of the society which hires out its machinery and stores to the farm at fixed rates. The society also gets ten per cent of the net farm profits as its commission for the management of the farm and another ten per cent more for arranging public utility services and other conveniences to the members.

The day to day work of the farm and the society is conducted under the direction of the "Secretary-cum-Manager" who is the chief executive appointed by the general body. The general body as also the Secretary-cum-Manager work under the control of the managing committee which prepares crop plan and budget estimates annually. There are various teams under the Secretary-cum-Manager which take different work load. Each team is to be in charge of a member who works himself and also supervises the work of his colleagues. The farm programme for the following day is discussed in advance by the Secretary-cum-Manager with the managing committee and other members available to ensure its best possible execution.

The member workers of their families have a guarantee of employment suited to their skill and capacity. The normal duties of working hours are fixed. Permanent employees are entitled to fifteen days casual leave and ten days sick leave in a year with full pay. They get other leaves also to meet social obligations and to undertake market trips. Free medical aid is available from the society dispensary which is well-equipped for this purpose. The member workers are also provided with free houses. Other regular workers are assisted with free labour and

material in constructing their huts. Fuel supply is free to all of them. Daily necessities are supplied to the workers from the society supply shop at a nominal profit.

Besides fifty casual labourers engaged during peak period, there are 29 adult non-member outside-workers who reside in the colony. They are treated as more or less regular employees of the farm. Their monthly pay ranges between Rs. 40 to Rs. 60 per head. This is not only more than the current market rate, but they also get a number of facilities and amenities. In 1949-50, the gross acreage under cultivation was 265 acres. This land produced 5,200 maunds of sugar cane and 2,100 maunds of other produce. In 1959-60 the gross acreage increased to 594 acres. The yield of sugar cane was over 82,000 maunds and that of other grains 4,657 maunds. The society in 1959-60 spent Rs. 36,197 and made a gross income of Rs. 41,717. Total net profit was Rs. 5,520. Except for the first three years, the society had been making profits till now. Moreover it has worked out almost with its own capital and internal borrowing. It has no heavy outside debts against it.

The society stands in urgent need of immediate and long term loans for the construction of houses for the members of the society and essential buildings as well as for the installation of a tube-well, extension of irrigation channels and development of its farm.

The benefits derived by members of the cooperative farming could be summed up thus:

1. Extension in cultivated area and land improvement through cooperative efforts which singly was impossible;
2. increased yield of crops due to joint investment;
3. diversified cropping because of big acreage;
4. extensive use of manure, fertilisers and manurial practices;
5. rotation of crops;
6. development of irrigation facilities;
7. economy in marketing;
8. introduction of Dairy Industry;
9. supply of daily necessities to members;
10. provision of

roads and bridges; 11. provision of housing facilities; 12. establishment of a dispensary; 13. establishment of a school; 14. ownership of full line of machinery; 15. assured and increased returns to the members; 16. social and cultural amenities.

RAILWAYMEN SHOW THE WAY

In pursuit of more lucrative occupations in the towns and cities, there developed a class towards the end of 19th and the beginning of 20th which was considered as progressive by the villagers. Railwaymen belonged to such a class. Even amongst themselves they developed such an affinity that they were able to achieve much as a result of group action. For example, they made a mark in sports and gained concrete results in the social and economic fields.

Therefore when cooperation came to be introduced in the country in the beginning of the present century, it immediately attracted the attention of railwaymen. It was not surprising. They were already a closely knit homogeneous unit with common interests and outlook.

Relying on self-help through cooperative effort railwaymen once again showed the way to enrich their lives. One of their outstanding examples in the field of cooperation still remains one of their earliest ventures.

Credit Society

It was in June 1909 that a handful of 25 railwaymen formed a Cooperative Credit Society. They all belonged to the then Bengal Nagpur Railways, now designated as the South Eastern Railways.

Being of modest means they had all stood in need of ready cash on many occasions. They had also suffered exploitation at the hands of money-lenders. Any activity that promoted the habit of thrift among them and provided credit on easy terms in time of need was therefore welcome to them. As a result within a year of its small beginning, the society's membership swelled up from 28 to 400 with a paid up capital of Rs. 22,000.

Present Strength

Since then it has never looked back. Railwaymen have another first to their credit. It is now the country's biggest employees Cooperative Credit Society. About 80,400 railwaymen are its members. They are all from the South Eastern Railway Zone. The societies' paid up share capital is Rs. 9·24 million and working capital about Rs. 54·34 million.

From a small corner in the office of the Bengal Nagpur Railway at Kidderpore, Calcutta, the society has travelled far. It has its own building and 8 branch offices spread over the zonal railway network. Over 300 people are working at the societies headquarters and branch offices. (Table 'A' gives the society's progress in different fields over five decades.)

Financial Stability

The society has not been without its share of strains and stresses—the biggest jolt being the partition of the country. At that time many of its depositor members migrated and Rs. 1·30 million were locked up in Pakistan. But the society tided over the situation admirably and mainly because of its inherent strength.

Railwaymen throughout have depended on their own resources to make the society strong. And this training has ever stood them in good stead to get over adverse circumstances.

The promoters gave the society a good start by offering it short term deposits for loans to needy members. And the members strengthened the society by timely repayments and enabling it to honour its obligations.

Once having established its soundness and utility, it was able to attract fixed deposits from its working and retired members. Fixed deposits in 1914 were followed by

the system of monthly voluntary deposits in the savings account in 1927.

Role of Railway Authorities

Railway authorities have ever been solicitous of the welfare of their employees. That has accounted for many of the Railwaymen's achievements in various fields. In the field of cooperation also they extended to the credit society many facilities.

These included:—

- (a) Recovery of society's dues through the salary bills of employees;
- (b) Encashing of society's cheques at Railway cash offices and stations;
- (c) Free passes to directors and delegates to attend the society's meetings;
- (d) Lease of Railway land for the construction of office buildings and accommodation for branch offices.

The above gains apart from helping the society economically have helped it to manage its affairs efficiently.

Management

For the management of its vast business spread over the entire zonal network, the society has provided for the representation of various categories of members. The General Manager of the South Eastern Railways exercises the powers and functions of the Registrar of Cooperative Societies. He nominates 5 members to a committee of 11 which directs the affairs of the society.

The overall policy of the society is decided at its general meetings which are attended by delegates elected by the large number of member voters. Thus democratic functioning of the society is assured.

Benefits

Apart from giving loans, the society introduced a scheme in 1952 of giving benefit to its retiring members. Under the Compulsory Retirement Benefit Fund, monthly deductions are made from the members' salaries. The members can withdraw 50 per cent of their deposits after having contributed to this scheme for 5 years. Already the accumulated savings of the members under this scheme have exceeded Rs. 10 millions.

Loans to members are given on attractive terms to be repaid in 60 monthly instalments. The maximum loan can be of Rs. 5,000 depending on the members' salary. The rate of interest charged from members is $6\frac{3}{4}$ per cent.

To help its ex-members and their families, the society allows them to have with it fixed deposits on attractive rate of interest.

For providing social amenities also the society is taking steps. It is introducing a scheme to reserve 2 beds in a TB Hospital or sanatorium for the treatment of its needy members.

The society has also been donating Rs. 500 annually to different hospitals and humanitarian organisations.

Resources

For its resources the society has mainly depended on its members. The funds have been raised by:—

- (a) issuing shares to members,
- (b) fixed deposits by members and ex-members (retired employees) at $4\frac{1}{2}$ per cent interest,
- (c) savings account deposits at $3\frac{1}{2}$ per cent interest,
- (d) thrift deposits under the compulsory retirement benefit scheme at 4 per cent interest.

TABLE 'A'
Progress of the S. E. Railway Employees Cooperation Credit Societies
(Rs. in million)

	1909-10	1919	1929	1939	1949	1959
1. Members	404	3,857	15,251	30,347	33,941	76,545
2. Share capital	0.021	0.182	0.806	2.26	3.50	8.50
3. Deposits	..	0.299	2.315	7.98	13.40	40.47
4. Guarantee fund	0.085	0.38	0.40	0.74
5. Reserve fund	..	0.023	0.158	0.53	1.12	23.14
6. Net profit	..	0.016	0.059	0.23	0.18	0.83

KERALA'S LITERARY CO-OPERATIVE

The intellectual and the creative artist are supposed to be intractably individualistic, and it is often unconsciously assumed that the co-operative organisation is not likely to be effective in their case, however useful it may be in the case of the farmer or the worker. The history of the Sahitya Pravarthaka (Literary Workers') Co-operative Society of Kottayam, Kerala, however, is a complete and spectacular refutation of this assumption.

Humble Beginning

The Society had a very humble beginning. In 1945, twelve writers got together, raised a modest working capital of Rs. 120 by voluntary contribution and set up a co-operative society with the objectives of eliminating the difficulties experienced by writers in getting their works published and guaranteeing reasonable royalties. Today the co-operative has grown up to be the most important factor for the stabilisation of the literary career in Malayalam, the language of Kerala, as a genuine profession.

Phenomenal Growth

The growth of the Society over the years has been phenomenal. As against a membership of 12 and a working capital of Rs. 120 in 1945, today it has a membership of 393, and it is operating a working capital of Rs. 4.5 lakhs. Up to June 1 this year, it has published 1,200 books. The average annual production figure over the past several years has been 140 titles or nearly three books every week. The annual volume of sales has increased from Rs. 3.6 lakhs in 1955-56 to Rs. 6.8 lakhs in 1959-60.

The shares are moderately priced; Rs. 10 per share. The largest block allowed is Rs. 5,000, and there are only 14 members who have taken the maximum.

In order to make the Society as broad-based as possible, the minimum for membership has been brought down to as low as Rs. 100 or ten shares. For the last several years the Society has been able to declare a dividend of 7½ per cent annually on the shares.

The annual figure for the amount distributed as royalty to authors is over Rs. 1 lakh.

Global Record

The Society has, in fact, set up a global record by giving 30 per cent royalty to authors. Such a high figure is earned by some writers in foreign countries also, but nowhere else does it appear to be the standard royalty given to every author whose book is accepted for publication. The high royalty figure has been maintained mainly because the Society does its own marketing and has been able to eliminate the middleman. This is a genuine and important function of a co-operative.

The Society has also introduced novel experiments in marketing promotion. For instance, in October-November, 1960 it organised a Book Festival, offering substantial price reductions besides prizes on a lottery basis. Over 50,000 books were sold during this Book Month and the public got, besides the bonus, prizes amounting to a total of Rs. 2,500.

Book Lottery

The Society has also introduced an interesting experiment like a Book Lottery, in which the subscriber pays Rs. 5 every month over a period and if he is lucky gets Rs. 100 worth of books for a single payment of Rs. 5. Even if he is not lucky, he will ultimately get his book much below the market rates. The fact that about 1,200 people are participating in this experiment shows that it will be possible to establish a home library in every household.

Ultimately, however, a steady tempo of expansion of sales can be managed only by the establishment of retail book shops in every small town and village.

According to a recent survey made by the Co-operative, a Malayali spends only 10 naye paise on the average during one whole year on the purchase of books. As it is certain that the average amount spent on films or on cigarettes is much higher, there remains a substantial residuary purchasing power which can be tapped if the adequate mechanics can be devised. The Society has drawn up a Five-Year Plan for the establishment of a very wide marketing net-work, the initial phase being the setting up of 100 book shops all over Kerala.

An interesting development which indicates an expanding role for the Society in contributing to the social security of its members followed the death of C. J. Thomas, a well-known critic and dramatist who has translated Sophocles and Aristophanes into Malayalam, on July 14 last year. The Society took the initiative in launching a drive for a collection for the bereaved family. The target figure was Rs. 10,000. It was able to raise over Rs. 11,000 within one month, by August 14. The Society freely allowed its members to draw advance royalties to make this donation.

COOPERATIVE FINANCE IN JALGAON DISTRICT

Jalgaon District of Maharashtra comprises the area known as East Khandesh. There are 1424 villages in the district. Of these 1420 are served by the Cooperatives financed by the East Khandesh Cooperative C. Bank Ltd., through its 43 branches.

The recent agricultural development of East Khandesh area is largely due to the increased agricultural production finances and other production supplies like manures, fertilisers, engine oils etc. made available by the Bank. In 1960-61 alone the Bank provided loans of different kinds to the order of Rs. 6.51 crores. The average loan per member at present is Rs. 232. This incidentally compares very favourably with the all India figure of Rs. 105 in this respect.

The area was a water bowl, between two hills, in old days. The topography is still the same, with, of course, no water reservoir worth the name. But there is sufficient sub-soil water. Thanks to the facilities provided by the Bank, a large number of wells have been bored to irrigate the fields. During the last fifteen years agriculture in this area has shifted from food crops to cash crops like banana, groundnuts and cotton.

Ten years ago the village Dasnur, 25 miles from Jalgaon, had not any cultivable land. At present almost all the land has been put under intensive cultivation, mostly banana plantation, so much so that it is difficult to buy any land for agriculture purposes.

This change is due mainly to the irrigation wells, operated through oil engines. The functioning of the oil engines and pumps have become so important that a very interesting

type of cooperative society in the village, called "Engine Protection Cooperative Society", has been formed. The engine owners subscribe about Rs. 100 annually. The pooled fund is used by the society for employing thirteen watchmen and two supervisors. Their function is to ensure the safety of the oil engines and their proper functioning. The watchmen are employed on the recommendation of the District Superintendent of Police and the Assistant Registrar of Cooperative of the District.

Agricultural activities have also spurred into action service cooperative. This supplies loan, in cash and kind, to the villagers. Manures, seeds, fertilisers etc., and cash-loans from the E.K.C.C. Bank are arranged by this society.

A third society called "The Crop Protection Society" also functions in this village. This society has taken the responsibility of providing the necessary insecticides, spraying of pesticides etc. The E.K.C.C. Bank is advancing money to the cooperative societies which are helping small farmers to grow bigger and bigger.

Take the case of Shri Narayan Nath Patil. Ten years back Shri Patil owned only two acres of land in which he used to grow only *Jowar* and *Bajara* as he had no means to irrigate his lands. At present he owns eleven acres of land and with the help of loans from the cooperative society, he has been able to dig a well at a cost of Rs. 3,000. He invested another sum of Rs. 4,000 for the installation of an oil engine. As a result of all these investments, he has now an annual income of Rs. 800. Ten years ago he would earn only two to three hundred rupees a year.

Shri Patil produces bananas as well. But he no longer sells these through private traders as he used to do some years ago. A Fruit Sale Society has been established in the neighbouring village of Nimbhora. He sells all his bananas through this society. Shri Patil gets all sorts of help from the four cooperatives. In turn he makes timely payment of his instalments of loans. He has fully

utilised everything he received through the cooperatives—oil, manures, fertilisers, cash etc., for increasing his agricultural output.

Shri Ramu Lahanu Patil of village Dasnur has also built himself up with the assistance of Cooperative Societies. In Dasnur there is a Crop Protection Society as well whose chairman, Shri Ramu Lahanu Patil, is now a prosperous farmer owning 22 acres of land. Only ten years ago he had about five acres where he could grow only cotton, *Jowar* and *Bajara*. In these ten years he has increased his income from Rs. 800 to Rs. 8,000 per year. The additional 17 acres of land he had purchased out of his surplus earning. He bored four wells in his fields and had three oil engines installed in them. He no longer goes to the village Sahukar or merchants for loan. The E.K.C.C. Bank Ltd., through the village cooperative societies, gives loans in cash or kind. The E.K.C.C. Bank has provided loan of Rs. 1.25 lakhs to village Dasnur alone. In return Shri Patil sells all his Banana crop through the Fruit Sale Cooperative. He also rents the tractor belonging to the village service cooperative society.

Balawadi, another village near Dasnur, has been supplied loan of Rs. 91,000 during 1960-61, through the local service cooperative society, for agricultural operations. This loan is mostly in the shape of chemical fertilisers or crude and mobile oil and about Rs. 200 per member in cash. Shri Bajirao Nana Patil borrowed Rs. 7,000 for intensive cultivation of seven acres of irrigated land which he put under banana plantation. He has thirty acres of land which he ploughs with the help of the tractor of the society. In the last ten years he has added ten more acres of land to his original holding. He has installed two pumps in his well as well. This increased income has helped him in sending his son for higher education.

The E.K.C.C. Bank has a subscribed share capital of Rs. 32.66 lakhs. The Government of Maharashtra has contributed Rs. 5 lakhs to the Bank. The deposits raised

by the bank is Rs. 3.44 crores and the working capital is in the order of Rs. 5.79 crores.

Since its inception in 1916, the Bank has pursued a progressive lending policy. The bank now finances to a very large extent marketing operations of the chief crops of the district, like Bananas, groundnuts and cotton. It also maintains a close link between supply of credit with marketing.

In the district of Jalgaon, there are seventeen cooperative cotton sale societies, thirteen fruit sale and seven purchase and sale societies besides the District Purchase and Sale Union at Jalgaon from the two cooperative societies have got two ginning plants as well. Because of lack of competent managers and technical hands, these societies are facing some difficulties at present. Even in cooperative marketing there are some obstacles still on the way. To overcome them the society may have to take some risks by allowing credits to merchants if it has to successfully compete with rich traders.

The E.K.C.C. Bank, whose progressive outlook was mentioned earlier, through its branches has been able to raise deposits to a very large extent from the agriculturists of the total deposits of the Bank about 85 per cent are raised from the rural areas. The farmers like to keep money with the Bank so as to withdraw it any moment for agricultural operation. It is estimated that the funds involved in such self-financing of agricultural operations amounts to Rs. 40 to Rs. 45 lakhs every year.

Another important feature of the lending made by the Bank is that of the total advance made to the village cooperative societies for financing current agricultural operations, the Bank bears 66 per cent of the advances, the remaining 34 per cent being made available by the Village Primary Society from out of its own funds.

The sale of agricultural products of the district is almost completed by the month of January. The only source from

which agriculturists can obtain finance is the Bank or the Village Service Cooperative Society. The Bank has adopted a policy of advancing fresh loans after January 15. This on the one hand ensures genuine recovery of past loans issued by the Bank, and, on the other, helps to meet the genuine production requirements of the farmers.

The Bank finances all village cooperative societies. This advance is of two kinds: (1) ordinary finance—loans issued by those persons who are not debtors under the Bombay Agricultural Debtors Relief Act; (2) seasonal finance—this is restricted only to those members who are debtors under the B.A.D.R. Act and are parties to the award under the said Act.

Amongst the Industrial Cooperatives, the Weavers' Cooperative in the District is the most important type of society. Government is helping substantially Weavers' Cooperatives to ameliorate the conditions of the Weavers by granting loans through this Bank at a concessional rate of interest *i.e.*, $2\frac{1}{2}$ per cent. Government and the Reserve Bank of India have placed at the disposal of this Bank some money for financing weavers' societies and for other Industrial Cooperatives.

The Bank has been maintaining its rate of dividend at five per cent on its Share Capital continuously for the last twenty five years. In 1958-59 the Bank decided to raise the rate of dividend by one per cent and donated the amount of Rs. 62,000 to the District Flood Relief Committee.

RASULPUR AGRICULTURAL SERVICE COOPERATIVE SOCIETY

We have heard the saying that little drops of water make the ocean and that little grains of sand form the desert. Rasulpur Cooperative Society affords such an instance of small efforts resulting in a big venture. The seed that was sown as early as 1927 has now grown into a big tree providing shelter and comfort to the people.

Rasulpur is a Jat village in Jullundur District of Punjab. It has a population of 425 families. On a fateful afternoon of June, 1927, sixteen elders of the village met under the shade of a banyan tree and decided, after weighing points for and against, to organise a cooperative credit society. The society, as they planned, had twin objectives. The cooperative would help not only in savings but would finance for the agricultural needs of the village farming community. The cooperative sub-inspector had given them the idea and they decided to work on that.

The society was registered on July 30, 1927 with a meagre share capital.

The capital might have been shy. But their enthusiasm and sincerity of purpose were unlimited. Within a year of its formation, the society became self-supporting. It stopped taking loans from outside agencies. In fact, at no time after the first year did the society borrow money. On the other hand, it started investing its surplus money in the Central Bank. By 1960 the society had a working capital of three lakhs and ten thousand rupees. 85 per cent of this amount, *i.e.*, Rupees two lakhs and sixty-three thousand are the deposits. More important is that the cooperative has captured the imagination of the people in the surrounding areas. The neighbouring villages are

keeping money with the society, both in current and fixed accounts. The banking business has been so successful that the cooperative is even collecting cheques on foreign banks.

Every family in the village is represented in the cooperative. A striking feature is that all the 120 economically backward scheduled caste families have joined the cooperative. Rasulpur villagers not only believe in the theory of helping weaker sections of the population, but are showing it through practice.

Loans are advanced against personal sureties. Creditworthiness, which is proving a hinderance in many areas, is not a problem in this cooperative. The villagers know one another well, and are acquainted with their day-to-day problems. While advancing loans they find out the purpose and if it is good, then is no difficulty in advancing credit. In 1960, 153 loans amounting to Rs. 41,658 were advanced. These were advanced for purchase of cattle or purchase of land, fertilisers, agricultural implements, agricultural machinery, repairs and reconstruction of housing, redemption of loans, and domestic uses. The rate of interest is six per cent. The cooperative is thinking of reducing it further. Hardly any member is indebted to other agencies outside the society.

The cooperative is meeting almost all the needs of the members. There had not been any case of wilful default. At no time had the society to resort to legal or coercive action for recovery of loans. Every member considers it his moral obligation to be punctual in repaying the loan according to the stipulated instalments. Till now no amount has been written off as irrecoverable from members. All these not only prove the economic soundness of the people in the village but also their moral standard.

In 1957 the society was converted into a large size society. It was a turning point in its career. The activities of the society became broad based. The society was

converted into an agricultural service society for supply of credit, production needs of the members and the marketing of their produce. The society has now a fertiliser depot for supply of various types of fertilisers to its members. From April 1959, when it took the responsibility of supplying fertiliser, the society has sold 350 maunds of fertiliser worth over Rs. 14,000. The society is also supplying improved seeds to its members.

The society has acquired two spray pumps for loaning to its members. Insecticides are well stocked with the society. The maintenance and supply of agricultural implements for common use of members is also receiving attention of the society.

The Rasulpur society supplies necessary consumer goods to its members. Salt, tea, vegetable ghee, matches and other daily requirements are supplied through it. The society is the sole supplier of sugar in the village.

It has an office and a godown built out of building fund. The society also looks after the good living of the villagers. Streets and drains have been made 'pucca' out of its funds.

Shri Buja Ram, the first President of the Society and now the Secretary, recalls those days when the society was formed and the various stages through which it developed. But he does not claim the honour all by himself. He points out to the present President, Hukam Singh and to others and opines that the team spirit is responsible for the success of the society. They have future plans for enlarging the society. But they are not in a hurry. The society has not only taken roots in the village, but has also inspired adjoining villages, to do the same. Therein lies the further success of the society.

SHETKARI SAHAKARI SANGH OF KOLHAPUR

The Shetkari Sahakari Sangh has grown from an humble beginning to a huge organisation. Its annual business is now more than Rs. 15 crores in terms of supplies and services to the agriculturists of Kolhapur, Maharashtra.

The area has now become very rich in sugarcane production. This phenomenal increase in production is mainly due to a system known as 'Phad' which helps in undertaking irrigation projects. Twelve or fourteen farmers under this system combine and pool their funds together to purchase irrigation pumps. The Shetkari Sangh, through its 42 branches and 34 distributing centres operating throughout the district of Kolhapur, supplies pipes, diesel oil and lubricants to the farmers. The Sangh handles 53 per cent of the total sale of the diesel oil. It has recently taken contract to supply furnace oil to two cooperative sugar factories of the district. It has also obtained the agency for distribution of kerosene oil from the Maharashtra State Cooperative Marketing Society for the district. In all the Sangh handles about 32 per cent of the kerosene oil in that district. The Sangh has also entered into petrol retail business.

There are many other activities into which the Sangh is concerned with. Farmers of the area are fond of a special type of manure mixture known as "Bull". Before the Sangh entered into the business it was with great difficulty and at abnormal prices that the farmers could procure chemical fertilisers. Because of their non-availability agriculture production was dwindling down in the past. But thanks to the Sangh's initiative, "Bull" brand mixture can now be found in every village. The supply is regular and the delivery is free of any transport.

charges and it reaches the door of the farmers. Supply of cheap fertiliser in sufficient quantity has reduced the cost of the production of sugarcane and paddy. During 1959-60 the Sangh sold all types of chemical fertilisers of the value of about Rs. 90 lakhs. In respect of manure mixture its total sale was 58 per cent of the sale in the district.

The Sangh has also set up a soil testing laboratory. It tests the soil and finds out the chemical content of the fields. It then prepares the manure mixture according to the specified formula. This soil testing has become quite useful with the farmers who are happy to find science at their service.

Cooperative activity and scientific approach to agriculture is paying rich dividend to the farmers. Take the case of Shri Ganapati Krishna Sathe, Chairman of the Service Cooperative Society of Haldi village. Ten years back he was producing four cart loads of 'gur' per acre. Now he gets six cart loads. As against fifteen maunds of paddy which he could grow per acre, Shree Sathe now harvests 23 maunds. Shri Sathe owes everything as he puts, to his supply lines, pipes, diesel oils etc., which had made irrigation cheap and plenty. In Haldi village itself there are 4 oil engines installed in the river Bhogawati. These engines together irrigate 160 acres. Nearby village of Ghotavade has 20 oil engines pumping water from the same river. Their combined irrigation strength is 400 acres of land.

Shri Shankar Balavant Patil, a member of the Ghotavade Society was a weighman-cum-labourer in the society's shop few years back. With the help of the society and through his own labour, he now owns a house with four rooms and a pair of bullocks and some land to grow sugarcane. He is, like many of his colleagues in the village, a member of the Bhogawati Cooperative Sugar Factory.

Shetkari Sahakari Sangh purchases food grains, jowar, rice, wheat, pulses etc., and supplies, through their offices, to its members. The Sangh has a wholesale grain store

in Kolhapur where big purchases are made from outside the district. It has big credit in the grain market. Traders from outside places like Nagpur send their goods on consignment basis for sale. It has a storage capacity of 5,000 bags. In 1959-60, the total sales on consignment basis amounted to Rs. 16 lakhs and sales on account of outright purchases were to the tune of Rs. 3 lakhs. In the city of Kolhapur the Sangh has six fair price shops.

Another important activity of the Sangh is to supply iron and steel and cement to the members. It deals with wholesale distribution of these commodities in the district. Retail distribution is done through its branches and offices. As a result of the availability of these things, many *pucca* houses have been built in the villages of Haldi and Ghotawade about which reference has been made earlier. Besides private houses, there are community buildings like Vikas Mandir, Veterinary Hospital, Godown, Cooperative Society etc.

The Shetkari Sahakari Sangh has also, entered into the medicine business for the benefit of its own members. The chemists of Kolhapur City, through their association, were charging 25 per cent profits on the sale of medicines. In 1958 the Sangh started a retail shop in the city and charged only 5 per cent profit on cost price. The Sangh had to face the organised opposition of the vested interest and in the first year had to incur a loss of about Rs. 3,000. The next year the table was turned and the Sangh made a profit of Rs. 9,000. The profit is expected to go further up this year. The Sangh is now planning to keep the shop open day and night for maximum service. As a result of the activities of the Sangh, the chemists were forced to bring down the prices. The Sangh has also purchased, the cost price, one of the cloth and provision shops of Bombay State Consumers Cooperative Society. Its average daily sale is Rs. 1,200.

To maintain the supply line in tact the Sangh has organised a transport section consisting of five oil tankers, three

trucks and two cars. All their supplies are carried by the Sangh's own vehicles. Agricultural produce belonging to the members of the Sangh is also transported to different markets by the same vehicles.

Processing of agricultural products helps to realise the maximum profits. This is particularly true of ground nuts, one of the most important crops of Kolhapur District. The purchased ground nuts worth Rs. 13 lakhs and extracted Sangh runs an oil mill at Vadagaon. In 1959-60 the Sangh oil from the same in this mill, which was valued Rs. 8.50 lakhs. The oil cakes which is rich in content is very much in demand by the farmers. Last year cake worth Rs. 2.60 lakhs was sold.

To expand its business further, the Sangh opened a branch in Bombay in 1958. It is doing good business in jaggery. Sangh undertook this business on commission basis only and arranged to sell jaggery belonging to its constituents and members. It also exported 100 tons of Masur Dal to Ceylon having export licence received from the Government of India. Import of medicines, photographic films, dry fruits, baby food etc., were also handled by this office. The total commission earned by the Bombay Branch in 1959-60 amounted to Rs. 1.65 lakhs.

Recently the Sangh developed the Sahu Market Yard at Kolhapur. It is mainly for jaggery business which was formerly handled in narrow lanes and in the front-portions of residential houses of the 'Adhitias'. Weighment was also defective with these people.

It was a common practice with these 'Adhitias' to supply diesel oil fertilisers etc., on credit and realised the price at higher rates from out of sale proceeds of jaggery. All this was stopped. The three halls at Sahu Market Yard cost the Sangh Rs. 4.50 lakhs. The shop-cum-godown was also constructed at a cost of Rs. 50,000. For a period of about three weeks the Shetkari Sangh was only purchaser in the Sahu Market for jaggery and groundnut and

in order to maintain its prestige, it effected a purchase of Rs. 40 lakhs worth of jaggery. Ultimately 'Adhithias' shifted their business to this market and agreed to work according to the rules and regulations of the market committee. Soon almost all of them constructed their own business establishments. The market committee has its office here. The yard has also a post office and a branch of the District Central Cooperative Bank. All old mal-practices disappeared soon and the farmers are now obtaining fair deal. About 30 per cent of the total arrivals are handled by the cooperative sector.

In 1939 a cooperative purchase and sales society was started at Kolhapur. It enrolled 63 shops and 600 individuals as its members. The society undertook to sell agriculture produce, crude oil, ammonium sulphate, fish manure, oil cakes etc. It could not do much business at the initial stages in the absence of sufficient capital. It was in a bad condition when late Shri T. G. Mohite assumed the responsibility and revitalised the society. Soon membership increased to 2,170 and share capital to Rs. 1.15 lakhs by the end of 1948. Agency for sale of products of important factories were obtained. Branches and distribution centres were opened, godowns were constructed or hired. It did such a good business that in 1948 the society declared a dividend of 7½ per cent. The society's name also changed to Shetkari Sahakari Sangh Ltd. From the year 1948 onwards, the Sangh has continued to add new mile-stones in the road to success. At present it has a capital of Rs. 2.87 lakhs, deposit of Rs. 7.37 lakhs. The present working capital amounts to Rs. 184 lakhs. The Sangh made a net profit of Rs. 3.02 lakhs in 1959-60.

In keeping with the high ideals of business and services which the Sangh has set before itself it offers substantial benefits to the paid staff employed in the offices of the Sangh. Rice and *jowar* are supplied to the members of staff at fixed rates of Rs. 18 and Rs. 14 per maund respectively. Their daily requirements are also supplied on credit upto 75 per cent of their pay. It also advances

money for purchase of bicycles or immovable property. Compulsory Provident Fund has been enforced. Bonus equal to two months pay every year is paid to all members of the staff. They also get some gratuity after retirement. Other amenities provided by the Sangh include two free studentships at different colleges, *ad hoc* grants in case of death of an outstanding worker and a recreation club for the entertainment of the staff.

Undoubtedly the activities of the Sangh have made positive impact on the economy of the whole district and in the life of the people.

COOPERATIVE SECTOR IN SUGAR INDUSTRY

In the sphere of processing industries, the cooperative sector has forged ahead. But in sugar industry, a significant development has taken place. Of the 56 factories which have been licensed so far, 30 are already under production. These factories account for an out-put of 4.35 lakh tons of sugar that is nearly 14 per cent of the nation's produce.

Of these cooperative enterprises, the pride of place must go to the Pravara Sahakari Sakhar Karkhana Ltd., in Ahmednagar district of Maharashtra. Situated 17 miles from Belapur railway station in the Shrirampur Taluka, this cooperative endeavour is an example which could be emulated in other parts of the country. Pravara Nagar exudes sweet aroma but the Pravara Karkhana exudes sweet reasonableness and a sound cooperative spirit. In this, perhaps lies the key to its success.

Like several big commercial concerns, the Pravara Karkhana had a small beginning. In the first year of its production, 1950-51, the number of members was less than 500 and the area under sugarcane less than 800 acres. Today, the membership has increased to nearly 1,500 and acreage to 4,700. The average yield per acre is 42 to 45 tons thus exceeding three times the all-India average of 14 tons. In some areas, the yield is higher and one of the members has been able to obtain an average of 80 tons per acre from his farm in the village of Lohogaon. Another progressive farmer reached the high figure of 108 tons per acre. These statistics are an indication that the most modern techniques are being applied by the cultivators. The Society maintains its own Agricultural Department which consists of one Agricultural Officer, 6 Overseers, 5 Field Supervisors and 15 Field Mukadams to advise on the latest methods in sugarcane production and extend the results of research including soil surveys to the farmers. Mechanised ploughing is also done by the

four tractors of the Karkhana at a charge of Rs. 30 per acre.

The size of the Karkhana as a producing unit can be gauged from the fact that in 1960-61, 212,587 tons of sugarcane were crushed and 246,377 bags of sugar produced valued at Rs. 2.5 crores. It employs over 900 persons throughout the year and for half the year, affords work to 1,200 carts, each cart representing a unit of at least two bullocks and a team of three persons. These are high figures which induce one to go deeper into its *modus operandi*.

Throughout the ten-year existence of Karkhana, one notices the sound cooperative basis which the members laid from the very beginning and strained every effort to maintain. There is a silver lining to every cloud. The displacement in 1940 of a thousand cultivators as a result of the starting of two joint stock companies gave food for thought to the people. The loss to the local people involved 31,000 acres of farm land and their homes which spread in 30 villages. Discontentment grew in consequence of the policy of the companies not to employ local labour. Moreover, the huge profits made by these companies became an eye-sore to the displaced cultivators who were already living in a famine stricken area exploited by money-lenders. It was against this background that a conference of agriculturists was held in 1945 under the chairmanship of the famed cooperator Prof. D. R. Gadgil and a decision taken to form a cooperative society. The area of operations of 40 villages with a population of more than 50,000 was defined and advance share-subscriptions began to be collected. In 1948, the Karkhana was registered with a share-capital of Rs. 6 lakhs. Immediately after registration, the Government of Bombay took a novel and important decision of subscribing Rs. 6 lakhs to the share-capital. The Industrial Finance Corporation took a sympathetic view and granted it a loan of Rs. 20 lakhs. Thus, within a year of registration, the financial arrangements had been completed, the site determined, lands purchased and order for machinery placed.

The cooperative spirit of the members was put to a test just before the factory went into production. In 1950-51, the price of jaggery (gur) was so high that it became extremely profitable to convert sugarcane into gur. The first bag of sugar was produced only on 31st December, 1950 and at the beginning of the gur season, it was uncertain when production would begin. And yet, not a single member proved disloyal. They all waited, some at considerable sacrifice, for sugar production to start and have their cane converted into sugar. Dame fortune seemed to have rewarded their patience. On account of a turn in Government policy, the prices of sugar obtained the factory in 1950-51 were so high that the factory was able to pay a fully remunerative price during the first season.

For the success of any business enterprise, there must be perfect coordination in obtaining supplies of raw material for finished products. It is of the utmost importance for a sugar factory to obtain a regular supply of freshly cut and mature cane throughout the crushing season. Realising the importance of this principle, the Karkhana took upon itself the responsibility for cutting cane and transporting it from the fields to the factory. The arrangement involved the employment of hundreds of bullock-carts and teams of workers and maintenance of a proper road communication system in the area. To the extent, that public authorities did not construct or maintain roads, the Karkhana did this itself. Today, 140 miles of roads are being maintained by the Karkhana. The advantage of such a system to the cane-growers is obvious. The distance of the factory from the field has no relevance for him.

The Society has attached great importance to the quality and quantity of the cane crushed. The crushing of cane has two aspects—resources and techniques. If the cultivator does not command adequate resources at the proper time, his crop is bound to suffer. In fact, the “under-developed equilibrium in Indian agriculture” has entirely been due to the chronic inadequacy of the resources of the peasant. Low level, high cost borrowings

have ever kept our agriculturists at the mercy of money-lenders who never allowed him to command or make the best use of his land. The Society broke this vicious circle by giving in the initial stages the credit required by any member for raising his crop. This procedure has now been discontinued as production credit is provided by the village credit societies. These societies communicate the amounts to the Karkhana management who recover it from the price of cane.

A producers cooperative is essentially a joint venture of actual producers and it is said that the hall-mark of a cooperative should be to help the weak to become strong through cooperative action. The Pravara Karkhana has paid great attention to the fulfilment of these requirements in its structure and operation. Its constitution emphasises the producers' aspect. Though provision has been made in the bye-laws for admission for specific purposes of other types of members, their admission is exceptional and power has been vested mainly in the representatives of producers. Another important feature is that each producer-member was required to buy shares in a fixed proportion to the member of acres of sugarcane grown by him. This made his contribution to the share capital correspond to the service the factory performed for him and induced him to supply cane to the factory.

The Pravara Karkhana is predominantly a cooperative of small farmers. And they have shown that the cooperative sector can match the private sector in economic strength and business acumen. Just before the factory went into production ten years ago, the contribution to funds of members amounted to Rs. 6 lakhs. Today, after refunding the share capital held by Government and repaying the I.F.C. loan, the owned funds of the Karkhana amount to Rs. 1.5 crores. The credit of this must go to the rustic assembly of December 1945 in Shrirampur which set up a healthy cooperative structure based on native grit and leadership.

PRESERVED MANGOES EARN FOREIGN EXCHANGE

It may not be widely known, but it is true. Mango and its preparations, preserved scientifically, are fast becoming good foreign exchange earners. The Maldah Mango Processing Cooperative Society Ltd., in West Bengal, is already proving this after only two years of activities.

Partition of the country brought many a problem to West Bengal. Mango, paradoxically enough, was one of these. The juicy, luscious crop which is next in importance to Mulberry, grown abundantly in the district because of suitable soil and climate, could not be marketed to Calcutta and other important markets as the transport difficulty became acute. Before the division of the State, mango was sent down the mighty Padma river to various destinations. Now the river flows entirely through East Pakistan and hence the problem.

Mango now-a-days is very much within the reach of the common man. Persons like Nawab Murshid Kuli Khan have no longer, as recorded in the District Gazetteer, "to send an armed guard for the trees the fruits of which were reserved for his use." Mango tree plantation soared phenomenally high up in the last century. About 20,000 acres are now under mango orchards. In pre-partition days, Maldah used to sell more than ten lakh worth of fruits. Grafting business alone yielded about Rs. 50,000.

The local Mango Merchants' Association became worried with the cart loads of mango crop going waste. It thought of a mango processing factory. But much muddy water did flow down the Padma before it could take a final shape and the Processing Society could only be registered in 1958. Incidentally, there is no big industry

in the whole district. Its Mulberry is mostly marketed to neighbouring Murshidabad, famous for its silk. Mango is next in importance and an industry basing on it has a great possibility.

The Society has 250 members—all mango growers. They have, till now, subscribed Rs. 12,500 towards the share capital. Equal number of shares have been purchased by the Government. Besides, the State Cooperative Department has also given a loan of 2 lakhs 60 thousand rupees.

The Society made an humble beginning. It purchased, by stages, machines worth about Rs. 80,000. A visitor will find, among others, essential equipments like Juice Extractor, Mixer, Canning and Bottling Machines etc. It has also purchased land and constructed its own factory and godown. The excess mango crop of the district do not go waste now. Growers get the fair price. Their income is again becoming steady, nearly ten uncertain years after partition. The Society, in season, stocks the godown with mangoes. You will find huge stocks of the legendary 'Fazli', God's favourite 'Gopalbhog' and 'Brindaban' and mouth watering 'Kesapat' varieties.

The processed products are numerous and varied. It ranges from juices to slices. It tastes from sour to sweet. Everything is done scientifically untouched by hand. All the stages are supervised by a trained scientist. In fact, the Society can boast of the most advanced technological know-how applied to mango processing. The credit for this must go to the Jadavpur Food Technology Department, and, particularly, to Prof. A. N. Bose. The Department not only made valuable researches on the subject but lured the Maldah mango growers into the industry.

Shri Jamshed Alam, Secretary of the Mango Growers' Association, was the first to be initiated. He already experienced the plight of the growers and he himself is one of them—when the East Pakistan route was closed. Mango preservation and its sales, he thought, was the

only way out. The scheme, a joint effort of the Government, growers and consumers, was phased one, reflecting a cautious cooperative venture.

And the venture proved so successful within a short time. Bottles and cans, in Government subsidized rates, were purchased. Local people—250 on an average in season and 60 during lean period—were employed. It has opened up an employment potential where a single hand can earn, in peak period, Rs. 125 per month. In other time he does not sit idle. The factory has enough work for the whole year.

The Society prepares 'chutney', 'kasundi', pickles, squash, beverage, jam, jelly, slices, pulps etc. It has plans to make similar preparations from tomato, lemon and guava, which are locally available in plenty.

The sale proceeds of the Society for the first year of working *i.e.* in 1959, showed encouraging result. More than 1 lakh 20 thousand rupees worth of goods were sold. Of this, products valued about rupees 40 thousand were transhipped, abroad, directly by the Society and indirectly by the approved agents. The biggest foreign consumers now are Australia, Singapore and United Kingdom. There is still much scope for the expansion of the market.

In fact, the new Society has to do a lot in market research—both internal and external. Such researches can push the sales many more times. The quality, so far produced, is very good and customers have to be told skilfully about the merits of the products.

Side by side with the problem of marketing research, there is the problem of finance. As a few important members of the Society pointed out, more capital is necessary to expand the activities of the Society. Unfortunately, the last two mango seasons in Maldah were not successful. So the growers do not have just now the money to subscribe to the share capital. Government is also awaiting the results of its financial venture. But the Society

cannot wait. It has to purchase bottles, advance money for tins and cans. It has to purchase fruits in cash. At the same time, it has to sell produce on deferred payment. That is why a rolling capital, enough to fill in these gaps, is necessary.

The Society, undoubtedly, has made a good start. Its products in nice bottles, labelled artistically, can compete with any foreign canned fruit products. It sells all its produce. It is employing so many people—men and women. In addition, it has earned the much needed foreign exchange for the country.

Could not something be done about the teething trouble of the Society which it is undergoing just now?

GUJARAT FISHERMEN'S COOPERATIVES

The day may not be far off when vegetarian Gujarat will supply fish to non-vegetarian West Bengal and relieve, to an extent, the State's acute fish problem. At least that is the impression one would gather after studying the activities of the fishermen's cooperatives in the State.

The fisheries department in the State is a recently developed one—manned by a band of young and dedicated workers with scientific outlook. They do the planning. But the success of the scheme—that of implementation—depends on the hard working fishermen along the coast line of the State running to more than 1000 miles. As one field officer put it: "If the fishermen are united through cooperatives and Government takes steps to safeguard their interest and help them with fishing where-withals, there is no reason why supply of fish will not be abundant in the market."

Our country as a whole is faced with a big food problem. But cereals alone cannot solve it. Cereals have to be supplemented by poultry, fish etc. which are rich in protein. That is why the Government is spending thirty crores of rupees, during the Third Plan period, on fisheries only. The country must have supplementary nutritious food.

As in the case of tillers of the land, attention is, of late, being focussed on 'toilers of the sea'. At each fishing port of Gujarat, like Kandla, Jamnagar, Vet Dwarka, Porbunder, Veraval, Mongrol, Surat and Broach, fishermen were organised into cooperatives. They were so long, so to say, mortgaged to the middle men in the trade. They were to be saved. Immediately after their combining together, they started getting not only fair price for their

catch, but were getting, from the Government, nylon fibre, boats and engines on subsidy and loan. Nylon nets were unknown a few years back. Nor did the fishermen know the efficacy of power driven boats. They were afraid lest machine breaks the plank. Fisheries department arranged to demonstrate, through the Government boat, the utility and efficacy of mechanisation. Fishermen saw the huge catch themselves and soon became ready to put the engines in their own boats. Cooperatives helped them in procuring engines and other necessary accessories.

By October 1960, fifty one fisheries cooperative societies were formed in the State. Of these, one is the Central Marketing Association and twelve are multi-purpose and marketing societies. The rest are producers and credit societies. The membership was, till that date, 8,400 and the paid up capital stood at Rs. 6,20,000. The societies transacted business worth more than 26 lakhs a year. Besides loan and subsidy from the Fisheries department, the Cooperative department, which work in close liaison with it, grant loan upto Rs. 10,000 per society. It also offers, apart from other help, 50 per cent subsidy on loans for constructing godowns etc.

These cooperatives resulted in reducing immediately the marketing of fish from 100 per cent to 80 per cent from the middleman's hands. Even in areas where co-operatives are not yet working, fishermen are getting more money for their catch. They are now getting at least 25 per cent more from the traders than they were getting a few years back.

In fact, the advantages of uniting together are so much that fishermen—and there 30,000 fishermen in about 150 fishing villages of Gujarat—are showing keen interest in joining the cooperatives. During my trip to Mongrol I met Mandan Samji and Mandan Devji who requested me to help their re-entry into local cooperative.

“But why did you leave the cooperative?” I could not but ask them.

Their reply was that, in the initial stages of the formation of the cooperative, they were not quite sure about the great advantages that would accrue. Today they are noticing as to how their fellow fishermen are getting nylon fibres, boats and engines at subsidised rates. There may be many other fishermen like Mandan. It is expected that within a short time they will all be taken into the fold of cooperatives.

It is not number, but quality that ultimately counts. To carry out any programme, better human material is necessary. Gujarat required better fishermen—trained one. I met some of the trainees at the Veraval Government training centre. This centre was started in 1954 and initially the trainees were taught the more important things like making or mending of nylon nets and the handling of diesel engine boats. The training is conducted in Gujarati and anybody can join the course which is for six months. There are arrangements for fifty trainees and I noticed that there were, in the last course, more than two hundred applicants.

Now the training programme is much more elaborate having both theoretical and practical aspects. Trainees are taught about the economies of fishing. They are given some elementary knowledge in navigation and seamanship. They learn to handle marine diesel, semi-diesel and petrol engines used in the boats as also how to construct and maintain boats properly. Gujarat has a tradition in this. Veraval boats, in those old days of Indian history, used to carry cargo to African, Asian and Mediteranian ports. Incidentally, trainers were specially selected and trained and some of them received higher training in foreign countries under the Colombo Plan.

The practical training is quite rigorous. On an average the trainees, during the training period, spend 1500 hours

on fishing trips. They are taught handling of the boat, shooting and hauling of different types of gears and the running of the engine. During the training period trainees get a stipend of Rs. 50 and, in addition, draw allowances when going out to sea.

The training centre has a small museum attached. It contains various types of preserved fishes and all sorts of dajdgets connected with fishing operation. Till October 1960, 149 young boys were trained. During the third plan period it is proposed to train 200 more.

Like soil, sea water is, at places, fertile or barren. The trainees not only learn the modern method of fishing and navigation but they are also to spot fertile or sterile areas. Natural fertilisers of the sea are phosphates and nitrates. Fish grow abundantly in such places. From water fishermen smell the existence of fish. That saves time and labour and helps in big catch. Not only knowledge is imparted about sea fishing, off-shore or deep-sea, but problems connected with inland fishery is also discussed.

This leads to the question of research. The State Fisheries Department is not lagging in that sphere of activity. It has created a separate wing where researches, though on a limited scale, is carried on. To start with, the department sent a questionnaire and collected information as to the number of boats available, names of fishermen, methods of fishing, types of fish and weight of individual catch etc. With such background materials the research workers are studying as to why, for example, the prawns in the Gulf of Cutch is dwindling down or catch of Hilsa fish is increasing at the Veraval site. Or say why and where particular type of fish migrate at a particular time. It also studies habits of fish eating people, their likes and dislikes for particular fish and marketing of fish. A scheme regarding research on marine biology is now being evolved which will be worked out in cooperation with the Baroda University. Similar research

on deep sea fishing is being carried out in collaboration with the Government of India.

The business success of a perishable commodity like fish depends mostly on marketing arrangements. This is being organised in a planned way. Fish is caught at various ports. Each port has attached ice factories, built with the help of Technical Cooperation Mission of America, so that fish is preserved and packed carefully by the cooperatives and despatched through insulated vans of the fishery department or of the cooperatives or through refrigerated compartments of the railways. These are all sent to the apex organisation at Ahmedabad.

The apex organisation or federation sells some fish in Ahmedabad City through house delivery system or through stalls. The rest is sent to Bombay, Delhi etc. It will very much expand its marketing organisation during the Third Plan Period.

All primary fishermen's cooperatives are members of the apex organisation whose shares they have purchased. The share capital is over five lakhs. 997 members and thirty five cooperative societies constitute, at present, the apex organisation.

Not only marketing of fish inside the country has been organised but there are plans to export fish to foreign countries. A pomfret canning factory, at Veraval, is in existence. A prawn exporting concern is being promoted in the State as well. Fish, particularly prawns have very good market in the U.S.A. and may prove a good source of dollar earner in future. Setting up of shell button factories, fish meal plant etc., are also being contemplated.

There is similar plan to mechanise as many boats as possible. Mechanisation helps in quick movement of boats. This affords more fishing time to the fishermen. Uptill now 225 engines have been supplied, at subsidised rate of $33\frac{1}{3}$ per cent to the fishermen. For improved

designed boats they get 25 per cent subsidy. Mechanisation has one problem—availability of spare parts or replacements. Although the cooperatives and the State Government have taken the matter up with the manufacturers, it might be worthwhile to start manufacturing these under the auspices of the cooperatives so that these are manufactured cheaply and made locally available. Steps for this should be taken immediately if the tempo of mechanisation has to be kept up.

But what worried me more was whether the poor fishermen, who could not afford to purchase an improved boat or engine even at subsidised rates, were getting all the advantages offered by the cooperatives or the State Government. I was glad to find that they get loan to purchase boats and engines and the society stands guarantee for that. In a number of cases the society has done so and its confidence on individual members was not belied. This credit-worthiness is a good feature in the programme.

Unfortunately I found one thing missing. The whole approach is economic which undoubtedly is the core of the cooperative movement. Education, which is the key to all sorts of progress, was not receiving any attention at all. Education for the fishermen, particularly for their children, should be on equal footing with the elaborate training scheme which has been referred to. In this, the cooperatives can very effectively work hand in hand with the community development programme operating in the country.

The department in consultation with the cooperatives and the State Cooperation Department of the State have drawn up a future programme. It involves the setting up of a nylon factory in Chorwad, which will be a cooperative venture. This is the nylon age to fishermen. Nylon is durable and can be operated at any place. Above all it catches much more fish. The demand for nylon nets could be judged by the fact that last year nylon fibre

worth about Rs. 8,45,000 were distributed to the fishermen. Still there were many demands. The factory at Chorwad may be able to meet, if not fully at least partially, the increasing demand. There is also the plan for quick freezing plant at Veraval in addition to two cold storages already in existence in the State. There is contemplation for a boat building yard at Veraval as well. Additional insulated vans, arrangements with the railways for more refrigerated space etc., will give a fillip to the marketing of fish. All these will help in achieving the Third Five Year Plan target of fish catch in the State which is 1,25,000 tons by 1965-66 as against 80,000 tons in 1960.

There is every likelihood that many parts of India will get Gujarat fish. Even fish-eating Bengalis may get it from the vegetarian Gujaratis who are increasingly believing in the scripture's saying: "Jeevo Jeevasya Jeevanam": **Life sustains life.**