

(National Headquarters)

167, Nagindas Chambers,
Bombay-1.

MEMORANDUM ON CONSUMERS' CO-OPERATIVE STORES/
FAIR PRICE SHOPS.

H.M.S. strongly favours the idea of organising Fair Price Shops and Co-operative Stores for industrial workmen in establishments having 300 and more employees and assures its full co-operation in the said regard.

However, in the opinion of the H.M.S. the task of organising Fair Price Shops and Co-operative Stores is not indeed very easy. There are various aspects of this problem. In this brief Memorandum H.M.S. has tried to dwell upon some important aspects amongst others.

In the opinion of the H.M.S. a distinction will have to be made while organising fair-price-shops and co-operative stores, H.M.S. submits that to have an economically viable co-operative units the employment potential should be about 1000. For concerns employing less than that number it would not be possible to encourage formation of co-operative stores, because they would not be economically self sufficient and, therefore, self reliant. H.M.S., therefore, makes the following suggestions and observations.

(1) Establishment of co-operative stores in all establishments having 1000 or more workmen in employment.

(2) Establishment of fair price shops in all establishments having less than 1000 workmen in their employment.

In this regard the H.M.S. submits that neither the establishment of co-operative stores nor the fair price shop by itself will provide sufficient guarantee in regard to the economy of the organisation concerned unless following pre-requisites are assuredly fulfilled.

(1) Suitable accommodation at nominal or subsidised rent both in the case of co-operative stores as well as fair price shops.

(2) Advance of sufficient working capital interest free as far as possible and in any case at a very nominal rate of interest. Such an advance of working capital should become repayable only after 5 years and by suitable instalments.

(3) Compulsion on the local authorities, Co-operative Housing Societies, the Government Housing Board and the employers having or going into the construction of housing colonies to provide for adequate space for the establishment of a co-operative store, at a very nominal or subsidised rent. H.M.S. submits that the existing practice of auctioning such premises should be legally barred.

(4) H.M.S. further submits that in view of the scattered nature of industrial establishments in metropolitan cities like Bombay, Madras and Calcutta as well as certain newly emerging industrial townships the establishment of fair price shops may not prove to be an effective solution as in any case it will create a problem of transporting of the articles purchased by the workmen to their respective localities.

(5) In addition to the above unless adequate credit facilities are provided by effecting necessary amendments to the existing Payment of Wages Act, Minimum Wages Act, Provident Fund Act and last but not the least into the Co-operative Act, which today prohibits more or less any business on credit without deposit. Such amendments are absolutely necessary both from the point of view of providing credit facilities as well as ensuring recoveries of the credits given.

(6) In this connection the H.M.S. further submits that the employers should readily agree or in otherwise condition be made legally responsible for the remittance of deductions made by them on behalf of the employees, who have enjoyed the facilities of credit from various consumers' co-operatives and/or from the fair price shops.

(Contd.....3.)

(7) H.M.S. submits that in the long run it would be advisable to encourage the workers and particularly those employed under the factories having less than 1000 persons to join up existing or newly formed co-operative societies in their respective localities.

(8) H.M.S. submits that the trade unions should readily undertake to encourage the workers to become share-holders of the existing and/or the newly formed co-operative societies and in case of those who do not wish to become share-holders for any reason whatsoever, they be encouraged to pay a very small amount out of their monthly earnings towards the creation of a deposit with the employers or the co-operative societies as the case may be to facilitate economic functioning of such units. In the case of concerns having more than 1000 employees in their employ, it would be advisable and proper both from the point of view of economy and utility to encourage the workers to form co-operative societies, stipulation to provide working capital has already been made hereinabove.

(9) H.M.S. further submits that encouragement to the formation of co-operative societies, however, proper and useful is not without its own problems. In order that the co-operatives should become economically self sustained organisations it is necessary apart from providing them with the necessary working capital to enable them to have trained personnel to man their business-administration. A need for training the staff required by co-operative societies is indeed very eminent. The H.M.S. suggests that the employers should bear the cost of such training unconditionally.

(10) H.M.S. submits that in order to effectively combat inflationary tendencies in the economy it is necessary that the co-operative societies should be encouraged to have vital concern and relationship with the producers of agricultural goods and other products. This suggestion, if accepted, if not eliminate

the middleman, will at-least minimise his influence and the consequences and effects of his lust for profit.

(11) H.M.S. also submits that at present the workers find it difficult to change their food-grain shops and the greatest difficulty in this regard is caused by the Civil Supply Department. In the opinion of the H.M.S. it should not be difficult for the Government to facilitate such change over if and when needed in speedy and effective manner and without any loss of ration to the worker.

(12) H.M.S. submits that all essential commodities, articles of provisions including cloth should be supplied both in the fair-price-shops as well as co-operative stores.

(13) H.M.S. is of the opinion that the trade-unions should be allowed to become share-holders of the co-operative societies of the workmen in establishments having 1000 or more employees.

(14) H.M.S. submits that where the Credit Societies are in existence and are in the position to go into consumers activities they should be encouraged and legally helped to do so.

(15) H.M.S. submits that the success of the Scheme entirely depends upon the adequate and timely supply of all essential commodities and their equitable distribution in various areas. This responsibility is primarily of the Government.

K.R. Prabhudesai.

Ram Mahadik.

(H.M.S. Representatives)

1st February, 1966.

REVOLUTIONARY SOCIALIST PARTY

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CENTRAL COMMITTEE
780 BALLIMARAN, DELHI-6.

General Secretary
TRIDIB KUMAR CHAUDHURI M.P.

37, Ripon Street,
Calcutta-16.

28th September, 1966.

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Received
Replied
A.I.T.U.C.
4518 of 29/9/66

My dear Comrade Dange,

You will remember that on the 9th of August last when we were externed from Bihar, we had at the Patna Air Port, VIP-Room handed over the English copies of the externment orders served on us to Comrade Jay Krishna Ambastha, a member of RSP and Advocate of Patna High Court, to move the High Court on the same day against the orders of externment. When he came out of the VIP-Room to get a copy of the Vakalatnama in order to get it signed by us, he was taken in custody by the police and the copies of the order that, we had given him, were seized.

Com. Ambastha has filed a Contempt of Court case against the Police in the Patna High Court and cited the four of us as witnesses. The date ~~of~~ for our appearance before the court has been fixed as 6th of October, 1966. If necessary our Patna Comrades of the United Opposition Front will bear expenses. But it is very important that we should appear before High Court on the 6th, October. I request you to kindly to come on that date positively to Patna by 10 A.M.

If you cannot at all come on that date, kindly indicate on which date you can come towards the third week of November, after the High Court reopens after Pujah Vacation. Please wire your decision to the following address :

Ranen Roy,
Advocate,
Jakkanpur,
Patna-1.

Yours sincerely,

Com. S. A. Dange.

Tridib Chaudhuri

Copy sent to Bombay as well

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