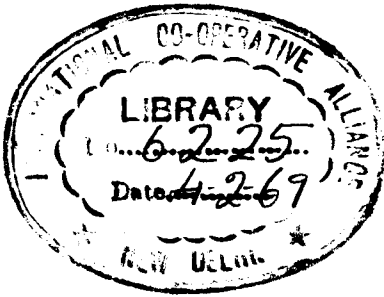


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INTERNATIONAL COOPERATIVE ALLIANCE

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REVIEW OF INTERNATIONAL COOPERATION



VOL. 61 No. 1 ... 1968

THE INTERNATIONAL COOPERATIVE ALLIANCE

was founded in London in 1895, as an association of national unions of cooperative societies which seek to promote a non-profit system of production and trade, organised in the interests of the whole community and based upon voluntary and mutual self-help.

It comprises organisations in every continent, and its total affiliated membership through national organisations exceeds 200,000,000. The consumers' movement accounts for about half the membership, the other half consisting of agricultural, credit, workers' productive, artisanal and fishery societies.

Its purpose is to propagate cooperative principles and methods and to promote friendly and economic relations between cooperative organisations of all types, both nationally and internationally.

It promotes, through auxiliary trading, banking and insurance organisations, direct commercial and financial relations between cooperative enterprises in different countries so as to enable them to exert on the world market, as well as at home, an influence beneficial at once to consumers and primary producers.

It convenes international congresses, furthers the teaching and study of cooperation issues publications and research data, and collaborates closely with the United Nations as well as with voluntary and non-governmental international bodies which pursue aims of importance to cooperation.

Within the United Nations it enjoys the right to participate in the work of the Economic and Social Council as a Category "A" member.

Its official organ is "THE REVIEW OF INTERNATIONAL COOPERATION" published bi-monthly.

The study of International Cooperation takes place under the auspices of the "Henry J. May Foundation", the Permanent Centre of International Cooperative Study.

The ideological work of the Alliance also finds expression in the annual celebration in July of International Cooperative Day.

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PRESIDENT'S NEW YEAR'S MESSAGE



Dr. Mauritz Bonow

THE cooperative form of enterprise emerged gradually during the first half of the 19th century. It was by and large the result of efforts to better the living conditions for the poor sections of the population during the early stages of the industrial revolution. A number of efforts were made already before the break-through, which was achieved by the Rochdale Pioneers.

The society in which consumers' cooperatives progressively developed was characterised by very little influence being exercised over the economic life by the State and other public authorities. The expression "night watchman's state", coined to indicate the restricted tasks of the State authorities, was certainly an appropriate one. Since that initial stage of the cooperative development, changes with far-reaching consequences have taken place in the industrialised countries.

Today, the economic fabric in the western countries can, as a general rule, be described as a mixture of public, private and cooperative enterprises, though with a varying proportion between the three sectors. In these countries, the State is playing an ever increasing role through its economic and social policy creating the general framework within which public, cooperative

and private enterprises are developing their commercial and other activities. Through their legislation and general supervisory and planning role, the public authorities are to a great extent influencing the economic and social milieu in which the cooperative movement has to carry out its work. Especially after the Second World War, when the policy of economic expansion, i.e., maintaining full and effective employment of all human and material resources, was a declared aim of the Governments, the cooperative movement has had to adapt its working methods continuously to new conditions. Besides the far-reaching consequences of the welfare concept as an aim for governmental planning and general economic and social policy in the western industrialised countries, the rapid structural changes which had been brought about by the increased stream of technological innovations had a decisive influence on the cooperative movements. At that time, we have thus found a continuous reform activity going on within consumers', farmers' and other types of cooperative movements to adapt the cooperative form of enterprise to fit rapidly changing technological, economic and social conditions. All experience so far gained shows that the cooperative form of enterprise has a very high degree of flexibility and capacity to be efficiently adapted to new economic and social prerequisites, at the same time maintaining its basic character to serve the interests of its members as a democratically controlled self-help organisation.

Though the various forms of cooperation originally emerged in the western industrialised world, we can note today that cooperation is also playing an increasingly important role in

planned economy countries such as the Soviet Union and eastern European countries with similar economic and social systems. In these countries, where a rapid industrialisation process had taken place, the cooperative movement has gradually been given a more significant role to supplement publicly owned forms of enterprises and a wider field for its activity within the framework of the central planning of the total economy. This tendency has been very marked especially in the 1960's.

During the first decade after the Second World War, the planned economy countries in the East, just as many industrialised countries in the West, were faced with enormous reconstruction tasks to repair the destruction caused by the war. This called undoubtedly for a high degree of central and rigid economic planning in the eastern countries, with marked priorities for the development of basic industries. A similar period of strict regimentation of the economic life was also characteristic, especially for those western industrialised countries which had suffered great destruction during the war. After the end of this reconstruction period and under the influence of less rigid central economic planning, tendencies to liberalise the economies in the eastern countries have no doubt played a role in the increase of activities of the cooperative movements in the communist countries. The adaptability of the cooperative form of enterprise to the specific economic and social conditions in the planned economy countries has so to say introduced an element of self-help, engaging agricultural producers and consumers more directly in the efforts to promote economic growth. Whereas the control of the citizens over state and other publicly owned enter-

prises has to be carried out through parliaments and similar municipal bodies, the contacts with the economic development problems in the cooperative enterprises are less remote than is the case as far as the state and municipally controlled enterprises are concerned.

The cooperative form of enterprise can thus be used in both mixed and planned economy systems as a yardstick for measuring the efficiency of publicly and/or privately owned enterprises when competition between cooperative, public and private enterprises is allowed to develop, or it may act as an important supplement to public enterprises. In both cases, the emergence of cooperative activity is equivalent to introducing a direct element of self-help, stimulating joint action on a voluntary basis to promote the economic expansion processes and increasing the standard of living.

The cooperative form of enterprise has not only shown its viability in the industrialised expansionist economies of the western and eastern industrialised countries; the usefulness of cooperation as an instrument for self-help is, if possible, of still greater importance in the newly developing countries. As these countries gradually shift from a dominating subsistence economy towards a market economy (agriculture and industry), the cooperative form of enterprise will certainly be taken advantage of to an increasingly greater extent.

With the present trends of population increase and a much lower rate of growth of food production in the lesser developed countries, cooperation has an exceedingly significant role to play in the decades ahead. In providing credit, supplying various farm requisites and marketing farm products, integrated

cooperative action by the producers in lesser developed countries is absolutely essential. In the economic development plans drawn up by state and regional public authorities in most of these countries, the role of cooperation has also been strongly emphasised in recent years. The adaptability of the cooperative form of enterprise being already clearly illustrated in the industrialised countries, both of mixed and planned economy type, makes cooperation especially useful in the lesser developed countries. Experience has also shown that practically all kinds of cooperative enterprises, such as credit, farmers', consumers', workers' productive and artisanal cooperatives can be advantageously fitted into, and supplement, other forms of enterprise both in the agricultural and industrial sectors in newly developing countries.

A bird's eye view of the role which the cooperative movement has to play in all the three types of contemporary economies shows clearly the need for further cooperative expansion. To achieve the maximum of progress for the cooperative form of enterprise, a well organised, systematic exchange of experience between the cooperative movements working in all the three types of economic and social systems is of paramount importance. This exchange of experience must be promoted both on a bilateral basis between national cooperative movements and multilaterally through our common world organisation, the International Cooperative Alliance.

Since the end of the Second World War there is also a very marked tendency discernible in this direction. Through our system of auxiliary committees and working parties and the somewhat increased resources of the

I.C.A. at its head office in London and its regional office in South-East Asia (New Delhi), there are now greater possibilities than ever before for the national movements to increase the flow of technical "know-how". Further efforts to extend the service of the I.C.A. to the African and Latin American cooperative movements are now being made. As an example, we draw attention to the issue of a Spanish edition of the Review of International Cooperation which will be published in Argentina in 1968. Increased activities to promote trade between different national cooperative movements are also continuously undertaken. The same applies to activities within certain areas to develop a division of work between national cooperative wholesales and joint purchasing for national cooperative wholesales in the world market.

All these various promotional actions through the I.C.A. and its auxiliary committees stem from the firm conviction

that the cooperative movement in the next few decades is destined to play an even more important role in all the contemporary economic and social systems than is the case now. The I.C.A. itself which now has member organisations in 61 countries in all parts of the world with roughly 230 million individual members, is the only representative organisation to promote cooperation across the national boundaries. It is, however, entirely depending for its activities on the support which its national member organisations are prepared to give it. The I.C.A. can only fulfil its role in promoting cooperative development if the national movements act in unity and give their wholehearted support to their own world organisation. The challenge for the I.C.A. itself in the world of today and tomorrow is therefore a challenge for all the member organisations themselves.

Dr. Mauritz Bonow

COOPERATIVE RESEARCH AND THE COMPUTER

THE Cooperative Movement has passed the threshold of the computer age. Electronic data processing is already proving invaluable as a tool for cooperative research. The potentialities in this field are staggering, but the pitfalls are equally conspicuous, and cooperative researchers have only begun the long process of learning both to ask the right question and to instruct this new servant how to provide in usable form the kind of answer that is wanted.

These are some of the conclusions that emerged from a stimulating meeting of Cooperative Research Officers from ten different countries who assembled in Manchester from the 27th to 29th September at the invitation of the C.W.S. and the Cooperative Union. In addition to exchanging and evaluating experiences in their respective movements, the participants visited the manufacturing premises of International Computers and Tabulators Ltd. to study

“the box” inside out, and discussed with officials of that firm the problems of computer application to research.

The three-day session was largely devoted to illustrative examples of actual research projects based on electronic data processing and the conceptual, methodological and even mechanical problems encountered. In addition, some of the participants indulged in provocative speculation as to future possibilities.

English Experiments

Mr. Lambert, C.W.S., pointed to three different kinds of impact which computers can have on research work a) by providing new data previously available only with an uneconomic expenditure of time, money and man-power, b) by providing new tools for analysis of raw data, and c) by making it possible to store and retrieve data likely to be needed for research. He stressed that so far there has been inadequate understanding of the potentialities for planning and development, and that computers are still being used primarily to automate certain routine processes like control and accounting.

To illustrate the possibilities, Mr. Lambert described some computer work undertaken in the C.W.S. in connection with regional warehouse planning. Such warehouses, once in operation, will automatically provide computerised information on stocks and sales of individual shops associated with the warehouse, item by item and shop by shop. But the problem is that projections of just such information are needed in order to *plan* these warehouses long before the information is automatically available.

Hence, a sample study was made of stocks and deliveries in 22 shops. The

information had been collected and counted manually and recorded on punched cards in order to prepare a programme for computer analysis. Almost 12,000 separate items were given a unique code number and recorded on over 300,000 punched cards. This study not only facilitated warehouse planning, but also resulted in serious consideration being given to the devising of a universal commodity coding system for marking individual items and thus making possible much fuller use of computers in the future.

Mr. Lambert concluded that the use of computers in cooperative research has already resulted in more detailed analysis; but because of initial difficulties in learning how to programme, the hoped-for speed in obtaining results has not yet been achieved. Thus it is still the case that for certain *ad hoc* (non-repetitive) surveys computer analysis is still more expensive and time-consuming than traditional methods. On the other hand, he had no doubts of the usefulness of computers for compilation and storage of basic information.

The Computer Bureau Services of the C.W.S. were described by Mr. J. T. Meeson. The work of these Bureaux is outlined in some detail in the article by John B. Rudkin, which appears in this issue of the Review (p. 22).

Computers in the German Cooperatives

Electronic data processing has deeply penetrated the German Cooperative Movement according to Mr. J. Busse of ZdK. Of the 185 cooperative societies in the German Federal Republic and West Berlin, the 35 largest concerns are served by electronic computers or conventional punched card machines. This means that 70 per cent of the total cooperative

annual turnover for retail trade is dealt with through computers or punched cards. The purposes include investigation and control of such factors as sales effectiveness, profit margins, capital flows, turnover, costs and output.

Mr. Busse presented interesting illustrations of this work. He described, for example, the use of computers to help solve the problem of determining the optimum range or assortment of goods which will have the maximum sales appeal (in terms of price, quality and variety) and at the same time be the most economical in terms of cost.

For this purpose, the total range of goods was divided into 100 groups; each article was assigned an individual number; data were recorded periodically for each article concerning quantity sold, sales value in DM, gross profit in DM and percentage, frequency of turnover, and capital return. The results of the analysis showed that about half of the items failed to cover their costs—pointing to the urgency of attempts to minimise such losses and/or to compensate for them on more profitable items.

Mr. Busse also described the ways in which computers are contributing to shop productivity by enabling more precise and meaningful analysis of turnover, profits and cost control; checking of results against targets to identify weaknesses; and estimates of approximate buying percentage per household of individual groups of articles as a guide to stocking and advertising.

French Visions of the Computer Future

The paper prepared by Mr. Semler-Collery (and presented in his absence by Mr. Langlet) was largely speculative in view of the fact that by and large the French Cooperative Movement has not

yet used computers for research purposes other than for management, accountancy and statistics.

Mr. Semler-Collery put forth a number of provocative and stimulating suggestions on problems which might be solved with the aid of computers:

1) Stock management and ordering: given the total of the orders passed by a manager to his society, and allowing for stocks in the store at the beginning and the end of the year, it is easy to determine the volume of sales which should have been made by the store, and comparison with actual turnover then would reveal leakages or surpluses in sales. Moreover, after some years, the society will in this way have acquired a specific idea of the normal orders for each of its branches; correcting these data for seasonal variations it becomes possible to make fairly reliable short-term forecasts of branch orders. This can lead to substantial economies in warehouse management; and in the long run possibly to automatic delivery to stores and still further economies.

2) Computer analysis of *delivery rounds* could lead to considerable economies as a result of flexible organisation of the rounds to permit drivers who are experiencing temporary slack to relieve those who are under extra pressure.

3) Since *special offers* tend to increase sales in the initial days but at the expense of the turnover of subsequent periods, it is possible with the aid of a computer to ascertain precisely for a large number of items the optimum number of such offers during the year and the timing and sequence which will maximise turnover.

4) Decisions on *shop siting* require exact coded information concerning a large body of information relative to

alternative shop sites, including the number of inhabitants of the area, density of population, average income, average household and budget utilisation. Construction of an adequate and appropriately documented shop index requires the use of a computer.

5) Given the kind of information which a computer can provide on gross profits, shop turnover and shop sites, it becomes possible to determine the optimum *assortment* which will yield maximum gross profit.

6) Similarly, a *national index of members* sorted according to geographic area, income levels, profession, household situation, etc., can provide guidelines to publicity campaigns, mail order business, assortment policy, and the development of the cooperative press.

7) Application of computer techniques to supermarket management through a process of coding individual items and automatic sales registration on a check tape, which is subsequently passed through an optical reading apparatus, could provide vital information (daily sales for each item, leakages on each, "hot points" in the store, cashiers slip and number of customers and customer density) which might eventually lead to automatic ordering and to solution of check-out queueing problems.

8) Financial forecasts over a decade or more might be computerised on the basis of such factors as population movements, prospective member recruitment and trends in living standards and income structure.

9) The use of simulation games between management trainees and a computer representing a "rival" society or societies could be a useful training device—and might even help guide certain management decisions.

Swedish Experience

The Swedish application of computers to research designed to expedite the flow of goods through cooperative stores and warehouses was described by a team of two experts from KF, Mr. P. O. Sparen and Mr. K. K. Karlsson, and the manager of Konsum-Stockholm, Mr. K. Andersson. In addition, Mr. Lindblad, Secretary of the I.C.A. Committee for Retail Distribution, gave a lively exposition of a method he has developed to assist shop managers in determining their stocking policy for non-perishable items.

Mr. Sparen outlined the computerised analysis that is being done in connection with KF plans for reducing the number of shops from about 3,450 at present to 1,000 in 1975, and the number of regional warehouses from 22 to 15 in 1970.

Mr. Karlsson, who is engaged on interior planning of food-stores, described an interesting and successful experiment in a cooperative supermarket with an American programme known as SLIM (Store Labor and Inventory Management). The SLIM concept involves:

- reallocation of space for all dry grocery items to provide for most items a minimum shelf capacity of one full case plus the average weekly movement;
- rescheduling of ordering and delivery dates to provide single full trailer load deliveries to each store;
- ordering an item only for a full case to go on the shelf at the time the order is written;
- reducing the lag-time between writing the order and receiving the merchandise from a few days to a few hours;
- unloading and segregating the load by commodity group onto movable skids, pallets, relays or stock trucks;
- moving the segregated merchandise

directly to the shelf by-passing back-room storage; and

— night stocking at the store or the use of what some people call “dawn patrols”, i.e., early morning stocking before the store opens.

“Integration” was the theme of Mr. Andersson’s presentation—integration of methods for buying, product planning, delivery planning, stock control and location, systems for information, data processing and mechanical equipment, budget systems and methods for prognosis, formal and informal organisation, heads of the works departments and consultants, food and non-food, and the relation between the cooperative central administration and the local societies.

Such a far-reaching system of integration requires, according to Mr. Andersson, faster, more reliable information on the flow of goods—particularly information on what happens at the moment of sale—and devising of effective computerised systems for handling the information.

To illustrate the possibilities, Mr. Andersson described two experiments, one in East Germany and one in a Konsum store in a Stockholm suburb.

In East Germany, an EDP “Hugin” Computer Plant was installed for the cooperatives within the last few years. It covers operations of 23 department stores and consists basically of cash registers with magnetic tape recording devices which relay information to a centre in Leipzig. These 750 cash registers began working at the start of 1966 for the textile and shoe departments of the stores. Although a substantial investment was required, it has proved well worthwhile at a cost of only 0.1 to 0.2 per cent of total trade value.

At Raby outside Stockholm, experi-

ments are also taking place with “Hugin” cash registers. Preliminary results indicate that, whereas formerly it took 1.55 seconds for each registration when registering price only, and 3.40 seconds when registering both price and commodity code, it now takes 1.54 seconds for price registration, and only 2.88 seconds for price and commodity code combined, a saving of about 17 per cent.

Denmark

Computers have also been useful in Denmark in dealing with the analytical problems arising from an FDB decision to close some 1,000 shops (out of the current number of 2,317) over the next seven years. Mr. M. Godt described the system worked out for classifying and evaluating the efficiency of existing shops in terms of distance from major town centres. The results of this study will help in the selection of shops to be closed.

TOM and GIGO

It is clear from these few examples that the discussions comprised a fairly diverse review of exploratory probes into the possibilities of computerised research that are being made in a number of different cooperative movements. The general conclusion that emerged from this diversity can best be summarised by the American slogans TOM and GIGO.

In an entertaining presentation, Mr. C. Cross described the trial and error tribulations of C.W.S. researchers in learning how to make effective use of computers. He stressed that it is essential for researchers to a) define precisely the problem they are trying to solve, b) ask the right questions of the computer, c) decide in advance the tabular

THE COOPERATIVE MOVEMENT IN AMERICA

by Oscar A. Buscemi

IT may be said that the concept of Co-operation was indigenous to the American continent long before the Principles of modern Cooperation were expounded in Rochdale. As far back as the beginning of the 15th century, when the Inca and Aztec cultures were at their peak, the benefits which Cooperation could bring to the community were recognised.

The Incas established "communities" (comunidades) for joint cultivation and cattle rearing, the produce being divided equally between the families concerned, a part being retained for the following year's work.

The earliest examples of cooperation among the Aztecs were agricultural organisations known as "Calpulli" or "Calpullai". These provided on a collective basis irrigation, defence, measures against plague and other provisions for the general welfare of the community. Subsequently, "Cajas de Comunidades Indigenas" (Offices for Indigenous Communities) were established. These collected grain from the various farmers, gave aid to any whose crops had failed,

made payments to the sick, carried on educational work, road building and irrigation, among other projects. A further type of organisation known as "Positos" was later added to these "Cajas" in which farmers deposited their savings and which granted low interest loans. In the towns, "Alhondigas" or warehouses were opened to store grain deposited by the farmers who sold it direct to the bakers. The proceeds were divided among the farmers in proportion to the amount of grain delivered by each farmer. That this system worked well is proved by the high standard of efficiency achieved in agriculture in the regions inhabited by the Incas and the Aztecs, where property was held in common until the Spanish conquest destroyed their cultures.

In the Northern Hemisphere also (the part which is today known as the United States of America), the Indian inhabitants organised much of their lives on a cooperative basis, combining their property and administering it communally, until the United States Government forced them to give up this system.

form in which they would like the answers, d) painstakingly check the input, and e) pre-test the programming through dummy runs. He finished by quoting the American bywords, TOM

and GIGO. TOM is an affectionate term for the computer meaning "Thoroughly Obedient Moron". GIGO means "Garbage in, Garbage out!"

L.S.

In times much nearer our own—and in a much more modern form—William Bryn founded a cooperative warehouse in New York in 1830. By 1845, the “Sociedad Protectora de los Hombres del Trabajo” (Workingmen’s Protection Society) was formed in Boston, and from this time on various attempts of a similar nature were made, but all failed owing to the lack of even the most rudimentary cooperative education.

The Growth of Modern Cooperation

In the Northern Hemisphere, the transition from the type of agricultural labour cooperative existing in the 18th century to that which had come into being in Rochdale took place imperceptibly, so that today it is difficult to determine exactly when the new principles became generally accepted. What is certain is that the old cooperative societies were broken up and gradually disappeared, while the new type spread slowly over the whole Northern Hemisphere, including Canada, where in 1861 a few miners in Stellarton, Nova Scotia, opened a cooperative warehouse.

In the Southern Hemisphere, the first society made its appearance in the Argentine Republic. It was “El Progreso Agrícola” Cooperative Society, established in Pigüé in 1898 by a group of farmers with a view to covering their crops against the risk of hailstorm.

It was not until the beginning of the 20th century, however, that cooperation really caught on and began to spread its benefits among the various groups of people which make up America. The reason for this slow progress in consolidating itself was that the majority of the countries in the American continent, although politically independent by the beginning of the 19th century and having achieved constitutional govern-

ment by the middle of the century, had not evolved any characteristic economic organisation until the century was well advanced. About this time also, the traditional American type of mixed farming economy began to give way before the advance of industry. The cooperative sphere of activity thus began to expand likewise, but at the expense of the agricultural sector. In addition, concurrently with the change in direction of the economy, there came the great wave of immigrants who brought with them from their native European countries a clear understanding and practical experience of the cooperative system and its achievements which helped to consolidate the movement in America.

This process did not, of course, develop in any organised manner, but was conditioned by the varying stages of political emancipation in each country, covering a period from 1776 in the United States to 1904 in Cuba. Certain countries had reached advanced economic development, while in others it had scarcely begun. Progress was further affected by the whole range of economic, historical, cultural, ethnical and even climatic characteristics to be found in a continent extending from the North to the South Poles, in which all known races have taken root and where the most diverse political and economic systems have been tried. Since this development is so comparatively recent, it may well be said that it is still evolving, and obviously the cooperative movement must likewise be subjected to similar influences.

The Present Position

In those countries in the continent whose social and economic development is most advanced, the cooperative move-

ment has made notable progress, but in the less developed regions it is still in the initial stages. Another factor affecting the development of the movement is that, among those peoples whose strong national feelings have kept them together, as is the case with those of Anglo-Saxon descent, the cooperatives acquired their national characteristics, including some of the Rochdale Principles. These were, however, modified in certain cases to include non-member trading and the right to share in the administration of societies conferred by share capital and amount of purchases. In other sections of the population more attached to tradition, as were those of Latin extraction, stress was laid on maintaining the basic principles of modern cooperation.

This difference is so striking that it should be noted that in North America, for instance, the cooperative society has generally adopted the form of an economic undertaking with social implications, i.e., it seeks to help people by improving their economic condition, whereas in South America the opposite is the case; cooperation is primarily a social movement with an economic basis. Indeed, it may be said that, whereas in the Northern Hemisphere, cooperation is regarded as an economic system, in the south it takes much more the form of a social system.

On account of the great variety of types which it offers, the movement in America is a true cooperative mosaic, but it must be emphasised that, since its development has largely followed the characteristics predominating in each country, certain sectors are more highly evolved than others. For instance, in Chile, a highly electrified country, whose natural features lend themselves to large hydro-electric undertakings,

electrification cooperatives have become the most successful.

On the other hand, Argentina, with its vast expanse of land suitable for the production of cereals and vegetable oils, and for cattle rearing, is strong in agricultural cooperatives. In addition to cooperatives carrying on trading, processing and exporting mixed farm produce, there is a type of society not usually found elsewhere in America, the "multi-purpose" society, to which a member not only delivers his own produce, but from which he also obtains the consumer goods which he needs.

In Brazil, the most advanced type is the school cooperative, for which there is also a great future in providing adult education. Indeed, this has already been started and is making headway in some agricultural regions in the southern part of the country.

In the United States, cooperatives have developed along very different lines, and now embrace all the most important forms of economic undertaking: consumer, marketing of farm produce, electricity, telephones, etc. Special mention should be made of the savings and credit sector which, in 1964, comprised the largest number of societies in the country: 22,182 societies with 16,655,609 members, representing 62.3 per cent of all organisations and 36 per cent of cooperatives registered at that date. It should be noted, however, that the volume of business transacted does not correspond to these percentages.

Finally, as an example of the uneven development of the cooperative movement in America, mention should be made of Canada where, on account of its eminently agricultural nature, cooperatives have concentrated in agricultural produce marketing, although in fact credit societies outnumber agricul-

tural societies.

Over recent years, cooperation in America has developed as follows:

<i>Countries</i>	<i>Year</i>	<i>Societies</i>	<i>Members</i>
Argentina	1965	3,611	2,852,525
Bolivia	1965	431	38,481
Brazil	1963	6,765	2,999,457
Canada	1957	8,133	4,237,796
Colombia	1966	1,774	645,401
Costa Rica	1965	122	24,808
Chile	1965	1,271	490,870
Dominica	1966	186	21,332
Ecuador	1965	1,201	57,650
El Salvador	1966	63	41,018
Guatemala	1965	158	15,107
Haiti	1962	235	32,572
Honduras	1965	109	8,884
Mexico	1966	5,334	537,007
Nicaragua	1965	98	8,061
Panama	1965	113	12,000
Paraguay	1965	128	19,921
Peru	1966	810	185,607
United States	1964	35,577	46,010,109
Uruguay	1966	256	153,250
Venezuela	1964	207	40,272
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	Total	66,582	58,432,128
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The Influence of Cooperation

In both social and economic spheres, Cooperation has proved of immense benefit in America.

In the first instance, it has enabled the poorer classes, peasants, labourers and such like, to make progress in democratic procedure, since the societies have developed into true schools of civic education, enabling these sections of the population to elect the directors of their societies and be themselves elected in a way which would hardly be possible at national level. Secondly, in fulfilling one of its fundamental tenets—education

—it has brought opportunities for education to adults who very likely would otherwise have had no such opportunities.

Finally, in the field of social affairs, special mention should be made of the fact that in America Cooperation has proved an effective means of welding together the many races, nationalities and faiths which are a universal feature of the continent, causing much confusion and lack of coherent planning.

In economic planning, an important place has been assigned to Cooperation in the fight of the poorer classes against monopolies. America, where the organisation and structure existing in other countries to defend the interests of the people are completely lacking, was always, and indeed still is, fertile ground for any monopoly concern to flourish at the expense of the population. The principle of “one man, one vote” has protected the cooperative undertakings from being absorbed by big business concerns such as have on more than one occasion dominated American affairs. Moreover, both producers and consumers alike have benefited greatly from the elimination in some instances of middlemen, thus preventing their excessive profits from being concentrated in a few hands. Although from an orthodox point of view, this may appear to result in dissipating the cooperative’s resources, the truth is that the advantages derived from such action have greatly offset any disadvantages.

Future Outlook

In conclusion, one indisputable fact must be stressed: in a continent made up of countries of which the great majority have not yet reached anything like full economic and social development, Cooperation has offered the only effect-

ive defence against capitalist abuses, while at the same time helping to prevent the introduction of extremist doctrines of any kind.

There is undoubtedly a promising future for the Cooperative Movement, and it may even prove to be one of the few favourable factors which will help some regions which have already reached a certain stage of development to make further progress and help

others still undeveloped to take the initial steps.

There are many possibilities for progress among the peoples of America, provided, in the meantime, they avoid repeating the economic and social experiences in other countries: that is to say, to the extent they understand and accept that the cooperative society is infinitely superior to either "capitalism" or "communism".

MONOPOLY AND COOPERATION

by **Leonora Stettner**

COOPERATORS have never stopped talking about monopoly.

The evil of monopoly was a major theme in the thinking and discussions that gave birth to the cooperative idea. And the struggle to check monopoly—and to avoid being throttled by it—has dominated Cooperation throughout its history.

The steady growth and accelerating achievements of the Cooperative Movement over the years bear eloquent testimony to the effectiveness of this struggle. At the same time, the persistence of the debate and the emergence of ever new forms of monopolistic threats make it quite clear that the battle has yet to be won.

The monopoly issue was the major item on the agenda of the meeting of the Central Committee at Prague last September. A background paper on monopoly had been prepared by the I.C.A. Secretariat, together with an appendix

summarising various forms of monopoly and national monopoly legislation. These were introduced in a provocative and penetrating review by Professor Paul Lambert, and a lively discussion followed. A resolution was approved which summarised the theme of the special paper. The background paper and appendix, Professor Lambert's introduction, the resolution and a shortened version of the debate are included in a Special Research Paper entitled "*Cooperatives and Monopolies in Contemporary Economic Systems*", which is available from the I.C.A. Secretariat at the price of ten shillings.

This is clearly a debate which is going to continue, and intensify, over the months immediately ahead. Hence it seems worthwhile to sketch here the broad outlines of the discussion as it is currently developing—especially since to some extent that discussion appears to be evolving in new directions.

It is the hope of the Editor that the pages of this periodical can serve as one of the platforms for this renewed debate. Accordingly, any letters or articles expressing reactions to the discussion at the Central Committee and/or to the arguments developed on the following pages will be warmly welcomed as a contribution to future issues of the *Review*.

* * *

What is a Monopoly?

The discussion has revealed a certain amount of confusion over the subject of the debate, namely "monopoly". Hence it is useful to start with definitions.

A "pure" monopoly is an enterprise which exercises such exclusive control over the supply of a product or service that it can by itself determine the price. An "oligopolistic"—sometimes loosely termed a "monopolistic"—enterprise is one that controls such a significant share of supply that it can exercise an important influence on price. These are both in contrast to situations of "pure competition" in which there are so many enterprises operating in the market that none can by itself influence the price. Finally, a "cartel" is an agreement for concerted action between enterprises enabling them together to dominate the market and thereby influence the price.

What is Undesirable about a Monopoly?

This question was deliberately phrased in this form rather than asking "Why are monopolies undesirable?" The purpose was to emphasise that there can be "good" as well as "bad" monopolies. A monopoly, by definition, exercises influence over supply and prices, and hence over the market. In a modern

economy there are, as we shall see, many different reasons why enterprises (public or private) are permitted to accumulate such power. So the crux of the issue is: how is this influence used? Objections to monopoly must be based not on possession of power, but on its *abuse*.

But the term "abuse of power" is meaningful only in relation to objectives, i.e., in relation to the purposes for which power is intended to be used.

The objective of any economy—mixed or planned, capitalist or socialist, industrialised or under-developed—is to satisfy consumer needs (however measured, whether through the market process or collectively determined). It is not mere output that is to be maximised, but *output of those goods which the consumer most wants and in the quantity and quality he desires*. The "efficiency" of the economy can only be defined in terms of the effectiveness with which it ascertains and satisfies consumer wants.

Everyone is a consumer. Thus an efficient economy must, within the limits of its potential resources, make every member of the economy as happy as possible in terms of free consumer choice, reasonable prices and high quality of goods and services. Also, it must foster the fastest possible rate of economic growth. And it must ensure that output—and hence income—is "fairly" distributed among all members of the community.

The classical model of a "free competitive economy" is designed to accomplish these objectives. But for many reasons and at many points, this theoretical model fails in practice because of the introduction of monopoly elements. Sometimes, however, the reasons are good ones and to that extent "monopoly" is justifiable. But in the last analysis, monopoly is open to criticism

where it results in *restricted consumer choice, excessive prices, poor quality, slower economic growth, or lop-sided income distribution.*

Why is Monopoly a Particular Concern of Cooperators?

It is no accident that cooperators have selected the struggle against monopoly as their own. *The very concept of Co-operation was born of this struggle.* If we examine the motivation behind the origin of any genuine cooperative anywhere in the world—whether a consumer society, a credit union, a farmers' marketing or processing cooperative or a multi-purpose village society—it will be seen to comprise one or more of the abuses of monopoly power listed above. In addition, it will probably be found that every such cooperative has had at one stage or another to defend its very existence against retaliatory thrusts from the monopolies with which it is locked in combat.

Cooperation in any form is designed to provide the kind of high quality goods or services which its members want, at the lowest possible price (after taking account of dividend or patronage refund). It is also dedicated to eradicating monopoly abuses—excessive returns to capital, undemocratic economic power and restrictions on output which act as a brake on economic growth and lead to serious inequalities in distribution of income and of economic authority.

But the struggle against the abuse of monopoly is enormously complicated by the difficulties of distinguishing between its potentialities for good and for bad. In any type of economy, the drive for efficiency leads to the development of enterprises large enough to dominate the market. The problem then becomes

one of preventing the abuse of this market power, of ensuring that the exercise of power does not defeat the objective of economic efficiency which it was designed to serve.

Monopoly and Efficiency in Capitalist Economies

a) In the Private Sector

The Dilemma

Private firms are under constant pressure to increase in size and expand production in order to reap "economies of scale". The bigger they become (up to a certain point), the more they can reduce costs per unit of output by spreading overhead administrative costs, eliminating duplication of effort, more economical buying of raw materials and equipment, cheaper credit, engaging in intensive research and planning, and introducing expensive technological equipment.

Lower costs of production make it possible to reduce prices and thus benefit consumers. But this is not a necessary consequence. The increase in size which has led to lower costs may also have increased the market power of the enterprise concerned. As companies grow bigger, they acquire control over the market. This they may do by buying up, or merging with, their smaller or less successful rivals until they have acquired a dominant position on the market. Alternatively, they may join forces with other successful firms to form cartels, associations, price rings or other collusive agreements. Either way they are in a position to restrict output and to increase prices and profits. If they do so, total consumer satisfaction will be diminished because output will be smaller, prices will be higher, and

distribution of income will be distorted. Thus abuse of market power leads to a decline in "economic efficiency" as we have defined it.

Monopoly power is also abused in the field of agriculture. Large-scale operations in retail trade—e.g., chain stores, supermarkets, shopping centres and voluntary buying groups—have resulted in large bulk deliveries of standardised produce. The need for standardisation, and also for regularity and reliability in supply, has in turn led large food retailers to extend their activities into processing and even into primary production—either directly or via contracts with farmers.

This vertical integration has greatly enhanced the market power of food distributors. Integrated firms are in a position to offer terms that are attractive to the farmer in the form of guaranteed outlets and/or prices, or technical advice, or credit facilities. But by the same token they reduce his independence and freedom of action, and they also preclude traditional suppliers (including agricultural cooperatives) from an ever-growing segment of the distributive field. As a result, distributive costs for food products have increased spectacularly and farm incomes have been severely squeezed. This is another example of the economic pressures away from free atomistic competition towards large-scale operations in the interest of efficiency—coupled with serious threats to the interests of consumers and small producers.

Implications for Cooperation

We have already pointed out that the concept of Cooperation is in itself an attack on the abuses of monopoly. The principles of democratic administration, limited interest on capital and distribu-

tion of surpluses to members are designed to guarantee that cooperatives provide the type, quality and amounts of goods and services that its members ask for at lowest possible cost. They also promote economic growth and guard against a disproportionate accumulation of income and property through private ownership of capital.

This means that the most important contribution which Cooperation can make to the struggle against monopoly is to expand its own operations and improve its own economic efficiency. Like their competitors, cooperatives must seek to achieve and maximise control over the market. They must exploit the advantages of concentration which arise from managerial specialisation, more economic buying, more economic selling, more efficient production and the fact that larger units can better afford renovation and conversion of premises, adequate stocks and equipment, and development of new lines. They must extend cooperative "integration" into agriculture to help farmers increase their incomes and preserve their independence and flexibility through co-ordinated technical services and cooperative purchasing, processing and marketing. And they must try to foster the kind of organic collaboration between producer cooperatives and consumer cooperatives which will best serve the combined interests of both and prevent excesses by either.

Cooperators can also launch a frontal attack on particular monopoly situations in the market. These may take the form of cooperative entry into limited but strategic fields of production for the express purpose of countering boycotts or forcing price cuts. Or, cooperative retailers may attempt to achieve a large enough share of the distributive market

to enable them to act as price leaders. And cooperative movements may collaborate across national boundaries on joint production or inter-cooperative trade in order to combat international cartels.

Cooperators can also fight monopoly and restrictive trade practices by joining forces with trade unions and other consumer organisations to lobby for effective national and international monopoly legislation. Consumer cooperation is the only form of business organisation which can be relied upon to represent the consumer. Because they are not subject to internal conflicts between the interests of shareholders and those of consumers, consumer cooperatives are eminently fitted for the role of an anti-monopoly pressure group.

Finally, monopoly abuse can be curbed through wider application of the Co-operative Principle of channelling the benefits of economic progress to consumers and productive workers rather than to owners of capital. This is not a mere pipe dream of social reformers. Private producers and distributors are increasingly aware of their responsibilities not only to shareholders but also to their customers and to the community. Also there is growing public concern over the structure and purpose of the corporate form of enterprise. The Common Market treaty provides that mergers and agreements which bring economies of scale or contribute to technological progress should "reserve to users a fair share of the benefits which result". The British Government has pledged itself to legislation in the next few years on the function and philosophy of the joint stock company. The French Government is in the process of making fundamental changes in company law designed to facilitate worker

participation in corporate earnings.

Professor Galbraith has thrown the spotlight on the American corporation in his most recent book, and a forthcoming PEP survey on *The Future of the Enterprise* will analyse changes in company law which are currently under consideration in eleven countries. And voluntary private profit sharing schemes are proliferating throughout Europe and America.

b) *In the Public Sector*

The Dilemma

All "capitalist" economies are at the same time "mixed" economies in the sense that an important sector of enterprise has been transferred from private to public ownership. The interesting point in this context is that such public sectors are in most cases "monopolistic" in that they have exclusive or dominant control over the supply of a particular product or service.

However, public ownership eliminates, for that portion of the nation's capital assets which it covers, the particular monopolistic "abuse" of lop-sided income distribution associated with private aggrandisement through ownership of capital. On the other hand, as any student of public administration knows, public ownership does *not* eliminate monopoly abuses in terms of waste, high costs, excessive prices, irresponsible management and insensitivity to consumer demands.

A vast literature has accumulated on the problems of ensuring responsibility and efficiency in public enterprises. Proposals and attempted solutions have ranged from the establishment of separate autonomous public corporations designed to respond to the dictates of the "market", through decentralised ad-

ministration, to close scrutiny and supervision by the electorate as represented in Parliaments.

Implications for Cooperation

The common thread that runs through all of these proposals is an attempt to reconcile the need for direct accountability to the consumer—whose needs are presumably registered in market “supply and demand”—with the difficulty that many urgent social needs are not accurately reflected in the private market. Another problem is to find a substitute for the managerial and productive incentives provided, in the private sector, by the quest for profits.

In short, public officials are in search for ways of applying those specific features which characterise Cooperation—direct accountability to users, democratic control by workers and consumers, responsiveness to consumer wants and the productive incentive which derives from direct involvement and a sense of self-help, i.e., of working in one’s own enterprise. It may well be, as Professor Lambert stressed in his introductory remarks at the Central Committee, that part of the answer lies in a “cooperativisation” of the public sector. This might well include the setting up of co-operatives or “para-cooperatives” in such sectors of public enterprise as rural electrification, rural bus services, supply services to public authorities, community recreational services and travel agencies, certain municipal enterprises like taxi services, and collaboration between local authorities and co-operatives in public construction projects.

Monopoly and Efficiency in the Socialist Economies

The Dilemma

Socialists sometimes maintain that the abuses of monopoly can be eradicated by transforming private monopoly into public monopoly. But the experience of public ownership in the planned economies of Eastern Europe has demonstrated that sometimes public monopoly too entails inefficiencies and creates economic problems.

True, the exclusive public ownership of means of production makes it impossible for income distribution to be distorted through private accumulation of profits or for consumers to be exploited for the benefit of shareholders. But the other “abuses” of monopoly are not only possible; they have been openly acknowledged in recent years in most of the socialist countries. These include restricted consumer choice, failure to respond to consumer demands, poor quality, irrational pricing, lack of managerial and productive incentives, over-centralisation and wastage due to inadequate criteria for economic decision-making.

Implications for Cooperation

The inefficiencies of completely centralised planning and administration of State monopoly has led in recent years to a dramatic swing towards “market socialism” in most of the economies of Eastern Europe. Although the new adaptations vary in detail from country to country, the underlying principles involved are the same.

“Profits” have been reintroduced, not as a return on privately-owned capital (since all means of production are publicly owned) but as a measure of efficiency and hence a criterion for economic decision-making; as a partial source of income for managers and for

workers (in the form of participation in residual earnings of individual firms); and thus as an incentive to productive effort. Formerly, "profits" were returned to the State which provided the capital; under the new arrangements, finance is provided either through self-financing or by State banks on the basis of the performance and persuasiveness of individual managers, and only a limited interest is paid on capital.

Competition has again become respectable in the sense of rivalry between individual managers, and between State and cooperative enterprises, directed towards producing high quality goods at lowest costs and hence with maximum "profits". This in turn has necessitated a sharp increase in the autonomy permitted to individual managers and cooperatives in bidding for supplies of raw material, of equipment and of credit, in competing for customers, and in determining their own product mix and input patterns and investments in the light of consumer preferences.

Finally, prices have been transformed from passive instruments of centralised accounting into important guides to economic decisions. "Net returns" and entrepreneurial targets are now calculated in terms of money rather than of physical output, and goods and services are priced at full cost including a "charge on fixed capital", in other words, "interest" to ensure that capital is not used uneconomically.

The implications for Cooperation are clear. It is apparent that the socialist State monopolies are moving in the direction, not of capitalism, but of Cooperation. They are incorporating its basic principles of limited interest on capital and democratic participation in residual earnings by workers and consumers. At the same time, cooperatives

as such are being given a key role in this process as one of the major competitive forces relied upon to ensure economic efficiency in State enterprise.

Monopoly and Efficiency in International Trade

The Dilemma

The monopoly dilemma prevails also in the field of international trade. The same economic and technological pressures which make a virtue of size in domestic markets are operative on the international level; and here too, despite the enormous possibilities for increased output and higher living standards as a result of specialisation and division of labour, there are serious threats to consumers and small producers. Again the threat stems from excessive prices (and profits) achieved either through cartels and agreements or as a result of market domination through sheer size. In the field of primary commodities, the problem has reached such proportions that entire countries have been victimised as "under-developed" regions.

In the classical model of free and competitive international trade it was assumed that the benefits of technological progress would automatically be diffused to developed and under-developed areas alike. The industrialised countries, by concentrating on capital-intensive manufacture, would benefit from the steady reduction of production costs and increased output. These gains would be shared with the under-developed areas through reduction of prices for the manufactures shipped to them and increases in prices for their food and raw material exports as living standards and demand increased in the industrialised areas.

But the contrary has actually hap-

pened: the terms of trade have moved against the under-developed areas rather than in their favour. This is because there are a number of economic rigidities and distortions which clog the mechanism by which the fruits of technological progress are supposed to be diffused throughout the world. The demand for the exports of the under-developed areas is relatively inelastic, i.e., it does not rise proportionately with incomes in the industrialised countries. It is also restricted by artificial trade barriers, by the development of synthetic substitutes and by technological economies in use of raw materials. Because of monopolistic elements in the developed areas, the gains from technological progress are channelled into higher profits and wages and shorter hours rather than into lower prices; in short, they are retained by the developed nations, not shared with the under-developed countries.

In addition, primary producers in developing countries have had to buy their supplies from huge corporations like Standard Oil of New Jersey, Shell, International Harvester, Ford and Unilever; and they have also had to a certain extent to sell to big corporations—a development which has substantially contributed to the deterioration in terms of trade. At the same time, incomes in the under-developed areas are kept at a subsistence level by the population explosion, concealed unemployment on the farms and open unemployment in the cities; surplus labour does not move to less labour-intensive areas of the world as assumed in the classical model.

Implications for Cooperation

The details of the many ways in which cooperatives can make a basic

contribution to the economic and social problems confronting under-developed areas are well documented. The major point which merits repetition in this context is the role which agricultural cooperation can play in redistributing to primary producers in these areas at least part of the residual earnings—which are now being drained off to owners of capital—in many cases foreign to the countries concerned. This is true right through the whole range of cooperative activities—cooperative credit, cooperative extension services, purchasing cooperatives, processing cooperatives, marketing cooperatives, joint use of farm equipment and machinery, handicraft cooperatives, and cooperative projects for consolidation of fragmented holdings, land clearing, cultivation, cropping, irrigation, drainage and installation of tanks, wells and pumps.

* * *

In the last issue of *Cartel*, which was published by the I.C.A. for a number of years, Thorsten Ohde contributed an important article on Monopolies and Cooperation. His words provide an appropriate theme for the renewed debate which is now taking place:

“... the profit economy suffers from the weakness that it is a profit economy... the Cooperative Movement is ripe to serve as the single most important instrument for remedying the deficiencies of the private profit economy... and can supply the cornerstones of an entirely new economic system within which the profit motive will be subordinated to the principle of service to the community.”

Cooperators need to show the world how the growth of cooperatives and the wider application of Cooperative Prin-

ciples can help to achieve a fair distribution of incomes and sustained expansion in western industrialised countries, how they can contribute to increased productivity in planned economies and how they can help the peoples of developing countries to raise their living standards. By joining in the debate on monopoly, on incomes and on ways and means of

helping developing countries, they can show how Cooperative Principles can indeed provide the corner-stone of an economic system based on service.

We hope, in future issues of the *Review*, to continue our discussion on the relevance of Cooperative Principles to contemporary problems. We invite our readers to join in the debate.

THE WORK OF THE CWS COMPUTER BUREAUX

by John B. Rudkin, FCA, MJI

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THE Cooperative Wholesale Society has now established the third computer bureau in a chain designed to provide a service to retail cooperative societies. In setting up the service, the object was to enable retail societies to reduce their existing clerical costs while bearing in mind the cost of computing services already available from commercial bureaux.

The initial function of the service is unique to cooperative societies—the aggregation of gross purchases of each member and the calculation of dividends thereon. However, even this application is of some general interest as the basic information is the same as would be required by any trading organisation for a multi-head sales analysis or for the debit entries in a credit sale

accounting system. Other functions which are about to be undertaken by the bureaux include grocery warehouse stock control, credit sales ledger, and share ledger.

The three bureaux are located in Liverpool, Nuneaton and Ipswich. Based on the number of members, about 55 per cent of all retail societies in England and Wales now make use of the services of the bureaux, and further bureaux will be opened as and when the volume of input justifies the installation of each additional computer.

It will be apparent from the above that each bureau operates an identical system based on identical programmes, so that it would be possible for one bureau to take work from another in the event of breakdown, overloading, or

some other unexpected misfortune.

Before opening the first bureau, the Cooperative Wholesale Society undertook an extensive market study into three types of computer. Finally, Honeywell 200 machines were selected as being the most suitable, bearing in mind initial costs, after-sales service, and the type of applications envisaged.

Honeywell make a feature of their range of soft-ware and this range assisted to some extent in the programming of the first bureau in Liverpool. Nevertheless the initial application was the first of its kind so that most of the systems analysis and programming had to be original. All initial programming was done by the O. and M. Department of the CWS in Manchester, but on 1st February 1967 the bureaux service began to engage its own programming team. The service expects to be completely independent of Manchester by the end of 1967. Mr. John Meeson, national manager of the CWS computer bureaux service, says that Honeywell's service and assistance throughout has been extremely good.

The capital cost of the bureaux has been financed entirely by the CWS as a service to retail societies. At the time of writing, about 8 million members' accounts are handled and further enquiries from retail societies are continually arriving. Charges for services are made in a manner similar to those of commercial bureaux.

The services of the bureaux are reserved exclusively for cooperative societies and it is not envisaged that they will be offered for general commercial use. It is intended that 24-hour working will be adopted in each bureau eventually, to obtain the most economic use of the computers.

Each of the bureaux is equipped with

two paper tape readers, operating alternately at 600 characters per second. Each reader can accept 5, 7 or 8-channel tape. Each bureau has five magnetic tape drive units and a line output printer operating at 650 lines per minute, 132 characters per line. The central processors each have a memory capacity of 16 k. The use of two paper tape readers alternately avoids any time wastage due to reel loading.

The computer rooms are air-conditioned, the temperature being maintained at 70°F and the humidity at 50°. These levels are continuously monitored and recorded on a chart.

Analysis of Gross Purchases by Members

In a retail department, each member receives a "check" for each purchase, showing the member's share number and the amount of the purchase. From the duplicates of the checks, these details are punched into 7-channel paper tape either by the retail society or, as a service, by the computer bureau. In some cases, the paper tape can be punched from cash till-rolls.

In the bureau, files of members' gross purchases are maintained for each retail society on magnetic tape. As each society's new input paper tape is put on the computer, the information is read off and re-written on to magnetic tape. From the magnetic tape so created, the items are sorted by the computer in share-number sequence and from the sorted information the computer updates the magnetic tape file of members' gross purchases.

A few retail society branches are using Hugin cash registers at point of sale, simultaneously producing the members' checks with the information also written on to 1/4-inch magnetic tape which is

produced as a "by-product". At the computer bureau, this 1/4-inch tape is placed on a "converter" wherein the information is transcribed on to the normal 1/2-inch magnetic tape used by the computer. It is possible that more societies will adopt this system as time goes on.

At the end of each retail society's half-year or year, a complete list is printed-out from the magnetic tape file showing each member's share number and total gross purchases. If desired, the bureau will also compute and print-out the amount of each member's dividend at the rate fixed by the retail society. As a further service, where required, the computer will print-out the actual dividend warrants.

Apparently there is little difficulty caused by bad figures in entering share-numbers on checks. Some members do keep the originals of all checks and so can (and do) check their total purchases. Nevertheless few members find cause to query the totals produced by the computer, and where this does occur the members are required to produce the original checks to the retail society.

For each week's work, the computer provides an "Input Report" listing the paper tapes which have been read during the week. When retail societies punch their own tapes, this input report is sent to them so that they can check that their input has all been received, accepted by the computer and processed.

Grocery Warehouse Stock Reporting and Branch Accounting

A system to process retail societies' grocery department accounting and warehouse stock control is being developed at present. The system is designed to provide essential weekly information about grocery warehousing transactions,

including direct deliveries, inter-departmental and inter-branch transfers. It is intended to produce an accurate analysis of the warehouse stock position and of the branch turnover and profitability, on the basis of commodity sections to be determined by the society concerned. Other reports produced by the system will include a weekly goods received statement and, on request, a list of the contents of the master file.

With such information readily available the management of a grocery department is expected to become much less risky, so that more time can be devoted to those items needing special attention. Accurate knowledge of line movement will introduce the possibility of reducing the amount of stock held and of reducing the number of out-of-stock situations.

Branch Management is expected to benefit by having a tight control on leakage and by having available weekly figures of branch profitability both overall and analysed by commodity sections.

The accountancy of each retail society using the system is also expected to benefit because the weekly charges to branches are available quickly while the positions of the whole grocery department and all its constituent parts are reported cumulatively so allowing instant access to the figures required for accountants' returns.

In order to operate the system, each branch of a society will be required to submit its weekly order to the society by a certain day. At the same time, the branch will submit details of its direct deliveries in the preceding week, any inter-branch or inter-departmental transfers in which it has been involved, and any spot purchases for cash. These transactions, together with the notification

of goods issued to branches, will be coded and punched into paper tape by the society. Throughout the week orders from and receipts into the warehouse can be coded and punched as available and master file amendment notifications prepared. The paper tapes so punched will be sent to the bureau and the results should be received within a maximum of three days. For example, if a society were to finish its weekly input preparation before Thursday evening the results should be available for use by the following Monday morning at the latest.

Before the system can be put into use, a society must allocate a code number to every commodity in which it deals. The commodity must be described and priced for the society's own master file which will be kept on magnetic tape by the bureau and will form the basic source of reference for processing the weekly transactions. At the same time, the society must establish a suitable documentation for all transactions and select suitable tape-punching equipment. The actual kind of punching equipment used, and the choice of direct or by-product methods, is left to the society.

The following reports, examples of some of which are given, will be available weekly to a society using the computer system for Grocery Warehouse and Branch Accounting:

1. *Warehouse Stock Report*: this will show the position of every commodity on the master file. The report is essentially in two parts—the right hand side of the document shows the information concerning the current week's transactions (receipts, orders placed by the warehouse, issues to branches and the stock balance after the effect of the transactions); the left hand side will show after twelve months operation a

comparison figure, the cumulative issues for this year, and three indicators from which grocery management can deduce optimum and minimum stock levels. With this report provided weekly it is anticipated that a valuable contribution can be made to both stock rationalisation and reduction in capital tied up in stockholding. (For specimen, see next page.)

2. *Branch Invoice*: this will show for each branch the lines which it has received during the week extended at both cost and retail prices. In addition, the percentage gross margin for each line is shown on this report. In order that the leakage system can be accommodated, the cost information has been reserved to the left-hand side of the document and the code number given twice so that the cost information may be cut off and retained by the society's officials and the remainder distributed to branch managers. It may nevertheless be felt by societies operating the leakage system that the gross margin information may be useful in promoting profit-consciousness among branch management.

3. *Branch/Sectional Analysis*: this will show profitability figures for each branch and for each commodity section within the branch both for the current week and for the year to date. In addition, a figure for sales in each section is given and although this assumes that goods issued to a branch in any week are sold in that week, taken overall the assumption is not unreasonable. However, bulk ordering in any one week can distort the picture. Figures to show case movement in each section are also given as a guide towards space allocation within any one branch.

4. *Goods Received Report*: this will show the quantities at cost and retail value of goods received into the ware-

ANYTOWN COOPERATIVE SOCIETY LTD.

Grocery warehouse stock report week ended 27/11/65. Week no. 46.

Wk. 46 1964	Cum. 1964	Cum. Issues	Cum. whse Avg wk	Cum. bch Avg wk	Wks held	Code	Description	Unit pack	Cost price	Unit rct.	Unit iss.	Unit balance	Value balance	On order
0	0	325	7	0.1	1.9	010018	SECTION 01 CANNED SOUPS	24	28 06.0	0	10	13	18 10 6	100
0	2,070	2,070	45	0.5	2.5	010021	Heinz Cream chicken	24	20 06.0	50	50	112	114 16 0	0
0	966	966	21	0.2	2.0	010038	Cream chicken	24	28 06.0	0	30	43	61 11 0	50
0	690	690	21	0.2	1.4	010046	Oxtail	24	20 06.0	0	27	29	29 14 6	25
0	828	828	18	0.2	2.8	010054	Oxtail	24	28 06.0	100	13	42	59 17 0	0
0	1,380	1,380	30	0.3	2.6	010062	Scotch Broth	24	20 06.0	25	17	50	51 5 0	25
0	1,058	1,058	23	0.2	0.5	010070	Scotch Broth	24	28 06.0	100	34	16	22 16 0	100
0	606	606	11	0.1	2.7	010089	Vegetable	24	20 06.0	0	25	62	63 11 6	60
0	920	920	20	0.2	6.5	010097	Cream Mushroom	24	28 06.0	75	16	71	101 8 0	0
0	552	552	12	0.1	2.0	010105	Cream Mushroom	24	30 00.0	0	20	40	41 0 0	0
0	786	786	16	0.1	2.9	010119	Campbells cream chicken	24	30 00.0	0	10	35	52 10 0	50
0	11,037	11,037	16	0.2	3.0	010127	Campbells cream tomato	24	23 06.0	50	13	48	56 8 0	0
							SECTION 01 TOTALS			400	265	561	673 2 6	410
0	828	828	18	0.2	1.1	021003	SECTION 02 BABY FOODS	24	24 00.0	0	17	21	14 14 0	50
0	1,150	1,150	25	0.3	1.6	021011	Hnz Jun Tom. Mac. & Beef	24	15 00.0	25	24	40	30 0 0	25
0	1,288	1,288	28	0.3	2.6	021028	P'apple rice pud	24	15 00.0	25	32	73	54 15 0	0
0	690	690	15	0.2	1.2	021035	Hnz Baby App prune cust.	24	15 00.0	0	23	19	14 4 0	25
0	606	606	11	0.1	0.6	021044	Apricis & rice	24	15 00.0	0	10	7	5 5 0	25
0	4,562	4,562	11	0.1	0.5	021044	Pears	24	15 00.0	50	106	160	118 18 0	125
							SECTION 02 TOTALS							

Specimen of weekly grocery warehouse stock report as prepared by the computer

house during the week. Provided that these are notified to the bureau in the sequence in which they are received, the facility of showing them on the report in this way has been provided as it is felt that such a report is of more value than the alternative of placing goods received into the master file sequence.

5. *Master File Amendment Report*: this will show the entry on the file both before and after amendment with a list of insertions and deletions.

6. *Master File Report*: this will be an optional listing of the code number, description and prices associated with each item on the file. It will be found particularly useful during the initial setting-up of the file and may be of value when revising the branch order catalogue.

7. *Additional Stock Report*: this will be applicable primarily to societies which charge out from the warehouse to branches at an intermediate price between the cost and retail price as it will extend the stock balance at this figure and also at full retail price. It is also intended to show on this report the extension of the value of total issues per line from the warehouse. This report is designed to be read alongside the standard stock report (number 1 above).

8. *Stock-taking Report*: this will extend at both cost and retail prices commodities notified by code number and their associated quantities. The description will also be shown. It is primarily intended for checking the stock in the warehouse, but may be used in respect of branches, provided that arrangements can be made for branches to record the results of their physical stock-take in an acceptable manner. This report is optional.

It is considered that the grocery warehouse control system is of wide interest

as a similar system would be valuable to any multiple retail organisation, hence the system has been described in some detail.

Members Share Ledger

This system is based upon a master file for each retail society, kept by the relevant bureau on magnetic tape. The file will be updated by means of information provided by the retail society on punched paper tape. For each member, the master file will record:—

1. Share number
2. Balance to begin
3. Dividend and Interest transferred (previous period)
4. Contributions—in total and itemised with numbers
5. Withdrawals—in total and itemised with numbers
6. Debt Withdrawals—in total and itemised with numbers
7. Balance to end
8. Interest (amended as transactions take place).

Retail societies will supply punched paper tapes to the bureau weekly, and will receive weekly and half-yearly reports from the bureau.

The only “hard copy” record maintained by a retail society will be an index of share numbers, the other records needed being provided by files of computer print-outs. The principal of these will be the file of weekly computer print-outs, which will effectively take the place of the present share ledger and will be consulted before withdrawals are sanctioned. The weekly print-out contains details of every account which has been updated or amended during the week, for any reason, and in respect of each such account it shows:—

1. Share Number (and check digit)
2. Contributions to date (in total)

3. Withdrawals to date (in total)
4. Debt withdrawals to date (in total)
5. Present balance
6. Details of this transaction (including amount, if applicable)
7. Details of rejected information (with reasons for rejection).

In addition, a list will be provided showing the week number of the last print-out of every share account. This list will enable the personnel of retail societies to quickly establish the position of any account.

The other main print-out from the computer is provided half-yearly and comprises a detailed analysis of the suspense account transactions during the half-year. Retail societies will be obliged to file this print-out as the computer will carry forward a balance only (with no details) to the new half-year.

In addition, the computer will provide a weekly input report showing for each batch the number of update items accepted with their total value, and the difference between the punched total and the accepted total. Items rejected will be listed.

At the end of each accounting period, the bureau will also provide an interest print-out, containing the following details for *every* share account:—

1. Share member (and check digit)
2. Balance to begin
3. Dividend and Interest transferred
4. Contributions (total and itemised)
5. Withdrawals (total and itemised)
6. Debt withdrawals
7. Balance to end

8. Interest this period.

Totals for the Society under each of the eight heads will also be shown.

As this print-out is raised, a new master file will be created for the society at the bureau. Any balances on closed accounts will be transferred to Suspense Account and so noted on the print-out. Closed accounts will be excluded from the new master file.

Accounts with no purchases for three years will be marked as non-trading. Balances less than £1 on such accounts will be transferred to Suspense Account automatically by computer programme.

At any time, upon request, details of any accounts held on the Master file can be printed-out.

Societies will punch paper tapes for their weekly input by taking information from original documents using conventional key punches. Special pads of contribution and withdrawal slips will be used and these will be totalled in batches before punching.

Credit Sales Accounting

The system to be used for this application is still being formulated.

* * *

I am indebted to Mr. John Meeson, National Manager of the CWS Data Processing Bureaux, and to Mr. D. A. Baker, Manager of the CWS Data Processing Bureau in Ipswich, for providing me with the information on which this article is based and for enabling me to visit the Ipswich Bureau.

COOPERATIVE COLLEGES IN BRITAIN AND EAST AFRICA

Miss Hebe Spaul has once again returned from an extensive tour. This time she has visited East Africa and its cooperative institutions. Prior to leaving, Miss Spaul paid a visit to Stanford Hall, the British Cooperative College, where many an African cooperator received inspiration and instruction which he is now imparting to his fellow cooperators. Miss Spaul is reporting in the following article on her visits to the Cooperative Colleges in Kenya, Tanzania and Uganda. In paying tribute to the work of the British Cooperative College in promoting cooperative education in Africa and other parts of the world, we have included in this article Miss Spaul's visit to Stanford Hall.

Edit.

STANFORD HALL

After a four mile drive from Loughborough along a country road to the village of Stanford, a signpost indicates the entrance to the grounds of the College. You then pass through the park from where you get a glimpse of the delightful setting in which the College stands. The College itself is housed in what was originally a pleasing Georgian country mansion with a number of subsidiary buildings housing the College staff and the Education Offices of the Cooperative Union Ltd. The lovely grounds cover three hundred acres of woodland and pasture and these provide cricket fields, three hard tennis courts, bowling and putting greens and a delightful swimming pool. The previous wealthy owner endowed his mansion with a well equipped theatre for stage and cinema productions.

Inside the main buildings are a number of class-rooms, common rooms and

games rooms and a dining hall which is being extended to double its present capacity. The Library, a Memorial to J. J. Worley, one-time Secretary of the Cooperative Productive Federation, contains twelve thousand volumes.

The College can accommodate up to 120 students, many in single bedrooms, others in double bedrooms or single cubicles.

The Cooperative College, founded by the Cooperative Union Limited in Manchester in 1919, moved to Stanford Hall in 1945. Mr. R. L. Marshall, the Principal, is assisted by eight full-time tutors and a number of visiting lecturers. Situated within a few miles of two universities—Nottingham and the new university of Loughborough—the College is singularly well placed for being able to call on the services of a number of specialists.

Courses are very varied, both in subject-matter and in duration. Of the 120 places, ninety-five are reserved for

students who take full-length courses lasting a year and in some cases two years. These courses cover Social Studies, Management, Secretaryship and Cooperation Overseas specifically devised for overseas students. Short intensive courses lasting from one to six weeks deal with aspects of cooperative management and related subjects. Some of the students have previously taken correspondence courses provided by the Cooperative College.

Although the minimum age of admission to the College is eighteen, the majority of students are older having given promising service to their own societies either in Great Britain or overseas.

Intended originally to serve as a residential college for the British Cooperative Movement only, it was decided in 1946 to open its doors to students from overseas. Since 1947, over six hundred students from all over the world, particularly Africa and Asia, have attended courses at the College. This affords British and overseas students the opportunity to learn from one another. In the words of the Principal, Mr. Marshall: "The College serves as an assembly of cooperative experience."

At the time of my visit, important talks were going on with the University of Loughborough about the possibility of advanced students qualifying for a University award in cooperation and related subjects. Problems like these, explained the Principal, are not resolved over-night but take some considerable time. Over the past ten years there have been friendly relations with the University of Nottingham. One of the courses in social studies offered by the College leads to the Diploma in Political, Economic and Social Studies for external students awarded by the University of

Nottingham.

In discussion, Mr. Marshall mentioned two interesting developments. One is that some of the students now coming to the College have attended universities or technical colleges, and the other is that there are now much closer links with the agricultural cooperative movement in Great Britain.

Having met a number of students of the College, who had returned to their own countries in Asia and Africa to take up important posts, I was particularly interested in the course arranged for overseas students. The tutor responsible for this course, Mr. C. Clarkson, pioneered cooperation in Sarawak. Mr. Clarkson is at present assisted by an Indian tutor, Dr. Kamat, who is also doing some research work at the College before returning to India. I was allowed to "sit in" on two of the tutorial classes and to listen to the contributions made by the students.

During term time, overseas students are afforded the opportunity of seeing something of the agricultural and consumer movements in this country and they also pay a visit to the headquarters of the International Cooperative Alliance in London.

Although the College has been receiving students from overseas for the past twenty years, it is only recently that College students have gone out as volunteers to serve the movements in some of the new countries of Asia, Africa and elsewhere. The scheme was first launched in 1965. Volunteers have to be approved by the Principal. More appeals for volunteers have come from the developing countries than there have been people available. Requests have been for as many as 12 students, but there are real difficulties in meeting the demand. Many of the British students

receive scholarships to attend the College and are granted a year's leave of absence from their employers. Some societies would be reluctant to agree to a further extension. However, about a dozen volunteers have gone to Africa under the scheme. Two of them have returned to the College to complete their studies. One of them, Mr. Keith Mayle of Peterborough, went to Swaziland after a year at Stanford Hall to assist in the establishment of farmers' marketing and supply societies. Six societies have been formed, one reached a membership of 200 while the others were much smaller with 12 to 25 members. Only few of the members could read and the choice of officers was therefore difficult.

The other student, Mr. Bernard le Bargy from Colchester, had gone to Botswana. His task was to assist marketing societies with the sale of cattle. The marketing societies are teaching the Africans to improve the feeding methods of cattle so that they could get better prices for them. He was able to organise two to three week courses on book-keeping and secretaryship. Mr. le Bargy thought the venture worthwhile and was hoping to go back to Botswana for a further year.

It is not possible in such a brief account of the College to deal with all the different aspects of activities. Suffice it to say that from the College have come qualified leaders in all branches of cooperative service, both at home and abroad. It is not surprising therefore that the number of applicants to the College exceeds the number of possible vacancies and even those with the necessary qualifications have sometimes to be told that the best that can be done for them is to put their names on the waiting list for consideration the fol-

lowing year.

EAST AFRICAN COOPERATIVE COLLEGES

1. TANZANIA

In October 1967, the Cooperative College in Tanzania moved into palatial new premises and, during the summer of 1967, a national cooperative college was opened in Nairobi. This is some indication of the emphasis which these countries are putting on cooperative education.

I had the opportunity of visiting both these colleges as well as the college in Uganda during the summer of 1967 and met and talked with members of the staff. Indeed, in Moshi, I had the privilege of staying with one of the college tutors and his family in a newly built house allocated to staff.

The Cooperative College in Moshi, established in 1963 by the Government of Tanzania, was housed until recently in a part of the building serving as the headquarters of the Kilimanjaro Native Cooperative Union. This part had originally been designed as a residential commercial college but by 1963 was no longer needed for this purpose. The need for providing a cooperative college was urgent at the time because of the break-up of the East African School of Cooperation at Kabete in Kenya. The Tanzanian section of the school was brought to Moshi and was merged with an existing school of cooperation, previously at Mzumbe, which had provided training of staff for primary marketing societies.

The Cooperative College Act of 1964 provides amongst other things for a Governing Body consisting of a chairman and six members. The Minister responsible for Cooperatives, now the

Minister of Agriculture, appoints two members, one of whom is the chairman; the Cooperative Union nominates three members and the University of East Africa nominates one. The Commissioner for Cooperative Development is an ex-officio member. The powers granted to the Governing Body under the Act include "the authorisation of appropriate and necessary expenditure within the funds available to the College", "the appointment of staff" and "the making of decrees relating generally to the academic management of the College and in particular to the qualifications necessary for entrance to the College, the courses of instruction provided at the College, the duration and number of College terms and the award of certificates and diplomas to students of the College."

It soon became apparent that larger premises would be required to meet growing demands. A thirty acre site, with an uninterrupted view of the famous Kilimanjaro, was acquired. The scale of the new buildings was only made possible by the fact that a considerable amount of money was made available by the Swedish International Development Agency (SIDA). The buildings were completed in time for occupation by the College in the autumn of 1967. The College has accommodation for 130 residential students. The residential quarters are in five separate blocks. A fine dining hall and a large well equipped kitchen are in another block. There are also common rooms for the students, a canteen and a modern laundry. One block serves as the administrative headquarters and another will house, it is hoped, a well stocked cooperative library. The shelves provided could hold as many as ten thousand books. A donation towards the

library has been made by the Women's Cooperative Guild of England and Wales as a memorial to the late Mrs. Cecily Cook. There are three classroom blocks, each of which also provides accommodation for discussion groups. There is a fine Assembly Hall provided with a stage and film projector.

The rest of the campus is taken up with houses for the staff. The Principal's pleasant house has accommodation for a guest. Ten other houses provide accommodation for the permanent married staff, some of whom—including my host—had already moved in at the time of my visit. There are also houses for single staff and quarters for servants. It is planned to have a consumer store on the campus for the convenience of the staff and students which will also serve as a teaching demonstration store for students of consumer cooperation.

The administrative block provides accommodation for the Cooperative Education Centre sponsored by the Nordic Project. Training facilities for credit union personnel sponsored by the United States are being made available. About 370 students are expected to pass through the College each year attending courses of varying length. During 1965/66, courses were attended by 351 students, 173 of which were cooperative employees; 135 inspectors of the Cooperative Division also attended courses. Students for the intermediate and advanced courses are mostly Tanzanians, but some are from other African countries, such as Zambia, Kenya, Uganda, Botswana and Lesotho.

The Principal of the College is Mr. F. Howarth of Great Britain and the Deputy Principal Mr. T. Ngowi. Members of the staff are mostly Tanzanians, but there are experts from other coun-



Cooperative College in Moshi, Tanzania

Top: Students' Quarters

Centre: Staff Quarters

Bottom: Administrative Block



Stanford Hall, Loughborough:
College Dining Room



Stanford Hall,
Loughborough:
Meeting
of Students'
Council



Training of Societies' Members and Local Government Cooperative Officers in Uganda

Opening Ceremony of Cooperative College at Nairobi: Principal welcomes guests



tries. Previously, Tanzanian staff was seconded by the Cooperative Division, but the College is now able to recruit its own staff. The income of the College is made up from fees paid by organisations sending students to the College, namely, Government departments, co-operative societies and unions. These fees, together with gifts, account for one half of the total income. The remainder comes from grants by the Tanzanian Government and from technical assistance given to the College from various sources. The land rover presented to the College from the Technical Assistance Fund of the International Cooperative Alliance is greatly appreciated by the staff and students.

The academic year starts in March and runs until December, with a break in August. Apart from the full-time course lasting the full academic year, two short courses are held each year. In addition, there are shorter courses dealing with specialised subjects, such as courses for employees of consumer, savings or credit societies.

Students taking the advanced course are expected to have successfully completed the intermediate course. The curriculum comprises six subjects, namely, accounting; management and administration; economics; calculation and statistics; principles of economics and of cooperation; and civics. Study visits closely associated with class-room work are included in the curriculum and during the break in August, students are either assigned to certain regional cooperative officers or they carry out field projects in collaboration with members of the staff. In July and December, students take examinations, but class tests, homework and oral interviews are also part of the assessment when awarding certificates. The civics

course for advanced students covers a wide range of general knowledge from the history of early civilisations to modern economic theories.

The intermediate course, like the advanced, is conducted in English and is intended for inspectors of the Co-operative Division and other management personnel. The course lasts fourteen weeks and students are given a choice of subjects from which they must select six. The subjects are: duties of inspection; management book-keeping; laws and principles of cooperation; commerce; commercial arithmetic; village settlement; credit unions; cooperation by type (e.g. agricultural, including agricultural credit and agricultural insurance, savings and loan societies; single- or multi-purpose, consumer, etc.). Students are expected to carry out practical projects as well as to attend study visits. Three intermediate courses are held annually and, although there are some mixed sessions, the tendency is to keep courses for managerial staff separate from courses for inspectorate staff. Transport societies are not covered by the syllabus nor are the functions of international organisations, such as the ICA, FAO and ILO, which are engaged in promoting cooperation in developing countries.

The course for secretaries of primary societies lasting fourteen weeks is conducted in Swahili. The course comprises four subjects: book-keeping; duties of secretaries; arithmetic; and civics. Visits to cooperatives in the Moshi and Arusha areas are part of the curriculum.

Apart from the three types of regular courses, there are also a number of shorter courses to meet special needs lasting from one to four weeks. These are arranged at the request of either

the Cooperative Development Division or the National Cooperative Bank. Such courses have been held to give training to inspectors of savings and credit societies. Courses organised for the Cooperative Bank have been for recently appointed branch employees.

From the opening of the College in 1963 up to the time of my visit, the total number of students, who had attended courses, was 1,269. Of this number, 843 attended one or the other of the three major courses, the rest attended short courses lasting from two to four weeks.

2. KENYA

After the break-up of the College at Kabete, to which reference has already been made, it was decided that the training for inspectors for the Cooperative Department and the management staff of cooperative societies should be undertaken by a special Department of Cooperative Training as part of the Institute of Administration. This Institute has five distinct training departments. The Department of Cooperative Training is able to accept thirty students at a time. The Institute occupying a fine set of buildings in ninety acres of ground is at Lower Kabete, eight miles from Nairobi. The buildings include a dining hall, a canteen and a library as well as four halls of residence, classrooms and an assembly hall. The head of the Department is Mr. Craw, a former cooperative officer, to whom I was indebted for hospitality during an earlier visit to Kenya in 1961.

When it was decided to set up a Cooperative College in Kenya, the Department of Cooperative Training undertook to train staff under the Commissioner for Cooperative Development. The course in accountancy lasting one year has proved most successful. In 1966,

93 per cent of the students passed the Intermediate Examination of International Accountants. This, Mr. Craw pointed out, was an exceptionally high proportion, as in the United Kingdom the average passes were only 25 per cent. Apart from the course on accountancy there are shorter courses of three months' duration and also refresher courses lasting six weeks.

Under the Nordic Project for Cooperative Assistance in Kenya, a Cooperative College was recently established. The College is at present housed in temporary but pleasant buildings in Nairobi, accommodating fifty students. When the new premises are completed, it will be possible to accommodate twice that number.

The Cooperative College serves a somewhat different purpose to that of Moshi. Most of the courses are very short. The longest courses are for book-keepers. It is planned that these courses should take the form of sandwich courses. The first period is to last sixty days and the second period, a year later, ninety days. After a further year's work there will be a final course of sixty days. The students should then be qualified to sit for the Royal Society of Arts examination. The importance of book-keeping was stressed by the Principal, Mr. G. Veit, who comes from Denmark. When I talked to him about his plans for the College, he pointed out the importance of book-keeping courses, as each society has a book-keeper and a union may have anything from two to six book-keepers. The aim of the cooperative movement is to have multipurpose societies and unions and courses are being designed with this purpose in mind. Apart from book-keeping, students have to follow other subjects which will include: the role of cooper-

ative unions and societies; their management and legal background; the Co-operative Act and by-laws; cooperative organisations in Kenya; the purpose and aims of marketing boards; and co-operation in other lands.

Students are expected to learn in a practical way something of office routine, stock control and banking. In addition to these sandwich courses for book-keepers, it is intended to hold an advanced course of ninety days. When the new College is completed, twenty-five places will be reserved for students for this advanced course.

Other courses lasting from two to three weeks are being planned for managers and supervisors of productive undertakings and transport and for store-keepers. It is felt that personnel management is one of the most important subjects to be included in the course. Short courses for publicity officers and for committee members are under consideration. Mr. Veit, however, pointed out the difficulties of unpaid officials attending courses. Farmers are reluctant to leave their farms for as long as a fortnight. The scheme is in its initial stages, changes may be introduced when necessary.

The training of secretaries of primary societies is not to be undertaken by the College, but at provincial centres. These courses will be held at Farm Institutes run by the Ministry of Agriculture and will be conducted by advisers trained under the Nordic Project for Co-operative Assistance to Kenya for this purpose. They will vary in length from one day to one week. It is envisaged that in future the duties of secretaries of primary societies should be limited to keeping records and receipts and pass them on to the District Union once a month.

It should perhaps be pointed out here that the salary of the Principal of the College is paid by the Nordic Project, whilst the staff is paid by the Kenya Government. Under the Nordic Project, fifty field advisers are provided who are practical business men with cooperative experience. Most of them are attached to a union. There are at present about thirty-four unions in Kenya, but plans are under consideration for amalgamation.

The site of the new College, which was purchased by the Government of Kenya, is in fifty-six acres of land in beautiful surroundings at Langata near Nairobi. It was made available to the Nordic Project by the Commissioner of Lands for the purpose of developing the land as a college in accordance with the plans to be agreed with the Government of Kenya. It is hoped to complete the building of the College by 1970.

The Co-operative College and the Department of Co-operative Training are not the only residential training centres for cooperative personnel in Kenya. A third and very important centre was established in 1963 with help from the Food and Agriculture Organisation. This is the Navaisha Dairy Training School which is open to students not only from Kenya but from other East African countries. Cattle raising is of course traditional in Kenya, but dairy farming is relatively new. To provide the specialised training, FAO recruits Scandinavian dairy experts. Students come from cooperative societies. Since the inception of the school, two hundred dairy managers have been trained. The full course lasts from four to five months. Accommodation is provided for thirty students. Special courses are arranged for women from development centres and these last from four to

five weeks. The women are mostly teachers who learn about milk hygiene and nutrition. There are also short three-week courses for dairy operators. Short courses are for Kenyan students only.

At the time of my visit to the training school, Mr. Veit, the Principal of the Cooperative College, was holding a seminar on cooperation there and I was afforded the opportunity of "listening in" for a short while.

3. UGANDA

As in the case of Tanzania and Kenya, the setting up of a Cooperative College became a matter of urgency after the closure of the College at Kabete. I visited the Cooperative College at Bukolasa which was established in 1963 and operates on the premises of the Bukolasa Agricultural College. Since 1954, Uganda had, however, a cooperative school at the Local Government and Community Development Training Centre at Noamizi, near Entebbe. This was closed for a year in 1960 for reasons of economy and, although it was re-opened a year later, its functions were then limited to holding occasional short courses.

The Cooperative College undertakes the training of departmental staff and senior officers of primary societies and unions. Owing to the limitation of space, priority is given to the training of departmental staff. In 1965, the Government of Uganda approved a Diploma in Cooperation. The course leading to the granting of this Diploma lasts three years and those obtaining it are entitled to be considered for appointment as Assistant Cooperative Officers to the Uganda Civil Service.

The difficulties facing the College are inadequate accommodation and the

lack of suitable teachers. Plans are at present under discussion for enlarging the scope of the College.

At present, the Principal of the College, Mr. Elogu, is assisted by a permanent teaching staff of six in addition to visiting tutors. Ninety-seven students are at present accommodated at the College. An enlarged College would provide accommodation for 230 students. The majority of these would be Diploma students and about twenty-five would take the one-year course for cooperative assistants. There would also be refresher courses for twenty students at a time and courses sponsored by unions for their staffs as well as other short courses for committee members and staff. The aim of the College is set forth in the following terms:

- a) for teaching officers required to work in the Department of Cooperative Development;
- b) for teaching staff to work in cooperative unions and primary societies;
- c) for teaching committee members and ordinary members of societies;
- d) for carrying out refresher courses for both departmental and societies' officials;
- e) for the promotion of research in cooperative principles, techniques and future development possibilities.

Other training, particularly for cooperative union employees, is given at District Farm Institutes of which there are fourteen. I visited the Institute at Mukono. It provides accommodation for eighty students. The course lasts five months and is mostly academic. The main subjects are auditing, cooperative law and the history of the cooperative movement. The students are supported

by grants from the Ministry of Agriculture, Forestry and Cooperative Development. The grant covers fees and board and lodging and some pocket money. Amongst the students I saw during my visit to the Institute at Mukono were four women, who work for the Cooperative Department. The cooperative unions would like more members of their staff to receive training, but at present there is not sufficient room to accommodate them.

Mr. Edyangu, Principal Cooperative Officer with responsibility for education, told me that education in the various centres is carried on throughout the year. The courses last from two days to a fortnight. Some courses may be for chairmen and others for committee members. Occasionally, longer courses of from two weeks to a month are arranged for primary societies. These aim at teaching accountancy, the keeping of records, etc.

Some reference should be made to the Management Training and Advisory Centre set up in Kampala by the Ministry of Commerce and Industry with aid from the United Nations Development Programme and the ILO. Most of the students attending courses come from the Cooperative Department. Before these courses were started, consultation took place between the Chief

of Project, Mr. F. M. Ford, and such bodies as the Cooperative Department in order to streamline the courses and advisory services to fit the particular requirements of the Department. Today each participant body delegates a Liaison Officer and the Centre delegates one expert to look after that organisation's interests.

The Centre, which I was able to visit, has modern teaching equipment of various types and a large library. Although the Centre is situated in Kampala, training courses have also been held successfully in other parts of the country by various experts appointed by the Centre.

It will be seen from what has been said that the work of cooperative colleges in East Africa is related to the availability of other residential training facilities open to cooperative employees. With enlarged premises, training could be concentrated to a greater extent in the national cooperative colleges. Tanzania is in the happy position of having a large new College. Kenya and Uganda will have to wait some time before they achieve this aim. In the meantime, they are carrying on some good work in their restricted buildings and are making good use of other training facilities open to them.

BOOK REVIEWS

"Principles of Jurisprudence in a Cooperative Commonwealth"

by Prof. M. D. Vidwans, University of Poona.

Price: Indian Rs. 15/-. English only.

Very few writers on Cooperation have so far attempted to write, from a cooperative angle, analytical commentaries on the various legal theories propounded by eminent jurists. Out of these, few have advocated a theory of law based on metaphysics. In the treatise under review, the Author not only examines the Principles of Jurisprudence as can be applied to a cooperative commonwealth, but also attempts to provide a theoretical basis for a state, cooperative in character.

To the Author, the theory of Rule of Law is compatible with the theory of a Welfare State . . . "This Rule of Law cannot now be tied to the 19th century laissez faire theory of a police state. We must now regard the rule of law as not only not opposed to the concept of a welfare state but as a positive instrument for the attainment of the purposes of a welfare state. It has ceased to be an apotheosis of the freedoms of man. It presupposes certain economic and social values and certain legal techniques for its attainment."

While discussing individuality and social security, the Author makes a reference to the philosophies of Kant and Bertrand Russel and discusses the basic problem of unsocial sociability of man. He feels that even a strictly positivist like Bertrand Russel is not very far from deductions one can make from metaphysics of Absolutism. "The Absolute being a society of more or less developed selves, provides for the individual initiative of the selves in seeking their evolution to higher forms of existence by their own effort. The philosophy of Absolutism also provides that these individual efforts of the selves are in fulfilment of a purpose unfolding itself in nature which leads to ultimate Reality."

In the chapter dealing with the Law and the State, the Author points out that there is no duality between the members and the State. He discounts the Hegelian Theory of duality between the members and the group entity viz.

the State as propounded by Hegel. "The group entity is not something subsisting in its own rights over and against its members having a will of its own, which is to be regarded as the source of rules, laid down by it for the members to conform to. This State-will is a myth of Hegelian extraction. The State is an organised power of the community but it is still the people who control it. The State as an impersonal unity cannot set itself up against its members as having independent existence."

Discussing the economic character of a cooperative commonwealth, the Author examines in detail the basic principles practised by the cooperative movement. To the Author, the economic and social systems are like the reverse and the obverse of the same coin. "Ultimate social realities consist of a commonwealth of spiritual selves for ever striving for perfection in a cooperative spirit. In it the individuality of man is as much real as the unity of the Society. It is in such a Society that man becomes self-conscious. A cooperative federation forms a system because of a common purpose and has a unity, so long as the purpose exists. It has an individuality of its own consistently with the separate identity of its members. Neither is superior nor subordinate to the other."

The Author feels that humanity at present is at the cross-roads and if it is to be saved, a cooperative organisation of world government is the only answer. "The means to achieve social solidarity consists in a legal ordering of human affairs, both nationally and internationally. This may take the form of totalitarian order or democratic federations based on cooperative principles. The choice lies between a unitary super-state of the world based on might as the ultimate sanction or federations of cooperative commonwealth based on good-will and moral right. Being enmeshed in individualistic ideas, international law has developed on the lines of the first of these alternatives so far. But it is time henceforth it is directed towards the second alternative, which is more stable, durable and acceptable to mankind as a whole."

The book is packed with ideas and is a must for serious students of Cooperation.

M. V. Madane

A Manual of Cooperative Law and Practice

*by B. J. Surridge, C.M.G., O.B.E.,
and Miss M. Digby, O.B.E.*

*Published by Heffer, Cambridge, 1967,
at 32s. 0d.*

Under the auspices of the Plunkett Foundation for Cooperative Studies, a new and completely revised edition of the "Manual of Cooperative Law and Practice" has recently been issued. The first edition of this book appeared in 1948 and was followed up by a second edition in 1958, which has been out of print for a considerable length of time.

In the new edition, the model by-laws of the Ceylonese Cooperative Movement have been included. The core of the book is a detailed and most useful study of the practical application of the law on cooperative societies as it

exists in a wide range of countries. This is preceded by descriptive and analytical chapters dealing with various forms of cooperation and with such subjects as cooperative education, the growth of secondary societies and the role of government in cooperative development. Some of the chapters had appeared previously, but quite a number have been freshly written and included for the first time.

The book is indeed a necessary tool for the local cooperative officer in the field, but its usefulness lies also as a textbook for training courses for staff of cooperative departments and of secondary societies. For those who have recently come into cooperation, reading this is a must, bearing in mind the ever-widening circle of people around the globe who value the cooperative methods in the development of the national economy in their countries.

J. H. O.

COOPERATIVE UNION TRADE GUIDE

LICENSED TRADE

One of a series of Trade Guides, compiled by a specialist working party to assist Cooperative Societies' Trade development in this field. The guide's seven chapters cover scale and nature of the trade, the laws, sites and premises, fixtures and fittings, security and storage, supplies, and trade development. Appendices in this 42 page booklet deal with the licensing laws in England and Wales, and Scotland, and with general legal requirements.

Price 7s. 6d., by post 8s.

from the

COOPERATIVE UNION LTD.,

Holyoake House, Hanover Street, Manchester, 4.

AFFILIATED ORGANISATIONS

- ALGERIA:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 6 et 8, rue du Cercle Militaire, Oran; also at - 21, rue Edgar Quinet, Algiers, and 9, rue Mathurin Régnier, 75 Paris 15.
- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires. Intercoop, Editora Cooperativa Limitada, Florida 32, Oficina 42, Buenos Aires. Asociación Argentina de Cooperativas y Mutualidades de Seguros, Belgrano 530, 5 Piso, Buenos Aires.
- AUSTRALIA:** Cooperative Federation of Australia, c/o. CWS of Queensland Limited Buildings, 50-54 Ferry Street, South Brisbane, Queensland.
- AUSTRIA:** "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, Vienna VI. Membership (1966): 467,800; turnover: consumers' societies: Sch. 3,624 mill.; wholesale (G.Ö.C.): Sch. 1,728 mill.; department stores: Sch. 637 mill.; own production: consumer societies: Sch. 431 mill.; G.Ö.C. and subsidiaries: Sch. 419 mill. Bank für Arbeit und Wirtschaft A/G, Seitzergasse 2-4, Vienna I. Zentralkasse der Konsumgenossenschaften, Theobaldgasse 19, Vienna VI. Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösendorferstrasse 7/11, Vienna I. 1966: Affiliated organisations: 315 (comprising 203 societies and 112 associations); membership 122,941; dwellings administered 266,061 (comprising 116,232 societies and 149,829 associations); balance at 1965: 30.3 milliard Sch. (divided as to societies Sch. 14.1, associations Sch. 16.2). Österreichischer Raiffeisenverband, Seilergasse 16, Vienna I.
- BELGIUM:** Société Générale Coopérative, 26-28 rue Haute, Brussels 1. Affiliated consumers' societies: 25; membership: 300,000; turnover (1963): Frs. 3,900 mill.; shops: 1,400; Wholesale society turnover (1963): Frs. 959 mill. Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151, rue Royale, Brussels 3. Premiums (1966): Frs. 1,903 mill.; reserves: Frs. 6 milliards; insurance funds, life: Frs. 20 milliards. Fédération Nationale des Coopératives Chrétiennes, 135, rue de la Loi, Brussels 4. (1967): 1,250 shops; turnover: Frs. 1,430 million; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 mill.; reserves: Frs. 1,300 mill. L'Economie Populaire, 30, rue des Champs, Ciney (Namur). Branches (1965): 444; membership: 85,200; turnover: Frs. 890 mill.; savings deposits: Frs. 511.5 mill.; capital and reserves: Frs. 111.5 mill. L'Institut Provincial de Coopération Agricole, 42, rue des Augustins, Liège.
- OPHACO** (Office des Pharmacies Coopératives de Belgique), 602, Chaussée de Mons, Anderlecht-Brussels. Union of 28 cooperative societies owning 360 pharmacies, 68 optical departments and counters, 7 drug stores, 14 wholesale depots. Turnover (1963): Frs. 1,250 mill. Surplus distributed to 400,000 members: Frs. 95 mill.
- BRAZIL:** Aliança Brasileira de Cooperativas (ABCOOP), Ave. Franklin Roosevelt 39-12^o, Saça 1216, Rio de Janeiro, G.B. Uniao Nacional das Associações de Cooperativas (UNASCO), Avenue Franklin Roosevelt, 126-Conj. 608, Rio de Janeiro.
- BULGARIA:** Central Cooperative Union, Rue Rakovski 103, Sofia.
- BURMA:** National Cooperative Council, 290-300, Lewis Street (2nd Floor), Rangoon.
- CANADA:** Cooperative Union of Canada, 111, Sparks Street, Ottawa 4, Ont. A federation of English-language cooperative organisations, organised in 1909. Conseil Canadien de la Coopération, 353 rue Dalhousie, Suite 205, Ottawa 2, Ont.
- CEYLON:** Cooperative Federation of Ceylon, Cooperative House, 455, Galle Road, Colombo 3.
- CHILE:** Federación Chilena de Cooperativas de Ahorro y Credito, Ltda., Dieciocho 246, Clasificador 760, Santiago de Chile.
- COLOMBIA:** Cooperativa Familiar de Medellin, Ltda., Calle 49, No. 52-49, Medellin.
- CYPRUS:** Cooperative Central Bank Ltd., P.O. Box 1447, Nicosia. Cyprus Turkish Cooperative Central Bank Ltd., P.O. Box 791, Nicosia. Vine Products Cooperative Marketing Union Ltd., P.O. Box 314, Limassol.
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, Tesnov 5, Prague I.
- DENMARK:** De samvirkende danske Andelselskaber (Andelsudvalget), H. C. Andersens Boulevard 42, Copenhagen V. Representing 30 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 750,000 individual members. Turnover (1966): D.Kr. 16,372 mill. Det Kooperative Faellesforbund i Danmark, Frederiksborggade 50, Copenhagen S. Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprising: consumers' workers', artisans', productive and housing societies etc. Faellesforeningen for Danmarks Brugsforeninger (FDB), Roskildevej 65, Albertslund. Affiliated societies (1965): 1852; members: 716,000; turnover: 2,583 mill. D.Kr.; wholesale turnover: 1,453 mill. D.Kr.; own production: 405 mill. D.Kr.

DOMINICA: Dominica Credit Union League,
14, Turkey Lane, Roseau.

EGYPT: Société Coopérative des Pétroles, 94,
Kasr El - Eini Street, Cairo.

EIRE: Irish Agricultural Organisation Society Ltd.,
The Plunkett House, 84 Merrion Square, Dublin 2.
National Organising and Advisory Body for Agricultural
Cooperatives. Affiliated societies: 339; membership:
121,000; turnover (1964): £ 106 mill.
Cooperative Development Society Ltd., 35 Lower
Gardiner Street, Dublin.

FINLAND: Suomen Osuuskappojen Keskuskunta
(S.O.K.), Vilhonkatu 7, Helsinki 10.
Affiliated societies (1966): 318; members: 533,031;
wholesale turnover: Fmk. 1,145 million; own pro-
duction of SOK: Fmk. 237 million.

Yleinen Osuuskappojen Liitto r.y. (Y.O.L.),
Vilhonkatu 7, Helsinki 10.
Affiliated societies (1966): 318; members: 533,031;
turnover of societies: Fmk. 2,136 million; total
production of the affiliated societies: Fmk. 44 mill.

Kulutusosuuskuntien Keskusliitto (K.K.), r.y.,
Mikonkatu 17, Helsinki 10.
Affiliated societies (1966): 93; members: 562,134; turn-
over: Fmk. 1,606 mill.; own production: Fmk. 248
mill.

Osuustukkukauppa (O.T.K.), P.O. Box 10120,
Helsinki 10.
Affiliated societies (1966): 93; turnover: Fmk. 907.1
mill.; own production: Fmk. 290 mill.

Pellervo-Seura, Central Organisation of Farmers'
Cooperatives, Simonkatu 6, Helsinki K.
Affiliated organisations (1963): 10 central organisations;
1,102 societies.

FRANCE: Fédération Nationale des Coopératives
de Consommation, F.N.C.C., 89, rue la Boétie,
75 Paris VIII.
Affiliated societies (1964): 475; membership: 3,460,000;
shops: 9,900; turnover: NF. 3,600 mill.

Société Générale des Coopératives de Consom-
mation, 61 rue Boissière, 75 Paris XVI.

Fédération Nationale des Sociétés Coopératives
Ouvrières de Production du Bâtiment, des Tra-
vaux Publics et des Matériaux de Construction,
88, rue de Courcelles, 75 Paris VIII.

Confédération Générale des Sociétés Coopé-
ratives Ouvrières de Production, 88, rue de
Courcelles, 75 Paris VIII.

Banque Coopérative des Sociétés Ouvrières de
France, 88, rue de Courcelles, 75 Paris VIII.

Confédération Nationale de la Coopération, de
la Mutualité et du Crédit Agricoles, 129, Bd.
St. Germain, 75 Paris VI.

Confédération Française de la Coopération Agri-
cole, 18 Rue des Pyramides, 75 Paris 1er.

Caisse Nationale de Crédit Agricole, 91-93,
Boulevard Pasteur, 75 Paris XV.

Fédération Nationale des Sociétés Coopératives

d'Habitations à Loyer Modéré, Foyer Coopératif,
17, rue Richelieu, 75 Paris 1er.

Confédération des Coopératives de Construc-
tion et d'Habitation, "L'Habitation", 31, ave.
Pierre 1er de Serbie, 75 Paris XVI.

Confédération des Organismes de Crédit Mari-
time Mutuel, 18 bis, Avenue Hoche, 75 Paris VIII.

GERMANY: Zentralverband deutscher Konsumge-
nossenschaften e.V., Besenbinderhof 52, (2)
Hamburg I.
Affiliated societies (1964): 239; membership: 2,556,321;
turnover: D.M. 3,540,742.4 mill.

Grosseinkaufs-Gesellschaft deutscher Konsum-
genossenschaften m.b.H., Besenbinderhof 52,
(2) Hamburg I.
Total turnover (1964): D.M. 1,900 mill.; own produc-
tion: D.M. 570 mill.

Gesamtverband gemeinnütziger Wohnungs-
unternehmen, Breslauer Platz 4, (22c) Cologne.

"Alte Volksfürsorge", Gewerkschaftlich-Genos-
senschaftliche Lebensversicherungs A.G., An der
Alster, (2) Hamburg I.

Deutsche Sachversicherung "Eigenhilfe", Stein-
strasse 27, (2) Hamburg I.

GHANA: The Alliance of Ghana Cooperatives Ltd.,
Post Office Box 2068, Accra.

GREAT BRITAIN: Co-operative Union Ltd.,
Holyoake House, Hanover Street, Manchester 4.
Affiliated societies (1966): 680; membership: 13,065,402;
retail societies' share capital: £ 237,599,848; retail
sales: £ 1,107,930,027.

Co-operative Wholesale Society Ltd., 1, Balloon
Street, Manchester 4.

Affiliated societies (1965): 746; sales: £ 487,859,688;
Bank turnover: £ 9,764,603,821; reserve and insurance
funds: £ 40,791,711; total assets: £ 300,463,985.

Co-operative Insurance Society, Ltd., Miller
Street, Manchester 4.

Assets (1964): £ 369 mill.

Scottish Co-operative Wholesale Society Ltd.,
95, Morrison Street, Glasgow C. 5.

Affiliated societies (1964): 164; sales: £ 93,720,670;
reserves and insurance funds: £ 8,417,093; total resour-
ces: £ 19,532,184.

Co-operative Permanent Building Society, New
Oxford House, High Holborn, London, W.C. 1.

GREECE: Pan-Hellenic Confederation of Unions of
Agricultural Cooperatives (S.E.S.), 6, Othonos
Street, Athens 118.

GUYANA: Guyana Cooperative Union Ltd.,
Ministerial Buildings, High Street and Brickdam,
Georgetown.

HAITI (W.I.): Caisse Populaire Dominique Savio,
57, Rue Rigaud, Petion-Ville.

HOLLAND: Coöperatieve Vereniging U.A., Cen-
trale der Nederlandse Verbruikcoöperaties,
"CO-OP Nederland", Postbus 6008, Vierhavens-
straat 40, Rotterdam 7.

- Association of Enterprises on a Cooperative Basis, *Bloemgracht 29, Amsterdam.*
- HUNGARY:** Federation of Hungarian Cooperative Societies, *Szabadság 14, Budapest V.*
- ICELAND:** Samband Isl. Samvinnufélagi, *Reykjavik.*
- INDIA:** National Cooperative Union of India, *72 Jorbagh, New Delhi 3.*
- National Agricultural Cooperative Marketing Federation Ltd., No. E-11 Defence Colony (Ring Road), *New Delhi 3.*
- IRAN:** Cherkate Taavoni Masrafe Artêche (Army Consumers' Cooperative Society), *Avenue Sevvom Esfand, Rue Artêche, Teheran.*
- Credit and Housing Cooperative Society of Iran, *20-22 Shahabad Avenue, Teheran.*
- Central Organisation for Rural Cooperatives of Iran, *357 Pahlavi Avenue, Teheran.*
- ISRAEL:** General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv.*
- Affiliated societies and companies (1963): 1,855 in all branches.
- "Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, *44, Rothschild Bd., P.O. Box 75, Tel-Aviv.*
- "Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, *8 Kaplan Street, P.O.B. 209, Tel-Aviv.*
- Bank Zerubavel, *44, Rothschild Bd., Tel-Aviv.*
- ITALY:** Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome.*
- Confederazione Cooperativa Italiana, *Borgo Santo Spirito 78, Rome.*
- Associazione Generale delle Cooperative Italiane, *Via Milano 42, Rome.*
- IVORY COAST:** Centre National de la Coopération et de la Mutualité Agricoles, *B.P. 702, Abidjan.*
- JAMAICA:** Jamaica Cooperative Union, Ltd., *14-16 Barry Street, Kingston, W.I.*
- JAPAN:** Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Cooperative Union), *Tanra-Kaikan, 9 Ichigaya-Kawada-cho, Shinkjuku-ku, Tokyo.*
- Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Cooperatives), *5 1-chome Otomachi, Chiyoda-ku, Tokyo.*
- Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Cooperative Associations), *Shinchiyoda Building no. 14-19 3-chome, Nishishinbashi, Minato-ku, Tokyo.*
- JORDAN:** Jordan Cooperative Central Union Ltd., *P.O.B. 1343, Amman.*
- KENYA:** Kenya National Federation of Cooperatives Ltd., *P.O.B. 9768, Nairobi.*
- KOREA:** National Agricultural Cooperative Federation, *75, 1st Street, Chung-jong-Ro, Sodaemun-ku, Seoul.*
- MALAYSIA:** Cooperative Union of Malaysia Ltd., *8, Holland Road, Kuala Lumpur.*
- Sarawak Cooperative Central Bank Ltd., *Kuching, Sarawak.*
- MALTA:** Farmers' Central Cooperative Society Ltd., *New Building, Middleman Street, Marsa.*
- MAURITIUS:** Mauritius Cooperative Union, *Cooperation House, Dumat Street, Port Louis.*
- MEXICO:** Confederación de Cooperativas de la República Mexicana, C.C.L., *Av. Cuauhtemoc 60, 5 Piso, Mexico 7, D.F.*
- NEW GUINEA:** Federation of Native Associations Ltd., *P.O.B. 152, Port Moresby, Papua.*
- NEW ZEALAND:** Hutt Valley Consumers' Cooperative Society Ltd., *P.O.B. 5006, Naenae.*
- NIGERIA:** Cooperative Union of Eastern Nigeria Ltd., *Cooperative Bank Buildings, Milverton Ave., Aba.*
- Cooperative Union of Western Nigeria Ltd., *c/o Cooperative Buildings, New Court Rd., Ibadan.*
- Lagos Cooperative Union Ltd., *Cooperative Office, 147, Broad Street, Lagos, W. Nigeria.*
- NORWAY:** Norges Kooperatve Landsforening, *Kirkegaten 4, Oslo.*
- Affiliated societies (1965): 904; membership: 347,208; turnover of local societies: Kr. 2,171 mill.; of N.K.L.: Kr. 663 mill.
- BBL A/L Norske Boligbyggelags Landsforbund, *Trondheimsveien 84-86, Oslo.*
- PAKISTAN:** East Pakistan Cooperative Union, Ltd., *9/D-Motijheel Commercial Area, 8th floor, Dacca 2.*
- West Pakistan Cooperative Union, *5, Court Street, P.O.B. 905, Lahore 1.*
- Karachi Central Cooperative Bank, Ltd., *14, Laxmi Building, Bunder Road, Karachi 2.*
- Karachi Central Cooperative Consumers' Union, *Iqbal Market and Cold Storage, Soldier Bazar, Karachi.*
- Karachi Cooperative Housing Societies' Union, *Shaheed-e-Millat Road, Karachi 5.*
- Karachi Cooperative Union Ltd., *Cooperative House, Shaheed-e-Millat Road, Karachi 5.*
- Karachi Fishermen's Cooperative Purchase and Sales Society Ltd., *West Wharf Road, Karachi.*

- Sind Baluchistan Provincial Cooperative Bank, Ltd., Provincial Cooperative Bank Bldg., Serai Road, P.O. Box 4705, Karachi 2.**
- Provincial Fishermen's Cooperative Society Ltd., Iqbal Road, Patharghata, Post Box 27, Chittagong.
- PHILIPPINES:** Central Cooperative Exchange Inc., P.O.B. 1968, Manila.
- POLAND:** Central Agricultural Union of "Peasant Self-Aid" Cooperatives, *Kopernika 30, Warsaw.*
- Central Union of Building and Housing Cooperatives, *Ul. Jasna 1, Warsaw.*
- "Spolem" - Union of Consumer Cooperatives, *Grazyny 13, Warsaw.*
- Central Union of Work Cooperatives, *Surawia 47, Warsaw.*
- ROUMANIA:** Uniunea Centrala a Cooperativelor de Consum "Centrocoop", *Str. Brezoianu 31, Bucharest.*
- SINGAPORE:** Singapore Cooperative Union Ltd., *Post Box 366; Office and Library: 3-J/K Clifford House, Singapore 1.*
- SWEDEN:** Kooperativa Förbundet, *Stockholm 15.*
- Affiliated retail societies (1966): 297; membership: 1,355,000; total turnover of distributive societies: Kr. 5,566 mill.; total turnover of K.F.: Kr. 4,133 mill. (Kr. 2,919 mill. sales to affiliated societies); K.F.'s own production: Kr. 1,904 mill.; total capital (shares, reserves and surplus) of K.F. and affiliated retail societies: Kr. 1,125 mill.
- Kooperativa Kvinnogillesförbundet, *Stockholm 15.*
- Hyresgästernas Sparkasse- och Byggnadsförenings Riksförbund (H.S.B.), *Fleminggatan 41, Stockholm 18.*
- Affiliated Building Societies: 150; with individual members: 280,000; number of flats administered by local societies: 250,000; value of real estate: 9,600 mill. Kr.
- Svenska Riksbyggen, *Box 19028, Stockholm 19.*
- Folksam Insurance Group, *Folksam Building, Stockholm 20.*
- Sveriges Lantbruksförbund, *Klara Östra, Kyrkogata 12, Stockholm 1.*
- SWITZERLAND:** Verband schweiz. Konsumvereine (V.S.K.), *Thiersteinallee 14, 4002 Basle.*
- Affiliated societies (1964): 505; shops: 3,200; membership: 780,000; retail turnover of affiliated societies: Frs. 1,700 mill.; wholesale turnover: Frs. 1,100 mill.
- Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), *Schaffhauserstrasse 6, Winterthur.*
- Verband sozialer Baubetriebe, *c/o SBHV., Sihlpostfach, Zurich.*
- Genossenschaftliche Zentralbank, *Aeschenvorstadt 71, Basle.*
- COOP Lebensversicherungs-Genossenschaft *Basel, Aeschenvorstadt 67, Basle.*
- TANZANIA:** Cooperative Union of Tanganyika Ltd., *Avalon House, P.O. Box 2567, Dar-es-Salaam.*
- TUNISIA:** El Ittihad, *26 rue du Portugal, Tunis.*
- UGANDA:** Uganda Cooperative Alliance, *P.O.B. 2215, Kampala.*
- U.S.A.:** Cooperative League of the U.S.A., *59, East Van Buren Street, Chicago, Ill. (60605), and 1012, 14th Street, N.W., Washington 5, D.C.*
- U.S.S.R.:** Central Union of Consumers' Cooperative Societies of the U.S.S.R. and RSFSR, "Centrosoyuz", *Tcherkassky per no. 15, Moscow.*
- Consumers' societies (1961): 17,500; members: 43.1 mill.; stores: 321,000.
- YUGOSLAVIA:** Glavni Zadruzni Savez FNRJ, *Terazije 23/VI, Belgrade.*
- ZAMBIA:** Eastern Province Cooperative Marketing Assoc. Ltd., *P.O.B. 108, Fort Jameson.*

INTERNATIONAL ORGANISATIONS

Organisation of the Cooperatives of America, *G.P.O.Box 4103, San Juan, Puerto Rico 00936.*

Nordisk Andelsforbund (Scandinavia), *3 Axeltorv, Copenhagen V, Denmark.*

International Cooperative Bank Co. Ltd., *Aeschenvorstadt 75, P.O.B. 348, CH 4002 Basle, Switzerland.*

International Cooperative Petroleum Association, *11 West 42nd Street, New York, N.Y. 10036, U.S.A.*

Sociedad Interamericana de Desarrollo de Financiamiento Cooperativo, *1012, 14th Street, N.W., Room 1401, Washington D.C., U.S.A.*



Review of INTERNATIONAL COOPERATION

The official Organ of the International Co-operative Alliance

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The I.C.A. is not responsible for the opinions in signed articles

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I.C.A. EXECUTIVE COMMITTEE MEETING IN LONDON, 10TH AND 11TH JANUARY, 1968

THE Executive Committee of the International Cooperative Alliance, meeting in London on the 10th and 11th January 1968, learnt with deep regret of the passing of Professor D. G. Karve (Chairman of the I.C.A. Commission on Cooperative Principles), Mr. J. Laakso (former member of the I.C.A. Central Committee) and Mr. S. Tanaka (Japan).

Staff Changes in the I.C.A.

The Executive accepted with regret the resignation of Mr. W. G. Alexander, Director, with effect from 30th September 1968, due to Mr. Alexander's inability to reconcile foreign travel with his family responsibility.

It was reported that Mr. J. Gallacher, Administrative Secretary, was leaving the services of the I.C.A. to return to the Cooperative Union, UK. Mr. R. P. B. Davies, Secretary for Education, has been appointed to the post of Administrative Secretary as from the 12th February 1968.

Accounts for 1967 and Budget for 1968

The Executive received a report on the Accounts and Balance Sheet for 1967 and accepted a Budget for 1968 which will be placed before the next meeting of the Central Committee.

I.C.A. Library

The Executive approved the compilation of an international cooperative bibliography on the basis of accessions lists supplied by members of the Working Party of Cooperative Librarians and Documentation Officers. It was also agreed to proceed with the proposal to introduce an abstracting service in the Library to record important articles on a limited range of subjects appearing in periodicals received at the headquarters of the I.C.A.

Women's Department

It was agreed that Mrs. M. J. Russell, Secretary for Women Cooperators, should serve on the International Advisory Committee for Out-of-School Education by invitation of UNESCO.

Mrs. G. H. Hajer of CO-OP Nederland was appointed a member of the I.C.A. Women Cooperators' Advisory Council.

Structure of the I.C.A.

The Executive agreed that the Memorandum prepared by the Director on the Structure of the I.C.A. be sent to member organisations for consideration. The Memorandum examined the relations between the I.C.A. Authorities, the I.C.A. Auxiliary Committees and Work-

ing Parties and the International Cooperatives. It is hoped to introduce this subject for discussion by the I.C.A. Central Committee at its meeting in Glasgow in September 1968.

Consumer Working Party

The Executive approved the plans made for a Consumer Conference to be held at the Cooperative College, Vienna, in October 1968 on the theme "International Collaboration by Consumer Cooperatives".

Kooperativa Förbundet Foundation

The Executive learnt with pleasure of the formation by KF in November 1967 of a Foundation under the name of "Stiftelsen Utan Gränser". The Foundation is to be managed by a Board elected by KF's Board. The Swedish Cooperative Centre will now come under the administration of the Foundation and all assets and responsibilities of the Swedish Cooperative Centre, including its overseas projects (I.C.A. Education Centre in New Delhi and the Cooperative Education Centre in Moshi) will be taken over from KF by the Foundation.

I.C.A. 75th Anniversary

The Director was authorised to examine proposals for the celebration of the 75th Anniversary of the I.C.A. in 1970 either through the issue of a special publication or a film. The possibility of a special issue of bonds by the International Cooperative Bank to help developing countries is being examined.

International School

The Executive agreed that the annual International Cooperative School should in future be called International Co-

operative Seminar. The 37th International Cooperative Seminar will be held at Søhus, near Odense, Denmark, from the 16th to the 26th September 1968. An invitation to hold the 38th International Cooperative Seminar at Jiloviste, near Prague, was gratefully accepted.

24th Congress, 1969

A report was received on the preparations already made for the holding of the 24th Congress of the I.C.A. in the Town Hall of Hamburg, Germany, from the 1st to the 4th September 1969.

UNESCO

The increasing collaboration of the I.C.A. with UNESCO is highlighted in 1968 by a grant of \$3,500 by UNESCO and its agreement to co-sponsor with the I.C.A. the International Conference on Cooperative Education in New Delhi in February 1968.

The Executive received a report on recent consultations between senior officials of the FAO, I.F.A.P. and I.C.A. about closer collaboration and co-ordination of technical assistance for cooperatives and about the possibility of a study to investigate the promotion of international finance for agricultural cooperatives.

The Caisse Populaire Dominique Savio, Haiti, a primary society, was accepted into membership by the Executive.

A recommendation has been approved for a short French summary to be included in future issues of the Agricultural Bulletin.

The meeting was preceded by meetings of the Executive and Technical Assistance Sub-Committees.

W. G. A.



PROFESSOR D. G. KARVE

THE death of Professor D. G. Karve at Poona on 28th December 1967 removed from the Cooperative Movement one of its very renowned exponents in India and abroad. As Chairman of the Advisory Council of the I.C.A. Regional Office and Education Centre for South-East Asia and as Chairman of the Principles Commission of the I.C.A., Professor Karve had come in contact with cooperators from all over the world and his masterly handling of the deliberations in the Principles Commission resulted in a Report which was unanimously adopted by the Twenty-third Congress of the I.C.A. held at Vienna in September 1966.

Born on December 24th, 1898, Professor Karve had his schooling and college education in Poona and he distinguished himself during this period by securing a number of prizes for his academic brilliance. In 1921, he was the Cobden Club Medallist and in 1923, Wedderburn Scholar. His association with the Deccan

Education Society as its Secretary and a life-member brought him in active contact with important colleges in Poona and Sangli in Maharashtra State where he worked as Principal for a number of years. He played a leading role in the establishment of the B.M. College of Commerce in Poona and was its Principal for several years. Throughout his career, he maintained a close link with the Deccan Education Society and its educational institutions and later rose to the high position of Vice-Chancellor of the Poona University.

During his active service with academic institutions, Professor Karve extended his sphere of activities to many state, national and international level economic, educational and cooperative institutions, such as the Maharashtra State Cooperative Union and the Bank, the Indian Economic Association, the Indian Institute of Public Administration, the Reserve Bank of India, the

Life Insurance Corporation of India and the All India Radio. In a number of these institutions, he worked either as Chairman or as active member of the Executive and, in the Reserve Bank of India, he served as its Deputy Governor for a period of two years, and later on, until his death, acted as its Hon. Adviser. In the State Bank of India, the premier commercial bank of the country, he served as Vice-Chairman for two years. He worked on several important committees which have played a significant role in the formulation and shaping of cooperative policies in India. Some of these committees were: the Bombay Minimum Wage Committee, the Bombay Administration Economic Committee, the Crop Loan Evaluation Committee, Madhya Bharat Cooperative Planning Committee, the Fourth Finance Commission, 1965, and the Programme Evaluation Organisation of the Planning Commission, of which he was Director, and the Village and Small Industries (Second Five-Year Plan) Committee, 1955. To the deliberations of these committees, Professor Karve brought to bear a mind that was highly incisive and had a great capacity for reconciling divergent points of view.

From the time when Professor Karve moved to Bombay in 1947 for his work as Director of the Bombay District Gazetteer, he came in contact with several international organisations and travelled widely all over the world to visit cooperative organisations as well as educational institutions and universities. He was President of the Indian Society of Agricultural Economics for a two-year term and served for several years as the Asian Secretary of the International Association of Agricultural Economists. At the time of his death, Professor Karve was the Executive Director

of the Homi Bhabha Fellowships Council, Poona.

Professor Karve's contribution to literature on Economics and Cooperation has been widely appreciated. Some of his more well-known publications were: *Indian Federal Finance*, 1929; *Poverty and Population in India*, 1936; *Democracy and Capitalism*, 1936; *The New Indian Constitution—Prospects and Principles*, 1940; *Ranade—The Prophet of Liberated India*, 1942; *Population Planning in India*, 1948; *Public Administration in a Democracy*, 1950; *Administrative Implications of Planning*, 1956; and *Rural Development*, 1957. In addition, he wrote extensively for a number of important journals.

Ever since 1919, when he commenced the study of Economics from the then popular textbook on the subject written by the great French Cooperator, Charles Gide, Professor Karve had recognised the dynamic merits of Cooperation as a principle calculated to achieve for human societies everywhere, and especially for the developing countries, maximum prosperity with minimum social conflict.

Education was a subject very dear to Professor Karve's heart. He devoted considerable time and energy to advocating cooperative education which he believed was vital for the success of the cooperative movement. His association with the International Cooperative Alliance in the latter period of his life enabled Professor Karve to advocate his views on cooperative education and to develop them across national boundaries. In the death of Professor Karve, we mourn the loss of a dear Cooperator and a person of great integrity who combined in him the qualities of a scholar and a practical Cooperator.

M. V. M.

COLLABORATION BETWEEN COOPERATIVES



Throughout Cooperative Movements there has been considerable discussion on the Cooperative Principles, stemming from the Report of the I.C.A. Commission on Cooperative Principles. The Commission recommended, and the Twenty-third Congress of the I.C.A. in Vienna in 1966 confirmed, the additional Principle that "all cooperative organisations, in order to best serve the interests of their members and their communities, should actively cooperate in every practical way with other cooperatives at local, national and international levels". To choose as the theme for the Thirty-sixth International Cooperative School "The Collaboration of Cooperative Organisations, Locally, Regionally, Nationally and Internationally", was therefore extremely topical. The School was held at Jablonna, near Warsaw, from 26th October to 4th November 1967, at the invitation of the Central Agricultural Union of "Peasant

Self-Aid" Cooperatives. The venue added point to the subject of the School for the pattern of the Polish Cooperative Movement provides in itself an interesting "case study" for such a theme.

In consequence, the I.C.A. looked forward to the holding of a School on a topical subject attracting participants from the whole gamut of cooperative organisations. In the event, it was disappointing that of the fifty-six participants from sixteen countries, the majority came from the retail and wholesale cooperative movements. Cooperative banks and cooperative insurance were represented, but in very much a minority (3). The Polish Cooperative Movement nominated fourteen participants and these came from dairy, marketing, gardening, housing and building, savings and credit, workers' productive, agricultural and consumer cooperatives. Without this Polish participation,

nothing would have been heard from cooperators directly engaged in non-retail cooperatives.

However, all participants regarded the theme as extremely important and were concerned to explore ways in which there could be closer collaboration between different types of cooperatives. There was initially a basic question to be answered: what reason is there for cooperative movements engaged in quite different fields of business or activity to consider collaboration with each other? Is the fact that they conduct their business according to the same principles sufficiently strong a link? Should they collaborate purely because of the emotional loyalty to Cooperative Principles? There was a minority voice to answer: No-why should the application of Cooperative Principles in a business mean collaboration with other businesses often of quite an alien nature. The overwhelming majority of participants answered Yes: this was a strong reason for collaboration, for if they were accepted as bona fide cooperatives, and subscribing to the principles of Cooperation, this included the principle of "Cooperation amongst Cooperatives". And as participants listened to the speakers, especially those representing the I.C.A.'s International Committees, and as in the Working Groups they discussed points raised by those speakers, there gradually built up support for the view that such collaboration between cooperatives could be, and in very many cases has been, good business practice.

Mr. N. Hoff, Secretary of the I.C.A.'s Cooperative Wholesale Committee, spoke of the work of that Committee and its attempts at collaboration in Europe. The nature of the discussion on Mr. Hoff's talk showed the School's

practical approach by concentrating on topics such as whether the emphasis should be on purchasing or production collaboration; if there were to be joint undertakings between different cooperatives, particularly at the international level, should there be a single production plant for the product, in one country, or should there be production plants in several countries? No straightforward answer to all the points could be made because of the different legislation in each country. National legislation may also affect trade marks, although there was general support for aiming at an international CO-OP trade mark. It was emphasised that much more knowledge and research is needed, but that the existing knowledge was not disseminated widely enough and that much more use should be made of the Cooperative Press to do this. An interesting suggestion was that the I.C.A. should study the possibility of creating a centralised agency to meet the import needs of European consumer cooperatives. No dissenting voice was heard against the view that there must be wholesale-retail integration and that, if this could be effected, it should make for better international collaboration in this field.

Consideration of international cooperative activities inevitably involves international finance and the financial aspect of collaboration straddled almost every topic raised at the School. Mr. H.-U. Mathias, Managing Director of the International Cooperative Bank in Basle, gave an excellent analysis of international cooperative finance and the working of the International Cooperative Bank. His talk is reprinted elsewhere in this issue. The Working Groups certainly felt that the Bank was necessary and fulfilled a need, but there was clearly concern that the Bank



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should ensure that it was based on Co-operative Principles—even though it might be necessary for economic reasons to raise non-cooperative money. Any money of this kind should not exceed a certain percentage. As an ideal, national cooperative movements should raise their own capital, but practice differed. It was hoped that financial restrictions at present militating against support of the International Co-operative Bank by planned economy countries would be eased so that such support could be given.

Many critical points were raised—perhaps because of a suspicion of all international finance and the feeling that perhaps even international cooperative finance would not be able to remain true to its principles. In replying, Mr. Mathias stressed that all stockholders of the International Co-operative Bank are cooperative organisations, including cooperative credit organisations, and that there is no intention to accept any private stockholder.

Cooperative insurance societies play a large part in cooperative finance, and in speaking on behalf of the I.C.A.'s Insurance Committee, Mr. Kjell Gustafsson, of Folksam, Sweden, stressed the collaboration that was possible between cooperative insurance and other forms of cooperation. It was the case that cooperative insurance societies collaborated with non-cooperative organisations and this aspect of the work of the insurance societies provoked much discussion. The general view was that such collaboration should be discouraged. Specific examples were given of the links which could be effected between cooperative insurance societies, cooperative housing societies and cooperative consumer societies. It was felt that this kind of collaboration should be pub-

licised as much as possible.

National attitudes may prevent collaboration between cooperative insurance and cooperative housing, e.g. in many countries state aid is available for housing, and even cooperative housing is, in some cases, able to attract state assistance. These were included in some of the problems affecting housing cooperatives posed by Mr. Evan Solkjaer, Manager of one of the largest Danish cooperative Housing Societies, speaking on behalf of the I.C.A.'s Cooperative Housing Committee. Some of the suggestions put forward by the Working Groups were very interesting and included the possibility of the International Co-operative Bank financing national housing projects. It was asked how closely was it possible for housing cooperatives to work with workers' productive cooperatives? Mr. Solkjaer gave details of a meeting between representatives of the I.C.A.'s Housing Committee and the Workers' Productive Committee to discuss possibilities of closer working, and it is hoped that additional practical action will stem from the real wish to collaborate, evident in these two Committees. Already the export is being encouraged of pre-fabricated housing components as well as housing equipment, and in Scandinavia there are many examples of kitchen equipment and bathroom ware, manufactured by workers' productive cooperatives, being used in the construction of cooperative housing blocks.

Housing cooperatives could ensure a close connection with consumer cooperatives and take the initiative in ensuring that such cooperatives were established in cooperative housing estates. Participants were able to see practical examples of such close collaboration on a number of occasions in

Poland, where there was clearly a close collaboration between the two types of cooperatives.

Mr. Kaminski, of the Central Agricultural Union of "Peasant Self-Aid" Cooperatives and a member of the I.C.A. Agricultural Committee, spoke briefly of possible collaboration between agricultural cooperatives and other types. In particular, he outlined a possible extension of agricultural cooperatives into the field of processing. There was already a link with insurance societies, especially in developing countries where cooperative insurance of harvests was widespread. Tension exists between agricultural producer cooperatives, which naturally want the highest price for their produce, and consumer cooperatives, which aim for the lowest price for their consumer goods. This was acknowledged, but it was felt that this tension should be lessened so that there could be collaboration between the two, and "contract farming" was mentioned as a possible trend likely to make for better relations. Additional cause for conflict could occur when both types of cooperatives want to go into processing. A French view, very strongly held, was that perhaps joint enterprises could overcome this difficulty. A paper on Agricultural Processing prepared for discussion at the School, is included in this issue.

An opportunity to discuss the general international collaboration of cooperatives was given by Mrs. Barbara Rog-Swiostek, Director of the Foreign Relations Department of the Polish Supreme Cooperative Council, who posed two main topics for discussion—the role of the I.C.A. and its Sub-Committees in developing contacts between Affiliated Cooperatives, and the degree of cooperation between cooperatives and inter-

national non-cooperative organisations (both governmental and non-governmental). Discussion of her talk centred on what were considered weaknesses of the I.C.A. in disseminating information about the work of its Auxiliary Committees. Everyone felt that the I.C.A. was not advertising itself enough and could be much more of a world pressure group.,

In the final reports from the Working Groups it was clear that participants could find no simple solution to the problem of collaboration. More knowledge about other movements; exchange of personnel at all levels between movements, even between different types; good lines of communication, both vertical and horizontal, were all stressed as ways of encouraging collaboration. It was emphasised that trading activities of cooperatives must be successful and this must come before all other aims. The other aims must follow, for it was these aims that distinguished the Co-operative Movement from other organisations. In cases where conflict did arise between cooperatives, the differences should be discussed and a solution sought, rather than letting collaboration fail through thinking that as there was bound to be a conflict there was no point in trying.

Collaboration was stressed specifically in three areas of activity—first, in trading matters, secondly, in technical and scientific matters and thirdly, in social and cultural matters. The examples from various speakers at the School and the practical examples seen in Poland showed what has so far been achieved in trading collaboration. With the speed of technological change, collaboration in technical and scientific matters should increase considerably. In this field, the legislative and political

factors are at a minimum. In social and cultural matters, collaboration should include all levels of cooperators. Following the concentration of cooperative enterprises, there must be emphasis on participation if the democratic basis of cooperatives is to survive.

The lecturers from the I.C.A. Committees tended in the main to speak of international collaboration or of collaboration within countries of their own national organisation. It was therefore useful to have a series of lectures and discussions designed to give participants background information about the Polish Cooperative Movement. Excellently prepared material was available and Mr. Janusz Sobieszczanski, Mr. Tadeusz Szelazek and Mr. Tadeusz Romanowski, all delivered excellent papers which evoked considerable questions and discussion. In addition, it was possible to arrange brief talks by representatives of different types of cooperatives in Poland—housing, invalids', savings and credit, consumer and the Polish horticultural export organisation, HORTEX. The School was fortunate to have the opportunity of welcoming Dr. Mauritz Bonow, President of the I.C.A., and Mr. Gemmell Alexander, Director of the I.C.A.

Dr. Bonow gave an excellent survey, far-reaching and incisive, of the Cooperative Movement throughout the world. He put forward some interesting comments on the Cooperative Movement in market economies and in planned economies and showed how, behind the normally used economic phrases, great changes were proceeding, tending to make for more similarities than might be thought. He emphasised the great difference between both these two types of economies, and that of the developing countries, which, in general,

tended to be stagnant economies dominated by a fairly primitive agriculture. The School's emphasis on the need for trading collaboration between cooperatives was echoed by Dr. Bonow, who traced the steps necessary towards freer world trade. EEC, EFTA and COMECON must be accepted as realities and the Cooperative Movement must be prepared to use these larger markets, initially within these groups, and later across them, where even now beginnings were being made. It was certain that private commercial agencies would certainly use these large markets. Taking the joint enterprises already in existence in Eurocoop, Dr. Bonow wondered whether such collaboration would be possible between Eastern Europe and Western Europe. He thought that, if there were economic advantages to be gained, then the ideological barriers could be overcome, and instanced the recent Fiat arrangement between Italy and Poland. In developing countries, Dr. Bonow pointed out that 52 per cent of the world population was in the Far East trying to live on only 12 per cent of the world income, whilst in contrast in North America, the U.S.A. and Canada had 7 per cent of the world population with 40 per cent of world income. In Western Europe, national income had been doubled in the last 20 years, and in Eastern Europe, it had been doubled in less than this, but in the developing world, with their stagnant economies, the only thing that was growing was population. Aid from the richer nations was stagnant and the problems of food and of population growth were the two great problems to be solved if there was not to be disaster by the end of the century. He thought the Cooperative Movement must do more to urge the national governments

to take action and, whilst the national movements acted at this level, the I.C.A. must act at the international level through non-governmental and inter-governmental agencies. He thought that the Cooperative Movement was the most important supplementary means of help for the developing countries because it was encouraging self-help at the "grass roots". It was significant that donor governments were increasingly seeking aid from their Cooperative Movement and, whilst it was most welcome that government finance would be available, only the Cooperative Movement itself could provide the "know-how", and the movements must ensure that good people were sent out to developing countries, not the rejects! The I.C.A. must do all it can to ensure increased efficiency from international aid for the Cooperative Movements in the developing countries.

Mr. Alexander, Director of the I.C.A., ranged widely over cooperative topics stressing from practical examples many of the suggestions put forward by the Working Groups. He showed how often cooperative contacts were haphazard and thought there should be machinery for regular contacts for cooperatives of different kinds. He disagreed with some of the participants on the question of cooperatives collaborating with non-cooperative organisations, for he thought that cooperatives should not shun contact with non-cooperatives; they should have the courage to see what was beneficial and adapt that to their own use without endangering the true character of the cooperatives. He thought that the Cooperative Movement's ambivalent attitude to Governments was an excellent example. Many cooperatives had to function within a government plan. Again, government finance was often

needed—a cooperative fertiliser plant may need government money and cooperative trade know-how in order to support operations. A recent example of this could be seen in Kenya where the Government provided money (to be paid back) and a leading Swiss dairy firm provided machinery to set up a wholly independent cooperative dairy. Mr. Alexander saw a big future for the International Cooperative Bank which he thought must play an increasing part in developing collaboration between cooperatives across national boundaries. There was scope for the European cooperatives to use it more fully. Other regions could possibly develop branches of the Bank rather than to set up regional cooperative banks.

Generally, the Director saw hope for increasing collaboration between cooperatives internationally, for the I.C.A. was the only non-governmental organisation that was not split politically and it was most significant that every time a new cooperative group had been formed it had been done within the I.C.A.

In conclusion, the 36th International Cooperative School was hard-working, stimulating, practical in its approach. As always, those participants who had come to work and to learn found time too short for both. We hope that many of the ideas raised will be followed up by participants' own cooperatives. Everyone will certainly remember the warm and friendly hospitality of the Polish cooperators with whom we came in contact and who were so clearly concerned for us to see all aspects of a Movement of which they were deservedly proud. The collaboration of the host organisation, the Central Agricultural Union of "Peasant Self-Aid" Cooperatives, was excellent and the thanks



of all participants and I.C.A. are due to the officers and staff of that Organisation who did so much to ensure the smooth working of the School.

At the conclusion of the School, thirty-six participants stayed for a four-day study tour of Polish cooperatives based in Western Poland in the Voivodships of Wroclow and Posnan.

R.P.B.D.

INTERNATIONAL COOPERATIVE FINANCE

by Hans-Ulrich Mathias

Address by Mr. H.-U. Mathias, Member of the Board of Directors, International Cooperative Bank, Basle, Switzerland, at the 36th International Cooperative School held at the Polish Academy of Sciences in Jablonna, Poland.

I speak as Managing Director of the INTERNATIONAL BANKING COMPANY, Basle, which came into being in its present form in March 1965. It emerged from the International Cooperative Bank which was founded by cooperative and trade union organisations in November 1957. From 1957 to 1965, this bank was operated on the lines of a cooperative society, but the original concept proved too small for the objects and aims of the bank, and for its tasks to be fulfilled.

First and foremost, we must be grate-

ful to the International Banking Committee of the I.C.A. for having sponsored a new initiative at the beginning of 1966 which led to the foundation of the present bank as a joint-stock company which has as shareholders not only the original founder members but also 28 other banks and organisations from the cooperative and trade union sector. As our shareholders represent small, medium-sized and large organisations from Austria, Belgium, Denmark, England, Finland, France, Germany, Holland, Iceland, Israel, Luxembourg, Nor-

way, Sweden, Switzerland and the United States (altogether from 15 countries), we can say that our bank is of an international character and provides at the same time a practical example of the theory that good collaboration between different cooperative and trade union organisations is indeed possible.

The Bank's capital which amounted to just under 2 million Swiss francs in 1957, now stands at 20 million. Owing to the relatively short time which has passed since March 1966, our Bank has not been able to build up any significant reserves. However, it has nevertheless achieved a considerable business expansion, deliberately maintained at a low level, but which is fully adapted to meet current demands. I do not wish to bore you with a great deal of figures, but feel sure you will be interested to know that the bank's total assets amounted to 13 million francs in March 1965—the time when it was transformed into a joint-stock company—and rose to 200 million francs by the end of 1966. According to the figures for September 1967, the bank's total assets now stand at 250 million francs. I feel sure you will agree that we can be proud of the results achieved in the past 18 months.

It goes without saying that this success would not have been possible, if various organisations and banks among our shareholders had not supported us actively in our efforts, and I should like to name but a few of our founder members: Bank für Arbeit und Wirtschaft AG, Vienna; Bank für Gemeinwirtschaft AG, Frankfurt/Main; Bank Hapoalim B.M., Tel-Aviv; Caisse Centrale de Crédit Coopératif, Paris; Cooperative Wholesale Society, Manchester; Genossenschaftliche Zentralbank, Basel; Grosseinkaufsgesellschaft deutscher Konsumgenossenschaften

mbH, Hamburg; Kooperativa Förbundet, Stockholm; Nationwide Mutual Insurance Company, Ohio; OTK, Helsinki; SOK, Helsinki; VSK, Verband schweizerischer Konsumgenossenschaften, Basel; Zentralkasse der Konsumgenossenschaften, Vienna. I have brought with me a number of copies of the bank's Annual Report for 1966 in which you can look up our remaining shareholders and details of the balance sheet and accounts as of 31st December 1966. The names mentioned therein will be well-known to you, as they have a good reputation not only within the cooperative and trade union movement, but the world over, and are inseparable from the business life of their respective countries.

Having given you a short introduction into the main features of our bank, I believe it is important that you should also know the reason for the foundation of the Cooperative Bank, its aims and objects which it has set itself. In order to give you a clear picture, I have to go back a little in time.

I need not elaborate on the origin of cooperative undertakings, as no doubt you will know, it goes back to a time of economic and social depression which made it necessary for people to help and organise themselves. These organisations covered various fields of activity and were set up exclusively by members for other members. From this local type of organisation gradually emerged bigger units, such as associations and federations, initially to cope with the growing volume of work and then because the small local organisation was soon confronted with problems which it could not solve even though it tried very hard. The same development took place in cooperative banking. The small local cooperative banks grew into cooperative

central banks (Zentralkassen), and many banks which had formerly transacted business for industrial enterprises only developed into powerful establishments of international reputation. It was the need for adjustment to modern requirements that led to the creation of bigger and more powerful organisations which could assist local cooperatives, but did not take away their advantages or interfered with their local role. On the contrary, the integration of small cooperatives into bigger units made it possible for them to remain competitive, to solve their personnel problems by introducing rationalisation measures and meet their investment requirements.

There are a great number of people, however, who do not support the idea of concentration and take the view that it might endanger the cooperative idea. Consequently, many interesting articles have been written about this subject. The course of history has taught us, however, that certain developments are inevitable and that progress cannot be stopped whatever way people might feel about it. Recently, a French cooperator has remarked on this point: "If cooperatives want to survive, they will have to integrate quickly into the traditional economic process, but at the same time remain loyal to their original concepts." In short, this means that it is not sufficient for organisations in the cooperative and trade union movements to serve their own purposes only. They must enter into competition with other types of enterprise, and serve the whole community. By their structure and by remaining politically neutral they can prove that it is possible for people to live and work together in peace while maintaining a decent social relationship to each other.

But an idealistic outlook alone is not

enough. It will only bear success if the facts of daily life are taken into account and it is recognised that further progress can be achieved only if all forces are combined. Small personal savings will produce the large amount of capital needed to carry out long-term rationalisation measures in all sectors of cooperation.

To summarise, the thoughts outlined above have ultimately provided the basis for the foundation of the International Cooperative Bank. After a number of projects of this type had been launched by national organisations in various countries, it was recognised that the time had come for the setting-up of supranational organisations, especially as there was already a tendency towards bigger organisations.

Our own apex organisation—the International Cooperative Alliance—provides a good example of what I mean. To fulfil its task, it had to have a world-wide membership. With its present 224 million members in 63 countries of the world, it can claim, together with some religious communities, to be one of the world's biggest organisations.

There are other big organisations in the economic field, such as the World Bank, the European Investment Bank, the Inter-American Development Bank and the Asian Development Bank.

Only organisations of this type with an international participation are in a position to deal with international problems which arise from the general world situation and its depressing aspects. I need not make special mention of the fact that, unfortunately, the commercial point of view is not always being considered, and many mistakes have been made in the past.

In this context, the Bank for International Settlements, Basle, must be

mentioned. We owe it to this bank and its transactions with several national banks in recent years that some disturbing developments in the monetary field have been averted which otherwise might have had a devastating effect on the entire world. This bank, which operates without a great deal of publicity and represents a true example of cooperation (in this case between the various national banks), commands our deepest respect.

CUNA International also deserves to be mentioned. In one of its latest publications, I read the following: "There are changes taking place everywhere and one of them, which our planning department has forecast and which has happened, is that credit societies which do not respond to changes around them with structural changes of their own are endangering their very existence." CUNA International, which, as you may know, comprises the majority of credit societies in the U.S., Canada, Latin America and other countries, in its 1967 yearbook states that it has a total membership of more than 47,000 credit societies with over 29 million members, their total assets amounting to almost 14,000 million U.S. dollars, which make it an organisation of considerable size. The I.C.A. and the International Co-operative Bank have therefore begun to establish business relations with CUNA International.

The need for concentration is also mentioned by the Deutsche Genossenschaftskasse (German Cooperative Bank), Frankfurt, in its Annual Report for 1966. The Report states that, among the 23,000 cooperatives operating in West Germany in 1966, there were 124 co-operative organisations with centralised functions and that these organisations were becoming more and more im-

portant within the national cooperative movement.

For the last few years, we have been reading about concentration and integration on the national and international levels in all kinds of publications. There has been concentration in industry, insurance, banking, retail distribution, etc., and we all know that this is because enterprises are not able to meet their investment requirements which are a result of scientific research and automation. On the other hand, there is a need for enterprises of the same industrial sector in different countries to exchange their experiences.

In certain European countries, such as France and Italy, governments have recognised the importance of economic concentration and they welcome and promote this tendency accordingly. Let us also look at the U.S. where the process of concentration is at a very advanced, if not completed, stage; this again illustrates the need for national and supranational cooperation.

Within the big cooperative and trade unionist organisations in the Scandinavian countries, West Germany, Israel and Switzerland, urgent problems could be solved by employing highly qualified executives without interfering with co-operative principles. In considering both the economic needs and cooperative concepts, good results could be achieved which would be beneficial to all. At the same time, various community services could be established, i.e., canteens, flats and houses, holiday homes, adult education centres, etc. Small societies would never be able to provide finance for these purposes. Other possibilities would be the realisation of community projects in the developing countries. Work in this field has been done by the Swiss cooperative movement.

May I at this stage quote two sentences from an interesting address by Dr. h. c. Heinrich Küng on the occasion of the 75th anniversary of VSK which in this context seem of particular importance to me:

“Cooperatives were not created on the basis of some mystic dogma; they are the product of a historic and social development which cannot be dismissed as mere coincidence, neither from the point of view of time nor substance.”

“Flexibility in the fulfilment of new responsibilities of all kinds can by no means be interpreted—as certain dogmatists do—as abandoning the cooperative idea, on the contrary, it is an essential prerequisite for its future viability.”

I am indeed grateful for your patience in listening to my rather lengthy introduction into the reasons for the creation of the International Cooperative Bank.

Having set up the bank in 1957, the founders may regard themselves as the pioneers of concentration which has now become a familiar feature of international cooperative development. At an early stage, they had recognised the new dimensions of responsibilities that cooperative and trade unionist organisations would have to face in the future, and they decided to create a bank as a means of help and assistance. There are various reasons why the bank was not set up as soon as it was thought of and planned, but the most important factor is that today the bank does exist, is viable and offers opportunities for future expansion.

When, in 1966, having taken over the management of the International Cooperative Bank, I had an appointment with the President of the Swiss National Bank to introduce myself and my col-

league, Mr. Bleile, the President, at the end of our talk, asked us whether we were going to transform the International Cooperative Bank into a kind of Bank for International Settlements. I have already mentioned the importance of this international bank and, at that point, the thought of doing this had not entered our heads, because the International Cooperative Bank was only a very modest establishment. It could have looked as though we were suffering from megalomania, had we given the President an affirmative answer to his question. Today, this thought seems not quite as remote as then, because our business has expanded and many consultations with other organisations and institutes have taken place which indicate that, from its limited beginnings, the bank has now reached a stage where its potential has come to light and offers great opportunities for the future.

There is considerable interest for the International Cooperative Bank and its affairs, and the assistance it receives from the I.C.A. alone contributes to its international reputation. The direct collaboration with our shareholders on the one hand and the collaboration among themselves on the other, which is very satisfactory, will increase in future, especially when the organisational problems have been solved and more consideration can be given to the promotion of good relations within the bank itself as well as with our clients.

The International Cooperative Bank is a commercial bank according to its statutes. It has the special aim of promoting the development and expansion of cooperative establishments and assisting them in carrying out rationalisation measures in their retail and distribution sectors. The bank also transacts business in a general way, but with

emphasis on the international scene. For this purpose, it collaborates with cooperative and trade union banks in other countries as well as other private and commercial banks. In doing so, the bank strengthens its own position and is able to obtain additional deposits from these sources as well as from the private sector. These funds increase the bank's resources for the accomplishment of its tasks.

At the last meeting of the I.C.A. Banking Executive in Prague, Mr. Hesselbach, Chairman of the Board of Management of the Bank für Gemeinwirtschaft (Bank for Collective Economy) in Frankfurt, which is one of our shareholders, was re-elected President. I was proposed as Secretary. In this new capacity, I hope to be able to strengthen collaboration among all cooperative organisations on the international level.

In a circular letter to agricultural cooperative banks, the Agricultural Secretary of the I.C.A. recently mentioned the International Cooperative Bank. He continues to support a close collaboration with our bank.

The International Cooperative Bank continues in its efforts to offer the best possible service to its clients, hoping to increase its business in the international sector. We are aware that relying on solidarity among cooperatives is not sufficient, but that a great deal of effort will have to be made to persuade all cooperative organisations to make use of our facilities. In this respect, I am grateful to be able to speak to you and give you an impression of my future plans.

Our immediate plan is to enlarge the number of big shareholders which will enable us to expand further, i.e., to expand our business and increase our funds and resources. A special effort will be made to strengthen traditional ties

and establish new relations. We should like all cooperative and trade unionist organisations to know of our existence, to do business with us and thereby contribute to the development of our bank into a truly supranational banking institute for the benefit of all organisations with activities and interests in the cooperative and trade unionist sectors.

The basis for the achievement of these aims and objectives has been established, and we have been able to assist a number of organisations with the realisation of their projects. It goes without saying that we have to pursue our business activities in accordance with good banking principles. As we are not a welfare institution, we have to administer the monies deposited with us carefully, avoiding all possible risks. We owe this not only to our clients but to ourselves and our bank. It is clear, however, that, with our special aims, we shall be ready to decide more quickly and easily to help cooperative and trade unionist organisations than a private bank, for example. Mutual trust is one of our principles and to maintain it, we feel, is most important.

We are conscious of the fact that, at present, we are not in a position to contribute appreciably to the enormous tasks of concentration and rationalisation which lie ahead, but we know that we are moving in the right direction and, in the foreseeable future, shall be able to participate actively in international collaboration.

As soon as our bank has become a fully-fledged establishment, the way will be open for collaboration with the big world organisations which make parts of their funds available for the promotion of cooperation. These funds could then—with our help and possible guarantee—be granted to those cooper-

ative organisations which want to use them for worthwhile and well-planned projects.

During a recent visit to French co-operator friends, I was able to see for myself how many plans and projects are still waiting to be carried out, but I also noticed that the respective organisations are far too small and that they will not be able to raise loans from international sources. This again illustrates the need for national integration (see below):

Contractor and debtor	Local society
Guarantor	Regional or national central cooperative bank
Creditor	International Cooperative Banking Company using its own or other funds.

There is a strong possibility that our bank will soon be able to raise a loan in the international market by issuing bonds for the benefit of cooperative development. This should be possible:

- a) with the backing of the I.C.A.;
- b) the backing of our shareholders who have considerable funds and assets of their own and show impressive turnover figures;
- c) by defining in detail the purposes for which the money is to be used; and
- d) additional factors which cannot be explained in detail at this stage.

This would enable us to obtain the necessary funds on a long-term basis, to be used for large-scale projects, particularly in the developing countries.

We are also planning to issue CO-OP credit cards and CO-OP travellers' cheques, because we see no reason why a world-wide organisation such as the cooperative movement should not operate in this field. Why should our

members have to rely on the facilities offered by private banking enterprises, when we could do it as well? It should not be difficult, as our name is respected by cooperative and trade union organisations throughout the world, and exchange bureaux for credit cards and travellers' cheques could easily be set up as cooperative establishments can be found almost anywhere in the world. Additionally, we could make use of our international network of foreign correspondents which is still being extended. Thus we should be able to offer excellent credit facilities on a world-wide basis. This would in turn promote the cooperative idea, apart from the benefits enjoyed by cooperative organisations and their members.

Please do not think that what I am suggesting is of a merely theoretical nature. We have in fact made a number of inquiries and are continuing in this way in order to get prepared for the realisation of our plans.

I once read in a book on the cooperative movement that it is the social spirit—the spirit of cooperation among people—that creates communities, makes them grow and strengthens them. If the spirit is lost, the community disintegrates.

We all know that, at the moment, enthusiasm is not as great as it used to be, but this should not deter us from trying to revive the spirit, if possible, with new ideas. The thought of a truly international collaboration among all cooperative organisations and the ensuing benefits and possibilities are indeed fascinating, and it would follow that it would be worthwhile for everyone of us not only to think about it, but contribute in a practical way.

As long as there are people living in this world, there will be the wish, if not

a necessity, to form groups and communities, and we can be pretty sure that enterprises, which were communally run, existed before there were individually-run economic units. One of the basic cooperative ideas is to get together for the purpose of mutual help, of helping the other person and oneself.

May I now conclude by saying that it would be useful for any organisation—whatever its activities—to participate in the work and projects of the International Cooperative Bank in order that it

- a) may become an instrument in the setting-up of an international establishment;
- b) may become a reservoir for deposits bearing interest, which are not needed by cooperative organisations on a short- or long-term basis;
- c) can be entrusted with the safe and easy carrying-out of routine business transactions in accordance with the laws and regulations in various countries; and
- d) may be informed of projects which would necessitate international assistance.

In the beginning, cooperatives had to expend a great deal of effort and time on defending and securing themselves against external influences and dangers. Today, this chapter can be considered

closed, and cooperative organisations have their place in the economic life of every country. Therefore, they should now concentrate all their efforts on introducing economically-sound concentration and integration measures. The new organisations resulting from this process will be able to tackle those projects which can only be carried out by way of multi-lateral collaboration. It may sound slightly presumptuous if I express the wish that the International Cooperative Bank may one day hold one of the key positions in this combination of forces and ideas. I think you will agree with me that it represents an establishment which has passed the initial test and provides a good basis on which to build a central establishment for the international financing of cooperatives. Insularity can no longer be tolerated, and I mentioned at the beginning of my address that an effective collaboration does not exclude individual freedom. It is up to leading officials to see that human relations are not neglected. Ethical and cooperative principles of a high standard are needed to prevent big organisations from becoming impersonal giants, and only by fulfilling these conditions, suitable structures can be developed which are necessary to attain the economic and social aims and objects of cooperators. There is ample proof in various countries that this can be done.

THE IMPORTANCE FOR AGRICULTURE OF COOPERATIVE MARKETING AND PROCESSING

by **B. Zlataric**

Agricultural Secretary, I.C.A.

INCENTIVES play a vitally important part in increasing food production and cooperative marketing does much to increase incentive for farmers by giving them a larger share of the proceeds of the sale of farm produce. Marketing in the modern sense includes not only purchase and re-sale; but also growing, packing, conditioning, processing, storage and manufacture.¹ In this chain of operations, the key role is played by processing, particularly in developing countries, because often the biggest share of the end price in trade in agricultural produce in those countries is absorbed by the margins of wholesalers and processors.

Processing has an important effect upon agriculture. Produce is of a higher value and may be less perishable and command a better price for that reason. Processing helps the diversification of agriculture, and the prices of processed products are steadier than those of raw materials. On the other hand, they require higher and more consistent standards of quality and better education among farmers.

Processing in general can bring higher

production and productivity, better quality and higher prices and incomes for farmers. Moreover, cooperative processing makes it probable that a greater proportion of earnings will be ploughed back into agriculture. Cooperatives acquire self-confidence in managing their own affairs, and are enterprising in organising production in their area of activity. There is a remarkable reservoir of experience in both industrialised and developing countries, from which it is possible to draw important lessons about the way in which cooperative marketing should be organised.

Cooperative Processing in a Market Economy

Cooperative processing in Western Europe originated in the dairy industry. The cooperative dairies of Holland ran into difficulties when they were first started, but they overcame them and expanded rapidly with the increasing domestic demand for milk and sent exports of processed milk products to Germany on a substantial scale. The cooperative slaughter-houses and sugar mills of Holland are other examples of successful cooperative processing.

Members of processing cooperatives in Holland accept unlimited liability and the obligation to send their produce

¹ Compare "Developments and Trends in World Cooperative Movement", ILO, MEC/D.1, Geneva, 1962.

to their cooperative. When there was limited liability, members of the boards of processing cooperatives gave guarantees to the extent of their total personal assets, and members were liable to contribute to the resources of a society through deductions from payments made for produce bought by the society. But in spite of many difficulties, marketing and processing cooperatives have been able to pay farmers better prices than their competitors. Cooperative plants have often been more efficient than those of their competitors, cooperative leadership has sometimes been outstanding, and the growing needs of expanding towns and export markets have helped the development of marketing cooperatives.

In most of the Scandinavian and Benelux countries, cooperative marketing societies have been able to win from 25 to 75 per cent of the market, their share varying from product to product, as well as from country to country. They have also managed to achieve a remarkable improvement in quality, output and efficiency. There is more stress on processing in the Netherlands than in Scandinavia, and the cooperative auctions of Holland have contributed to cooperative success.

Joint stock companies have been formed for the marketing of some products in order to avoid the restrictions placed on cooperatives by the laws of some countries. In Germany, joint stock companies have been established by cooperatives, and this has helped them to raise capital from private sources. As substantial cooperative funds are needed in farming itself, where important structural changes are taking place, it is necessary to tap these resources. Companies established by cooperatives have been successful in marketing and pro-

cessing fruit, vegetables and meat products, and have been helped in raising finance by the high reputation of the Raiffeisen cooperatives in banking and financial circles.

This type of organisation is also developing in the Netherlands, in the United Kingdom and in France, and its purpose is to meet the challenge of the giant retailers which are able to select quality growers and pay them differently from other suppliers. Cooperatives are not always in a position to do this. In France and the United Kingdom, the position of cooperatives in marketing and processing is relatively weak. There is a tendency to make societies more flexible by creating groups for special activities, as for the production or marketing of pigs, broilers or eggs. When this is applied in a multi-purpose society, as it is in Brittany, the overhead cost is spread over more products.

In Italy, cooperatives are responsible for marketing 55 per cent of the processed milk and 30 per cent of the processed grapes; and in some provinces, cooperative marketing has given farmers a 25 per cent higher price for their milk. The cooperative processing of farm produce is expanding in Austria (milk, meat, feeding-stuffs), and cooperatives in the United States market a substantial proportion of the milk, fruit and vegetables. They do this with the help of joint co-ordinated cooperative services in processing and marketing, with the help of finance from revolving funds, by producing steadily more by contract and less for the open market, and by bargaining on a larger scale.

In spite of successes in many countries, cooperative processing on a large scale has so far penetrated only the dairy industry. Progress has also been

made in particular countries, such as Holland, Denmark, Sweden, and even more in particular industries in individual countries (fruit and vegetables in Germany, feeding-stuffs in Austria, fruit processing in Switzerland, citrus in the U.S.A., etc.). Except in Holland and Scandinavia, cooperative processing does not have substantial weight in the national economy, and the farmers' organisations have been mainly involved in direct selling or bargaining activities.

The growth of cooperative marketing and processing in industrialised countries has been achieved mainly by self-help and the present phase is characterised by contract farming and other forms of integration. In most countries where agricultural marketing is organised through government-sponsored marketing boards, cooperatives are treated in the same way as private traders.

As the work of these boards is directly or indirectly linked with governmental agricultural support policies, wholesale trade and processing have not been such a big problem for the farmers as they once were. The expansion of supermarkets and the penetration of commercial non-farming interests into agricultural production are raising acute problems.

Cooperative Integration of Marketing and Production

In many countries, agricultural marketing and processing cooperatives work together with governments in programmes aimed at increasing agricultural production. Examples for this can be found in Yugoslavia, U.A.R., Poland, Ceylon and India. National cooperative organisations work closely with governments, and there may be structural changes affecting cooperative principles.

In Yugoslavia, for example, a contract with a cooperative is more important for the member of a cooperative than the cooperative share itself.² Such contracts are also important to cooperatives in many Eastern European and developing countries.

In countries where the stress is on community development, a local organisation will become an integrated business and economic unit, but in others, it may be dominated by the national organisation. Contracts and credit control are often used as a means of increasing farm production, and the general trend is for cooperatives to become more than a service and to grow into either organisers of production or entrepreneurs. In Yugoslavia and in Poland, cooperatives help farmers to organise production more efficiently by means of contracts, the provision of machinery, fertilisers, technical advice, and they may also offer bonuses for improved quality. In Yugoslavia, only 20 per cent of the privately owned farmland is farmed under contract, but it produces 45 per cent of the wheat and 38 per cent of the maize produced on such land.³ Moreover, cooperatives are mainly concerned with production and marketing, and serve as a link between the farmers and the processing industry, belonging to the socialist sector of the economy.

In the United Arab Republic, case studies have been made of the way in which integration through cooperative marketing has raised living standards and changed rural communities. In Ceylon and Japan, national organisations are specialised, and processing is

² Compare Miloslav Ilijin "Cooperation in the Countryside", Belgrade, 1965.

³ Compare M. Ilijin, *ib.*

often undertaken by regional or national organisations on behalf of the primary ones.

In its development, the Japanese cooperative movement is somewhere between the Western European and developing countries. However, the cooperative sector of the national economy is stronger than in many other industrialised countries. From 30 to 75 per cent of trade in some commodities is in cooperative hands. For example, Zenkoren, the apex supply cooperative union, controls 70 per cent of the total supply of chemical fertilisers. With own production and contract, it controls 50 per cent of the animal feeding-stuffs production in the country. The main characteristics of the Japanese agricultural cooperatives are: (1) Multi-purpose cooperatives integrating marketing, supply and credit services; (2) Strong apex business organisations in the centre backed by regional (prefectural) bodies; (3) Programming of work for cooperatives with contracts from the bottom to the top.

State Partnerships in Cooperative Processing

Ten years ago, there was very little cooperative processing in India, but it has now come to be of crucial importance to the whole Indian cooperative movement. Almost one-third of the sugar processing is in cooperative hands. Cooperatives can also claim 27 per cent of the cotton ginning, 18 per cent of the rice production, 17 per cent in the case of ground nuts, and 11 per cent with fruit and vegetables.

State guarantees for loans to cooperatives from a special institution for setting up cooperative processing plants have played an important part in this

achievement. In some cases, farmers have to agree to their contributions for the repayment of loans being deducted from payments for raw materials supplied. They also have been encouraged and helped with credits to become shareholders in cooperative processing plants. Remunerative contracts and technical assistance to improve quality have also contributed to success in cooperative processing.

Experience so far has been that producers have benefited from higher earnings from increased production of sugar cane, oil seeds and cotton, and loans have been successfully repaid, so that most cooperative factories are really owned by producers.

In some Latin American countries, the State is helping the cooperatives in their marketing and processing activities by participating in these undertakings through the system of revolving funds.

Indian experience in cooperative processing shows that integration can do much to increase food production in developing countries, provided governments are prepared to meet the needs of the cooperative movement. Cooperative sugar mills have not only been able to repay government loans, but also to contribute to increased farm production. For example, the Shetkari Cooperative Sugar Mills Limited at Sangli produces molasses, oil, irrigation pipes and other things as well as sugar, and has ploughed back over a hundred million rupees into irrigation schemes. These have resulted in twelve thousand more acres of land being brought under cultivation, and a further twelve thousand acres will be under crops shortly, one-fifth under sugar cane and the other four-fifths under other crops. This new farmland is under the control of 58 ir-

rigation cooperatives. If the Government had been more determined in its price policies, farmers would have produced even larger food surpluses, and this would have contributed to the solution of the food problem in India.

The story of the Anand Dairy has now become known all over the world. Some 160,000 buffalo farmers are integrated into a great cooperative dairy. Management is a fine amalgamation of technical skill, combined with sociological insight and a deep appreciation of the human needs of the area. Yet, it seems that the ceiling of achievement has nearly been reached, as the buffalo base is cracking under the requirements of the huge plant. The programme of the dairy is to double the milk production by maintaining the same number of buffaloes. Further development will depend much upon national policy in animal husbandry, for it will not be possible to use the most efficient feeding-stuffs unless buffaloes are replaced by more productive cattle. The Anand Dairy is in the meantime likely to diversify into other activities, as by setting up a rice mill.

India provides good examples of what can be done in cooperative processing and of the problems that can arise. Even when the Government is anxious to help the development of the cooperative movement, mistakes can easily arise when the lessons of experience are not fully appreciated. India is a country where there have been some striking successes in cooperative processing; but many other projects have been less successful, and un-economic projects have been started for social reasons only. However, when a cooperative processing plant is established on a sound economic basis, it can have desirable social consequences.

Wholesale Marketing taken over by Cooperatives

In Greece, Israel and Cyprus, the cooperative marketing of agricultural produce is highly developed. The marketing and export of fruit and vegetables is the primary concern of cooperatives in these countries, but they also help to increase production. In some parts of Greece, farmers have been able to increase their incomes four-fold since 1957, by marketing tomatoes through cooperatives. Production and sales of fruit have expanded in Greece and in Cyprus, where wine is also important.

In Israel, cooperatives have effective control over wholesaling and exports, and farmers get a larger share in revenue from sales than they would if private wholesalers were involved. The biggest agricultural cooperative, Tnuva, works in close association with consumer cooperatives and other retail organisations. A cooperative company called Hazera distributes seeds and has done much to increase yields in Israel. Apart from the kibbutzim, agricultural cooperatives are mainly concerned with marketing, and to a lesser degree with processing, where in fields, such as milk, cotton, fish, grapefruit and wine, they have got a commanding position. Another feature of cooperation in Israel is that it shows a good example of co-ordination between government-sponsored marketing boards and the cooperative movement, the latter not being reduced merely to an instrument of government control.

Conclusions

The great advantage of cooperative processing is that earnings remain under the control of farmers' organisation, which makes more certain the re-invest-

ment of profits in agriculture. This is of great importance in the world battle for more food. In industrialised countries, cooperative funds are not as large as they might be and problems arise as a result of the penetration of agriculture by commercial and industrial interests. But difficulties in the way of expanding cooperative processing are not nearly as great as they are in developing countries. In these countries, there are more fundamental difficulties and more uncertainties. The raising of sufficient capital is always a problem, particularly capital in foreign exchange for imported equipment. But lack of managerial skill and experience in organising feasibility studies has been at least as important in inhibiting the expansion of cooperative processing.

Striking successes in cooperative processing have been achieved only in certain developing countries, and with a limited range of crops, but, provided careful feasibility studies are made and processing projects are clearly sound economically, there is no reason why there should not be a significant expansion of cooperative processing in many other countries, and with other crops and products.

The 7th Agricultural Conference of the International Cooperative Alliance, which was held in Vienna in September 1966, put forward specific recommendations to cooperatives in both industrial

and developing countries, to international financial agencies and to other inter-governmental and international organisations. They were urged to be more active in helping the development of cooperative marketing and processing, and to co-ordinate their work in this field more effectively. Emphasis was put on the need for self-help and mutual understanding, and on the need for more experts to be made available, for competent feasibility studies, adequate training programmes, more capital and new legislation.

It is worth mentioning that recent FAO activities may well contribute to the expansion and improvement of cooperative processing. In the first place, a Secretariat has been set up to facilitate cooperation between the FAO and the World Bank and to help developing countries to work out feasibility projects for various economic schemes. Secondly, there is the FFHC programme which was approved at the 13th FAO Conference. It will encourage industry to increase its contribution in developing countries to the manufacture and supply of farm equipment and fertilisers, and to improving food processing and preservation. There is an opportunity under this FFHC programme for package deals between governments, private industry and cooperatives with projects for setting up processing industries in developing countries.

NOTES ON STRUCTURAL CHANGES IN COOPERATIVES

It was suggested at the last I.C.A. Congress, and later approved by the Executive Committee, that the I.C.A. Secretariat should publish every six months a summary review of major developments in the field of structural changes in cooperatives. These half-yearly reports will appear regularly in Nos. 2 and 5 of this Review.

Italy

A first major step has been taken towards the planned rationalisation of the consumer cooperatives affiliated to the Lega Nazionale delle Cooperative e Mutue. These societies, which are grouped together in the Associazione Nazionale delle Cooperative di Consumo (ANCC) and which account for about three-fourths of the sales of all consumer cooperatives in Italy, decided at the end of June 1967 to reorganise and consolidate their wholesaling operations into a single wholesale society to be known as COOP-ITALIA.

The new wholesale replaces the Alleanza Italiana delle Cooperative di Consumo (AICC) which acted as a co-ordinating body and buying agency for local consumer societies and for some 22 provincial wholesale societies (Consorzi provinciali), each with its own in-

dependent warehouse. It also replaces AICC as a member of the I.C.A. Cooperative Wholesale Committee and of Euro-Coop.

COOP-ITALIA will undertake joint buying, joint production under the common symbol COOP, warehousing, distribution, joint advertising and technical assistance for its member societies. The existing network of provincial warehouses will be concentrated into eleven regional warehouses which will be closely co-ordinated by COOP-ITALIA. Special arrangements will be made for the regional societies which will maintain their own warehouse.

The local societies have accepted the obligation to buy from or through COOP-ITALIA all the goods which it can provide, with a view to eventual purchase of their total supplies through this channel. It is estimated that sales

from COOP-ITALIA to local societies will amount to 45.5 milliard lire in 1968 as compared to total sales of these societies of 138 milliard lire in 1965. COOP-ITALIA also expects to supply the regional societies to the value of 7.5 milliard lire.

COOP-ITALIA, which will act as the economic department of ANCC, is administered by a board of Directors elected by member societies. Its president and vice-president are members of the ANCC Executive Committee.

The creation of COOP-ITALIA is only one link in the process of rationalisation of the societies affiliated to ANCC. At the same time, ANCC is pursuing a policy of amalgamation of small local societies. In 1965, the number of ANCC societies was 2,203.

Austria

On October 28th and 29th, 1967, the Congress of the Konsumverband set up a Reform Commission to investigate the structural changes required and report back to a Special Congress in two years at the latest with concrete proposals.

This decision was preceded by an intensive discussion of the need for structural changes introduced by the Konsumverband Director, Dpl. Kfm. Franz Schmidt, who had been asked to bring reorganisation proposals to the Congress.

Mr. Schmidt stressed the need for closer collaboration between the central organisations in the consumer cooperative movement and outlined the possibility of an integrated Federation or Bund, perhaps on the German model.

The Austrian problem is not primarily a matter of amalgamation of small societies. Because the consumer movement had to be rebuilt from scratch after the war, some 23 large regional cooperatives were set up and

these now account for 97 per cent of turnover. Unfortunately, however, the tax position has made it difficult to establish regional warehouses; an attempt is currently being made to change the relevant regulations.

Mr. Schmidt pointed out that even with relatively few societies, it still proved difficult to achieve a dynamic movement in the face of local conservatism and autonomy-mindedness. Moreover, there are too many small shops. The average shop turnover for Austria is DM 35,000 as compared with DM 65,100 for West Germany and DM 59,200 for Switzerland.

Proposals emerging from the Congress for consideration by the Reform Commission include:

- centralised planning of the shop network, purchasing, production and investments;
- expansion of assortment, both of food items and of non-foods;
- setting up of a warehousing committee to plan new modern warehouses;
- more professional management;
- an elastic price policy adapted to conditions in different markets;
- measures to ensure training of new managerial talent;
- a programme of consumer information and enlightenment;
- a centralised organisation for management, planning, guidance and co-ordination; and
- unified, co-ordinated relations between the central organisation and the societies with a view to eventual creation of an apex Federation.

Great Britain

For many years, the British Movement has been concerned with the structure of retail societies. In 1966, there were 680 societies ranging in size from less

than 1,000 to 1,011,526 members and not always with clear boundaries between them.

Accordingly, the Central Executive of the Cooperative Union has prepared a report entitled "Regional Plan for Co-operative Societies in England, Wales and Ireland" which recommends concentration of existing societies into 50 large regional societies.

This report was adopted by the Central Executive at the end of November 1967 and, in January 1968, it was published for immediate circulation to societies for preliminary consideration. It will then be submitted for endorsement to the 1968 Congress in Scarborough in June.

The Plan is a grouping of societies based, in the main, on the concept that in each group the focal point, or points, is a town or towns with a population of at least 100,000 and a substantial intake of dry goods trade. Each area has an urban concentration in a single town or groups of towns, representing in each case a trade catchment area, i.e., an area in which the inhabitants do virtually the whole of their shopping.

Due account has been taken of existing cooperative developments and of present and projected new town developments. In each case, the regional society envisaged will be of optimum size having due regard to geography, transport and the flow of trade to secure substantial economies in the purchase and sale of food and dry goods.

If the Plan is approved by Congress, it will then be discussed in boardrooms and conferences between societies, either on their own initiative or under the auspices of Distribution Councils and/or Sectional Boards. Working parties will then be set up to examine the details and work out recommendations to be

presented to the Boards and eventually to members' meetings.

There are two methods of fusion available to societies under the Industrial and Provident Societies Act. A Society can transfer its engagements to another society undertaking to fulfil them. Such transfers can be single or multiple. They may also be phased or may take place simultaneously. The second method of fusion is by way of amalgamation between two or more societies.

In the words of the Chairman of the Cooperative Union, Mr. John Jacques, the Regional Plan document "shows how concentration can offer opportunities of more economical scale of operations, of spreading the risks inherent in a fiercely competitive market, of rationalising the use of capital, labour and management so as to secure a substantial reduction in the ratio of costs upon which the future of cooperative retailing greatly depends".

"The plan has been prepared nationally, but with sectional consultation. The consultations have given a reasonably consistent plan, but the influence of sectional advice is apparent in the number and size of some of the regional groupings. The same kind of flexibility is intended in the application of the plan. It is hoped that in time there may be a reduction in the number of regions. There is an increasing volume of expert opinion that holds that physical planning in England can be done most effectively in 30 to 40 areas, in each of which town and countryside are linked through economic and social activities and the inter-related problems of land use and transport planning. These are the retail trade catchment areas in each of which there should be one cooperative society.

“The adaptation of the machinery of the Cooperative Union is an essential part of the plan. This machinery can and should provide the basis for continuous consultation designed to bring about properly planned mergers of neighbours in the trade catchment area of a potential regional society. The acceptance and successful application of the proposed changes can lead to a later phase when each regional society can be directly represented on a National Executive with appropriate committees. Then the Movement will be able to speak with one voice and act accordingly. The implementation of the plan is urgent in the interests of societies, their members and their staffs. There are no longer national funds readily available to save societies. The liquidation of a society on the door-step of even a successful society can have a devastating effect. Mergers are needed to give economies in the use of labour as well as capital. Planned mergers from strength give time which is vital to allow natural wastage to facilitate the necessary changes and thus avoid redundancy and hardship.”

Responsibility for a regional survey of the Scottish Section of the Cooperative Union has been given by the Central Executive to the Scottish Sectional Board and the SCWS Board with a request that they come forward jointly, when the time is considered to be appropriate, with proposals for Scotland.

“The Sectional Board and the SCWS Board are firmly of the belief that the establishment of larger units is necessary if the continued existence of the cooperative movement as an effective organisation is to be assured.

“They envisage progress towards these larger societies by means of fusion of

two or more societies, and subsequently by the addition of other societies; by societies joining SCRS; and/or by groups of societies merging to form area societies.

“They propose to take every possible step to stimulate the formation of such units, and are actively encouraging the thought and action of Boards of Directors of societies to this end.

“The annual Scottish cooperative conference which will be held on 27th April, will receive a report and will be asked to consider the furtherance of action to achieve the establishment of larger societies with as much speed and efficiency as is possible.” (Scottish Co-operator, January 6th, 1968).

Germany

Structural reforms in the German movement have been commented on in some detail in our previous summaries of structural changes in cooperatives. However, a recent paper, which Dr. Werner Peters presented to the I.C.A. Consumer Working Party during its Country Review of the German movement in Hamburg in November 1967, contained such a useful and concise review of the recent reorganisation of GEG that we decided to include excerpts from it, as follows:

“During the past few years, the economic growth in Western Germany has slowed down considerably, competition was becoming fiercer all the time and evidently resulted in an overall pressure on the earning power of all enterprises. This general trend did not spare GEG either. The situation forced us to mobilise, concentrate, and reorganise all powers and reserves.

“At the end of last year, the organisational structure of GEG which mainly originated from the post-war period of

reconstruction was changed completely. Our entire commercial and manufacturing activity, our trading operations, our own production, and our retail business had previously been grouped into 33 manufacturing plants, 14 commercial departments, a chain of furniture stores and a mail order business. Each one of the eight members of the board of directors was in charge of a certain group of operational units as well as of some of the central administrative units. The only exceptions were the President and the Financial Director who were not responsible for any of the factories or trade departments. There was thus a kind of side-by-side existence of departmental competences and functional arrangements.

"While size and importance of the Wholesale Society were constantly increasing, this pragmatically evolved organisation proved to be not flexible enough to meet the requirements of the market at any given moment with the necessary swiftness and with the required insight into the overall interest of the enterprise.

"Consequently, when reorganising GEG at the end of 1966, the main problem was to find an organisational form which would render it possible to react more speedily and with greater flexibility to the growing requirements of the market, at the same time facilitating the elaboration and carrying-through of a uniform management policy.

"In our opinion, the best thing to do was to introduce the principle of decentralisation for our entire economic activity, trade and own production. All manufacturing and commercial operations were arranged in 13 product groups in accordance with the degree of relationship between the commodities

concerned, bearing in mind also similarities in transport and warehousing problems. The managers of these product groups are not answerable to one director or the other, but to the board of directors as a whole as far as the economic results of their groups are concerned.

"Responsibility and competence for the active business have thus been transferred as close to the daily market events as possible. An organisational basis has been created for the display of individual initiative and self-reliant decisions.

"It cannot be denied that our structure naturally involves some danger of this independence developing into a kind of complacency as a directly supervising authority no longer exists. In anticipation of this risk, however, a strict central co-ordination of all units of our organisation was provided for.

"The tasks of the board of management have, in principle, been divided into various strictly functional scopes, i.e., management policy, finances and administration, marketing and advertising, planning, organisation, engineering. The central administrative departments were adjoined to the four management functions according to their sphere of operations.

"Two further members of the board of management are in charge of special tasks, i.e., the entire retail trade (as far as GEG are conducting this line themselves), including the mail order business, on the one hand, and the regional warehouse planning on the other.

"This latter field, to put it briefly, means the elaboration of a network of regional distributing warehouses embracing all transport and storing functions of the retail societies as well as

GEG, those warehouses being the only intermediate stage between the place of production and/or import and the shop.

"The board of management, consisting of six members altogether, has to fix the aims and purposes of the organisation and to develop the strategies necessary for their achievement. The determinations are absolutely binding for the above-mentioned product groups which, on the other hand, decide freely within the given frame . . .

"In my opinion, it has never been as apparent as during these difficult times that a superior management policy was missing, a policy embracing the entire cooperative group of enterprises, retail societies as well as wholesale society. You probably know this problem from your own countries as well.

"In the summer of this year, a first step was taken which, we sincerely trust, will end the existing conflict between economic and legal autonomy on the one hand and the pursuit of a common aim on the other.

"The newly established federation: "Bund deutscher Konsumgenossenschaften", of which GEG and most of the retail societies became members immediately, will start its activity at the beginning of 1968. Its task, on the basis of far-reaching competences accorded to it for the issue of directives, will be to achieve an agreement of interests, to activate the efficiency reserves still existing in the entire cooperative group, and yet to respect the autonomy of all members as far as this is compatible with the interests of the group . . .

"The construction of the federation is rather simple. It was not established as a cooperative society, but as a limited company, the shareholders of which are the retail societies and GEG. The

federation itself does not engage in either production or trade . . .

"We are convinced that the establishment of the federation has inaugurated a new era of cooperative collaboration in which the democratic basic principles will still be dominating, but limited to the extent necessary in the interests of all members. We welcome this step towards a better future of the entire group and trust that the desired mobilisation of all reserves will be the result."

Poland

In recent years, officials of Spolem, the Polish Union of Consumer Cooperatives, have given much attention to the need for concentration of societies in the interest of modernisation and trading efficiency. They are thinking in terms of one large cooperative for each of the sixteen districts (voievodie) plus a society in each of the five largest cities to replace the 384 small societies now in existence. Thus the regional Unions of Cooperatives would be replaced by single integrated and centralised cooperatives.

At present, there are more than 23,000 Spolem shops, about 1,700 catering establishments (restaurants, cafés, bars, etc.), and more than 2,500 direct outlets for cooperative products (primarily food products, such as beverages, bread, delicatessen and pastries). The consumer cooperatives account for 21 per cent of total retail trade of the country and nearly half of that in the cities.

This kind of planning, in turn, has focused attention on the associated problem of how to preserve democratic ties between members and societies when the latter become so much larger and fewer in number. Basically, efforts in this direction will be centred on

strengthening the *member committees* which play such a vital and unique role in the Polish movement.

These member committees, which operate at the shop level, are elected by the customers of the store — or the workshop or catering establishment. They are composed of five to ten persons. In 1965, more than 140,000 co-operators were working voluntarily in more than 24,000 committees.

Member committees have been given almost complete autonomy over certain aspects of trade. For example, they may decide that certain goods which do not conform to accepted quality standards should either be withdrawn or sold at lower prices. Also, they may authorise small expenditures for repair of shop equipment, or mediate in disputes between cooperative staff and customers. The committees are in close contact with cooperative officials and exercise an influence on such matters as supplies for stores and restaurants, shop hours, management and equipment of shops, and quality and working conditions in Spolem factories.

Current efforts to reinforce the committees in the face of cooperative concentration have centred particularly on their potentialities for protecting the interests of consumers by improving services to them and stimulating exchange of information between cooperatives, consumers and professional administrators. They are increasingly concerning themselves with quality and assortment of goods, adaptation of shop hours to the needs of housewives, better information in the shops and better working conditions for staff. They are also playing an important role in the cultural and economic development of small towns where they have organised recreational facilities for women and

children, courses on nutrition and dress-making, clubs, conferences and dramatic and artistic groups. They have also persuaded cooperative officials to install facilities for cheap hairdressing, maternity schools and creches, laundries and sewing establishments, etc. They have even participated in the building of roads, social centres and parks.

Czechoslovakia

Basic changes in consumer cooperatives as a result of the transition to a new economic system were aptly described by Josef Podlipny, President of the Union of Consumer Cooperatives, in an article on *Changing Tasks of Consumer Cooperatives* in *The Czechoslovak Cooperator*, 1/1967. The following are excerpts from that article:

“The Sixth Congress of the Central Union of Consumer Cooperatives held in Prague in November 1966 was a milestone of exceptional importance in the history of the Czechoslovak consumer cooperative movement. It was held at the beginning of the transition of Czechoslovakia’s entire national economy from the old system of directive centralised planning, based largely on administrative management of enterprises, to a new system of management. Under the new system, the planned development of economy is linked up with the utilisation of the market mechanism, while the position of the customer in relation to that of the supplier is strengthened and the directive form of setting tasks to enterprises from economic centres is gradually being replaced by the utilisation of economic levers of management, such as prices, wages, material incentives, credit, rate of interest, etc. Individual enterprises become more independent economic units, as a result of which the earnings

of their employees and the opportunities for a further expansion of the enterprises themselves will depend primarily on the quantity of the commodities produced and performances realised by them.

“The transition to the new economic system, of course, cannot be effected overnight; on the contrary, the new system will come into being as a result of a process lasting for several years. Nevertheless, the fact that this process has already begun in Czechoslovakia has enabled the consumer cooperative movement to work out a conception of its future development which will be marked by an even more important assertion of consumer cooperatives within the framework of the socialist economy, on the basis of the prerequisites they have as large organisations of consumers.

“This conception is based on the principle of competition between different sectors in the production and circulation of goods . . .

“Although Czechoslovak consumer cooperatives will continue to expand their network of shops, restaurants and hotels in rural areas, they simultaneously open new shops and other establishments even in large towns, cities and residential areas with a high concentration of inhabitants, where they will also start building department stores and shopping centres. In towns and cities, where there are highly specialised networks of state-owned shops (while the extent of private trade is quite negligible in Czechoslovakia), consumer cooperatives will base their competitive trade primarily on general (universal) stores, i.e., in essence, grocery shops combined with the sale of the basic assortment of consumer goods (industrial products) of everyday use. Besides this, they are establishing shops

which are most urgently needed by the urban population at present, such as shops selling various kinds of agricultural produce, particularly fruit and vegetables. As far as catering is concerned, consumer cooperatives will focus their main attention on the construction of establishments serving tourism, in addition to which they will establish attractive restaurants and wine shops where traditional special local dishes and foods produced by cooperatives will be served.

“The principle of choice of suppliers will be put into effect by consumer cooperatives in the form of the most direct connection with production. This will involve the establishment of warehouses by individual cooperative societies and the creation of a joint wholesale enterprise in the form of a voluntary organisation whose shareholders will be individual consumer cooperative societies, if they decide to affiliate. Such a voluntary wholesale society will serve the cooperatives in several respects: carry on wholesale trade with commodities which the cooperatives themselves can obtain from production either under difficult conditions or not at all; supply the cooperatives with information concerning the situation in the production, imports and supplies of goods; engage in actual production of various goods; assist cooperatives in introducing, organising and operating warehouses (which the cooperatives have not been doing as yet).

“The direct link-up with production will further be reflected in the fact that consumer cooperatives themselves will purchase a considerable proportion of the agricultural and dairy produce of farming cooperatives on a much larger scale than hitherto and directly, i.e., without the mediation of wholesalers.

"Consumer cooperatives intend to improve the deliveries of goods to their network of retail shops; for this purpose, they will also expand their own food production. In this respect, the conception envisages for the nearest future predominantly production of a local character, aimed at rather laboriously manufactured but high-quality products and specialities. Consequently, these activities will mainly consist of the production of delicacies and confectionary, especially at places of lively tourist traffic. Other opportunities—as regards fruit and vegetable growing areas—open up in the spheres of canning and the production of soft drinks. In bakery production, main emphasis will be laid on high-quality, hand-made products and luxury pastries which customers demand and which mechanised mass production cannot provide.

"The information about this part of the general conception cannot be concluded without at least a brief reference to the fact that the consumer cooperative movement is extending the scope of activities of its own tourist and travel agency (from purely national to international services), besides which consumer cooperatives will participate more efficiently in the imports and exports of goods, effected through Unicoop, the foreign-trade enterprise of the Central Cooperative Council . . .

"The substantially increased independence of cooperative societies in their outward relations and the aboli-

tion of their management by administrative methods called forth a reappraisal of the function of the national centre of the consumer cooperative movement in Czechoslovakia and a simplification in the hierarchical structure existing so far. This is why the materials presented to the Congress included a draft of new rules, which the Congress subsequently approved after a detailed discussion. Accordingly, the former three-tier hierarchical set-up of the Czechoslovak consumer cooperative movement (i.e., the central union, regional unions, cooperative societies) was changed into a two-tier one, i.e., the Union of Consumer Cooperatives, to which individual cooperative societies are affiliated directly, while regional unions have ceased to exist. . .

"Unlike the former Central Union, which managed the activities of cooperatives in a direct manner (either directly or through regional unions), the new Union becomes an organisation purely for safeguarding the interests of the affiliated cooperative societies; consequently, its main tasks include various kinds of assistance, auditing, administration of collective (pooled) funds and supervisory activities. For these purposes, the Union either has already established appropriate specialised enterprises (e.g. for designing building projects, for publicity and advertising, for the supply of shop equipment) or intends to do so in the near future (for example, a research institute)." L. S.



CHARLES-HENRI BARBIER

OF ex-directors there are plenty, of ex-cooperators very few. This thought gives comfort when such a man as Charles-Henri Barbier retires from high office in a national cooperative union, for he will not cease to serve the cooperative movement in whatever way is open to him. Mr. Barbier laid down his administrative functions in the Swiss Union of Consumers' Societies (V.S.K.) at the end of December 1967 after twenty-two years' service as a member of the Board, the last years as Vice-President, and Director of the Department for the Press, Propaganda and Education. Fortunately for the cause of International Cooperation, he still retains for a while his seat on the Central and Executive Committees of the I.C.A., his participation in the work of UNESCO for adult education and his responsibility for the direction of the remarkable efforts of the Swiss cooperative movement in the last seven years to promote cooperative and agricultural progress in the African State of Dahomey.

The columns of the Swiss cooperative press bore witness to the high appreciation felt by Mr. Barbier's immediate colleagues of what his twenty years of service as editor, administrator and animator have done for the Swiss cooperative movement. Cooperators in other lands, while sharing their admiration, cannot know all, but they can recognise some of the highest achievements — the re-housing of the V.S.K.'s printing works at Basle in a building which presents an outstanding example of contemporary design and equipment; the transformation of the Cooperative Seminar into a modern school of distributive technique and business management and its transfer to a building perfectly adapted to its academic needs and community life.

But cooperators of the I.C.A. Committees and Secretariat have their own appreciation of Mr. Barbier, as they know him in his capacity of internationalist. He fulfils the need of our time — that a cooperator should be a man to whom nothing human is alien. But beyond this,

he brings to his international work a wealth of talent and an intellectual equipment that are rare in any people's movement. First, there is a mind wide-open to world events and new ideas, allied with an insatiable curiosity about mankind, its modes of life, its ways of thought, its manners and customs, in every clime and at every stage of social development. Second, an enormous range of knowledge on which he can draw to illustrate an argument or convey understanding by an image. Third, a philosophic training which imposes a concern for the right choice of methods to attain a given result. Fourth, linguistic and literacy gifts which make him an eloquent speaker in at least four languages and give him a command of French that enchants his hearers even when they are least disposed to give him their agreement. Fifth, a tremendous capacity for work. After days spent in I.C.A. Committees and evenings at ceremonial banquets, he was accustomed for years to re-

tire to his hotel bedroom and work far into the night on papers brought with him from his office in Basle. And not the least of his gifts is a rich sense of humour and fun that relieves the tedium of solemn assemblies.

Mr. Barbier will never be an ex-cooperator. What he learnt as his father's helper in the consumers' cooperative of La Chaux de Fonds can never be obliterated, no matter how much knowledge of human life and society has been added to it by over half a century of study and action. As the door of Mr. Barbier's office in Thiersteinerallee closed behind him for the last time, another opened before him, initiating a new phase of life and work. Henceforward he may have leisure to think and write down his thoughts for the benefit of his fellow cooperators and fellow citizens of the world. It could be that the vintage of this late harvest is the finest of all.

W. P. W.

COMMENTARY

Trading by Cooperative Organisations Affiliated to the I.C.A.

RECENTLY, a survey of South-East Asian trading was completed and the Third Asian Agricultural Cooperative Conference dealing with international cooperative trade was held in New Delhi early last year. The survey, undertaken by Mr. W. Eisenberg, covers international trading of cooperatives in Australia, Ceylon, Hong Kong, India, Iran, Japan, Korea, Malaysia, Nepal, New Zealand, Pakistan, the Philippines, Singapore and Thailand. It gives detailed accounts of the progress in international trading made by cooperatives in the region and the prospects of expanding such trade.

The survey also analyses the factors affecting the ex-

pansion of international trading, such as the economic policies of the governments in the region and the restrictions which they found necessary to impose for balance of payments reasons. Its general conclusion is that there is scope for the expansion of international trade by cooperatives in the region, especially if it were fostered and supported by national governments and if technical assistance were made available by other cooperatives. National cooperative organisations needed to be strengthened before any new international cooperative trading organisation could be established in South-East Asia with any reasonable prospect of success. (The published survey entitled "*Trading of Cooperatives, South-East Asia*", Vols. I, II and IIA, can now be ordered from the I.C.A., 11 Upper Grosvenor Street, London, W.1., at the price of £3.3.0.)

At the Conference held in New Delhi, a similar conclusion was arrived at. A new officer for technical assistance and cooperative trade was appointed at the I.C.A. Regional Office at New Delhi and the I.C.A. Agricultural Committee has established a sub-committee which will be concerned with the development of agricultural cooperatives in South-East Asia.

One of the very important developments in international trading between cooperatives noted in the South-East Asia Trade Survey was the agreement of March 1966 for the supply of 50,000 metric tons of maize by agricultural marketing cooperatives in Thailand to the agricultural cooperatives of Japan during 1966-67. This agreement was notable for the technical assistance provided by Japanese experts to Thai farmers to help them in the production of maize.

Cooperatives sometimes export through marketing boards established by governments and, in some cases, they have handled a very large proportion of total exports over a period of years. This is the case, for example, with wheat in Canada and Australia, dried and canned fruit in Australia and dairy products in New Zealand. Japanese agricultural cooperatives export large quantities of canned fruit to European countries; their exports of canned tangerines bring in something like £200,000 a year.

The consumers' cooperative wholesale societies of Europe have recently made joint purchases of knitwear in Hong Kong and South Korea and of toys in Hong Kong and Japan. Most of the wholesale societies of

Europe are associated in the Cooperative Wholesale Committee and they sometimes join together for production as well as for buying. Five Common Market wholesale societies, for example, plan to build a biscuit factory in Holland.

Some cooperative wholesale societies, such as Koope-rativa Förbundet of Sweden, produce on a considerable scale for the open market. Cooperative organisations in Norway, Sweden, Denmark, Finland and Iceland are associated in Nordisk Andelsförbund (NAF) which buys on their behalf in world markets. Its exporting subsidiary, Nordisk Andels Export (NAE), exports on behalf of the productive enterprises of Scandinavian cooperatives to some forty countries.

The Committee on Retail Distribution met recently in Bern to discuss cooperative non-food trading. It not only considered matters, such as the growth of supermarkets, mail order trading, discount houses and department stores, but also the purchase of bulk supplies internationally. The Agricultural Committee of the I.C.A. works closely with the FAO, and conferences in India last January on cooperative marketing and a seminar on cooperative processing were held under its auspices, as was the conference on international trading by cooperatives.

During the year ended April 30th, 1966, the International Cooperative Petroleum Association sold fertilisers and tyres to its members for the first time. Its lubricating oil blending plant at Dordrecht in Holland was extended. Sales by the I.C.P.A. to affiliated organisations exceeded \$5 million and many cooperatives operate refineries or tankers of their own and made very substantial sales to agricultural cooperatives.

New Cooperative Law in Tunisia

Good law is a sound and important basis for the development of a country's cooperative movement, and recently (as reported in the "International Labour Review" of November 1967), Act No. 67-4 of 19th January 1967 on the status of cooperatives in Tunisia came into force, a timely enactment and of great use to the country's cooperative movement. This movement has given proof of a vigorous life over many years, and there has been a great increase in the number of cooperatives and pre-cooperatives and especially of cooperators in Tunisia (some figures give the number now as being 300,000). Statistics dating from December 1966 show that, from 1960 to 1966, cooperatives increased from 130 to 990, and

the share capital of cooperatives in Tunisia is estimated at nearly 30 million dinars. Cooperation has taken root in some of the major branches of the economy: agriculture (production, ancillary services, etc.), shipping, crafts and small-scale industry (food products, building, leather and footwear, textiles, etc.), mutual credit and others.

Three central, thirteen regional and five local cooperative unions have been established in the country. A school to train cooperative leaders and government officials responsible for cooperatives is operating, and a centre for the promotion of cooperative enterprises is contemplated.

The new provisions of the Law do not curb the free development of the Tunisian movement, but they do introduce some degree of administrative supervision. The classic principles of cooperation are respected in the Law: voluntary membership, democratic management, limited return on capital, etc. The creation of cooperatives is left to individual initiative. Seven people at least must meet and announce their intention to found a cooperative. The organisation is in the traditional cooperative way: a General Assembly—the organ of supreme authority in the cooperative—delegates authority to a Committee of Management responsible for the management and running of the cooperative, and Sections 29 and 30 define the respective responsibilities of the Chairman and Director of the cooperative. Within the General Assembly, every member of the cooperative shares on an equal footing with his neighbour in the management of the enterprise, in accordance with the democratic rule of “one man, one vote”.

Provision is made at various points for the Government to have administrative control over the cooperatives. Section 3 lays down that the Supreme Cooperative Council, the membership and rules of which are laid down by decree, shall decide on general policy as regards the cooperative movement; no cooperative may be created or dissolved without the assent of the State Secretary for the Plan and National Economy. Further, there is provision for governmental supervision of the operation of the cooperative: registration formalities and public announcements have to be made in accordance with the Commercial Code. Section 51 lays down that the bye-laws of the central unions and the National Cooperative Union shall be the subject of decrees, while section 56 provides that the State Secretariat for the Plan and National Economy

shall act as the trustee of the State in these matters.

Clearly, this new Act will be immensely helpful to the Tunisian cooperative movement—a movement that can in future be established on solid legal foundations and where the risk of serious set-backs will be reduced. This is indeed a step forward.

60 Years of Icelandic Cooperative Paper

Samvinnan (Cooperation), first published under the name *Periodical for Cooperative Societies*, the official organ of the Federation of Icelandic Cooperative Societies, recently celebrated its 60th anniversary.

The first cooperative periodical *Ófeigur (Not destined to die)* was published from 1890 to 1931 by the oldest cooperative society in Thingeyjarsýsla in the north-east of Iceland. The paper was written by hand and published in as many copies as there were departments in the society. The copies were then circulated within the departments.

The first editor of the *Periodical for Cooperative Societies* was Sigurdur Jónsson, one of the pioneers of the cooperative movement in Iceland, who first edited *Ófeigur*. He was a farmer and an idealist who had received his education and training under the guidance of one of the most brilliant minds in the country, Benedikt Jónsson, who had played a leading role in the establishment of the first cooperative society in Iceland. He was for a considerable time the most outstanding cooperative theorist in Iceland and the most brilliant writer. When Sigurdur Jónsson became a cabinet minister, Jónas Jónsson was chosen to succeed him as editor. He was one of the most prominent and controversial politicians of the 20th century. These two prominent men shaped and developed the organ of the Icelandic Cooperative Movement.

At first, the periodical was almost exclusively devoted to the discussion of cooperative ideas; however, it also included news items about the cooperative movements at home and abroad. In time, it developed into a home magazine covering not only important cooperative news but also publishing articles of educational value and some for the entertainment of its readers.

Samvinnan, a name adopted in 1926, had amongst its editors people like Thorkell Jóhannesson, later dean of the University of Iceland; Gudlaugur Rósinkrans, later director of the National Theatre of Iceland; Haukur Snorrason, later editor of the daily *Tíminn*; Benedikt

Gröndal, later member of Parliament; and the Reverend Gudmundur Sveinsson, Principal of the Cooperative College. The present editor, Sigurdur A. Magnússon, is an author.

Samvinnan now appears every other month and each issue is devoted to one important topic which is discussed from various angles by competent people.

**Miss
Margaret Digby,
O.B.E.**

To those of us in cooperative work, the idea of Miss Margaret Digby *not* behind her desk at the Plunkett Foundation for Cooperative Studies, or at some seminar in Africa or Asia, or sitting on some commission of inquiry, is almost unthinkable—but Margaret Digby has retired. All her friends are happy to know, however, that she has agreed to continue to serve the Plunkett Foundation as Consultant.

It is difficult to describe Margaret Digby's career, the beginning of which goes back to the International Cooperative Women's Guild from which she joined the Plunkett Foundation in 1927, becoming the Foundation's first Research Assistant. In 1934, she was promoted to Secretary and started her long series of travels abroad—travels that have taken her to almost every part of the world. Through her intensive identification on her travels with the people she visited and helped, the Foundation was able to study in depth the cooperative movements and systems of agriculture for which it became so world famous.

Margaret Digby began her career as a writer and she succeeded in building up for herself a great international reputation as the author of books and articles on the many aspects of cooperation. Also, she is the author of numerous reports, both for the Plunkett Foundation and for overseas governments and the United Nations Specialised Agencies. Her deep insight into other national groups, her knowledge of languages and her powers as translator, coupled with her great ability to write good and concise English, mark her out as an exceptional editor of the famous Year Book of Agricultural Cooperation of the Plunkett Foundation, which has appeared regularly since its inception in 1927. There is great relief to know that Miss Digby hopes to continue as its editor, at least for the present. The Agricultural Cooperative-Managers' Association, formed in 1936, accepted her timely offer to use the Foundation's services as its secretariat and herself as its Secretary, an arrangement

which still continues. It is thanks to Margaret Digby that the Association survived in its early years and she has played a vital part in its subsequent growth. She has served as Secretary of the Federation of Agricultural Cooperatives of Great Britain and Ireland since its inception in 1949.

Only the years of the Second World War interrupted her services to the Foundation when, as a temporary civil servant, she was involved with the planning of agricultural rehabilitation in occupied countries and later served successfully with UNRRA in the U.S.A. and Greece.

Since the end of the Second World War, she has come to be acknowledged internationally as a leading authority on cooperation, a fact recognised by the award to her of the Order of the British Empire in 1950. Another honour which has brought great pleasure to her was the conferment by Exeter University in 1966 of the Master of Arts degree, *honoris causa*.

Margaret Digby "has given her whole self—her great intelligence, her unremitting energy and her life's work—to the service of the Plunkett Foundation", was the comment made by Lord Listowel, Chairman of the Foundation's Trustees in saying thank you to her.

We are all delighted to know that we shall still be able to see and meet her and benefit from her great experience whilst she is engaged as Consultant in the years to come.

Retirement of B. J. SurrIDGE

Mr. B. J. SurrIDGE, C.M.G., O.B.E., has retired from the post of Adviser on Cooperatives to the Ministry of Overseas Development in Her Majesty's Government in the United Kingdom. His place is taken by Mr. B. J. Young-johns.

Mr. SurrIDGE has been a familiar name and figure to cooperators and government officials in many countries since his service as Registrar of Cooperative Societies with the Government of Cyprus from 1934 to 1943 and his appointment as Adviser on Cooperatives to the Government of Iraq in 1946/47. He has been Adviser on Cooperatives to the British Government since 1947.

He is also well known for his publications and more especially to cooperators for his Manual of Cooperative Law and Practice written jointly with Miss Margaret Digby and published in 1948, of which a new edition appeared just before his retirement.

Mr. SurrIDGE is continuing as Vice-Chairman of the

Trustees of the Plunkett Foundation for Cooperative Studies, and I hope that we shall see his name from time to time as author of articles in various cooperative publications. The Review of International Cooperation certainly intends to accept his kind offer to assist in reviewing new cooperative publications.

Mr. SurrIDGE's great experience and sound advice have contributed beyond measure to the present strength and efficiency of so many cooperatives that it is a privilege to pay a warm tribute to this truly great man and his wonderful sense of humour. We wish him, together with Mrs. SurrIDGE, a long retirement and good health to enjoy it.

Retirement of George Davidovic

Mr. George Davidovic, for nearly four years Agricultural Secretary at the International Cooperative Alliance, retired from his position as Research Director of the Cooperative Union of Canada at the end of 1967. His years with the Alliance and six years with the Cooperative Union of Canada represent major assignments in a lifetime devoted to the cause of cooperation.

Mr. Davidovic was born in what is now Yugoslavia at the beginning of this century, and he was in his early teens when the Great War broke out in 1914. He was one of the refugees who retreated through the wild mountains of Montenegro and Albania in the "Albanian Retreat" after Serbia had been invaded by the Austrian armies. After the war, he completed his education in Switzerland where he obtained his baccalaureate having qualified in commerce and in economic and social sciences at the University of Geneva.

Back in Yugoslavia in the early 'twenties, he became a writer and lecturer. At the age of 30, he founded the monthly journal "*Ekonomsko Finansiski Zivot*" and remained editor for ten years. The journal gave considerable space to cooperative problems, and Mr. Davidovic was in close touch with the International Centre of Research and Information on Public and Cooperative Economy. At 33, he became Secretary-General of the National Union of Artisanal Associations and, at 36, Secretary-General of the Cooperative Union of Yugoslavia, a post he retained until the end of the Second World War. At the same time, he was President of the Association of Economists, Secretary of the Yugoslav-Bulgarian

Cooperative Institute and Lecturer in Cooperation at the Belgrade School of Economics.

During the Second World War, he refused to collaborate in any way with the occupying German authorities or with the Utashi "Government" and urged the peasants to consume their own produce and refuse to deliver it to the German army. During the latter part of the war, he was forced to go into hiding in a hospital; his friend Voia Georgevic, President of the Cooperative Union, disappeared altogether.

After the war, Mr. Davidovic was denounced as a reactionary, but was defended by cooperators and sought to maintain the independence of cooperatives. He opposed compulsory collectivisation in agriculture and the compulsory dissolution of urban consumers' cooperatives. He felt obliged to leave the country, going first to Switzerland, and settling in England in 1953.

He was helped by cooperative friends and worked for a time for the C.W.S., becoming later Agricultural Secretary of the International Cooperative Alliance in May 1958. While with the I.C.A., he founded the Agricultural Bulletin and published a controversial report on "Agricultural Cooperation in a Changing World". He later produced a report on the need for an International Bank for Food, Agriculture and Cooperation, which was discussed at the FAO Conference in Rome in 1961, attended by him as I.C.A. delegate.

At the end of 1961, he left the I.C.A. to become Research Director of the Cooperative Union of Canada and published there a series of studies, one on taxation of cooperatives, one on the structure of cooperative organisations and two on cooperative principles. He also produced an analysis of a Canadian report on banking and finance, and his major work was the book "*Towards a Cooperative World*".

In recent years, he has been a part-time Professor at the Coady International Institute in Nova Scotia, Canada, where he has lectured on international cooperation. In addition to his native tongue, he is fluent in English, French, German and Russian, the languages of the I.C.A., and has made a significant contribution to the development of the international cooperative movement.

We wish George Davidovic much happiness in the years to come and are sure that his cooperative work will continue successfully.

Jalmari Laakso

Mr. Jalmari Laakso, former Director General of the Cooperative Union (KK), Finland, died on 6th December 1967 after a long life given entirely to cooperation, mainly in the service of the KK.

Mr. Laakso started his career with the Kymnlaakson 01 Society and as head of the KK Advisory Department from 1926 to 1943, when he became KK's Deputy Director. He was appointed Director General in 1952, a post he held until his retirement in 1961.

His ideas for, and devotion to, the cooperative cause went far beyond his commitments towards KK. He was Chairman and member of various cooperative societies in Finland as well as Chairman of the Finnish United Nations Association.

Mr. Laakso's international interest was marked by his work in the Central Committee of the I.C.A. from 1951 to 1962. The Housing Committee of the I.C.A. also benefited from his participation as well as the Scandinavian Building Organisation (NBO). For his wide cooperative interests and work, he was awarded the Rochdale medal in 1950.

As a writer, Mr. Laakso employed his talents in the cooperative field, and his two publications "The Cooperative Movement and Housing Activity" and "Cooperative and Economic Questions" are well known. Even up to the time of his death, he was a member of an editorial committee, which only last November published the book "Pioneers".

The passing of this great cooperator will be mourned beyond the frontiers of his own Finland.

J. H. O.

BOOK REVIEWS

Selbsthilfe aus Christlicher Verantwortung (Self-help based on Christian Responsibility)

The history of the Christian Consumers' Co-operative in Germany, by Fritz Klein. Foreword by Professor Dr. O. von Nell-Breuning. Illustrated, with a biographical section, bibliography and index. Published by the Communal-Verlag, Recklinghausen. 208 pages.

History is the memory of social movements, no less than of nations, and it must be written. Oral tradition is not enough; even when there is a kernel of truth, too many are contented with the legendary husks and never penetrate to it. All readers of German cooperative literature will owe Mr. Fritz Klein a debt of gratitude for devoting his years of retirement, among other avocations, to writing the history of the Christian Consumers' Cooperative Movement in Germany.

This is an episode in the history of cooperation in Germany that might easily be forgotten, not simply because of the increasing speed of social change but because cooperators themselves, struggling to maintain their movement's place in economic life against ruthless competitive pressures, are more inclined to devote their attention to technical methods than to social principles. Fortunately, Fritz Klein lived through the greater part of this episode and, possessing an excellent memory and no little experience in writing books, he has been able to produce for the reader no dry documentary study, but a record of things directly experienced and of people personally known as colleagues and friends. Most eminent among these was the late Peter Schlack who, more than any other cooperator, deserves the title of father of the movement which Mr. Klein describes.

Peter Schlack presents a striking example of the ability of a convinced cooperator to initiate a movement with an inherent power of organic growth, because experience of life had taught him truths which were concealed from the learned in their studies. As Professor von Nell-Breuning points out in his all too brief introduction, the leading representatives of Catholic social teaching were more interested in the workers as producers and more inclined to help the Christian trade union movement than to recognise the need and importance of con-

sumers' cooperation as a corrective of economic errors and malpractices which they condemned. But Peter Schlack, the son of a shopkeeper, who had worked for low wages in his youth, grasped the truth that any increase in wages might be cancelled by a rise in prices, gathered his friends together and formed the consumers' society "Eintracht" at Mulheim, on the Rhine opposite Cologne, in 1902. In due course, he became one of the founders of the two organisations in which this and other Christian consumers' societies federated, the National Union (Reichsverband) and the wholesale society "Gepag".

Both federations were presented, soon after the Nazi seizure of power in 1933, with the alternative of submission or dissolution. They chose the former and were summarily handed over to the tender mercies of the so-called "Labour Front". Peter Schlack and his principal colleagues, Klein and Pockrundt, were dismissed. Within a few months, the two federations were liquidated and their assets transferred to a new national organisation which also embraced the Central Union and the Wholesale Society GEG operating from Hamburg.

Both wings of the German Consumers' Co-operative Movement suffered the same fate at the hands of the same enemy. What emerged after twelve years of oppression and suppression was a single Cooperative Movement, united on both the local and national levels, ready to take its place in the economy of the Federal German Republic to be established three years later—to the everlasting credit of the two great co-operative statesmen, Henry Everling and Peter Schlack, under whose leadership unity was achieved.

Mr. Klein quite rightly places the German Christian Cooperative Movement in its international setting by pointing out the influence of Christian social teaching on the pioneer efforts and later development of cooperation in other European countries. His biographical sections are also of considerable importance and value, because they include not only personalities prominent in cooperative economic activity but also churchmen and social scientists and labour leaders whose thinking and influence from the middle of the 19th century onward prepared the way for the Movement and strengthened the morale of its membership.

W. P. Watkins

Die Zentralbank der deutschen Genossenschaften (The Central Bank of the German Cooperatives)

The Pre-history, Structure, Tasks and Development of the Deutsche Genossenschaftskasse, by Helmut Faust. Vol. 1 of the Publications of the Deutsche Genossenschaftskasse, Frankfurt am Main, 1967.

With appendices giving statistics, investments, bond issues, membership, legislation, enactments, etc. 164 pages.

Dr. Helmut Faust's account of the Deutsche Genossenschaftskasse is appropriately numbered as Volume 1 of the Bank's series of publications, although it was not the first to come from the press. It is a book which has long been needed, not merely because the Bank is today one of the most powerful and successful of cooperative financial institutions in the world, but also because its present position as the Central Bank of the German Cooperative Movement was reached as the result of half a century's evolution which has no exact parallel.

For, when it was founded in 1895 as the Prussian Central Cooperative Bank, it was a bank for cooperatives rather than a bank of cooperatives. In its original form of "a central institution for the promotion of cooperative personal credit", called the Prussian Central Cooperative Bank, it was established by legislation and placed under state supervision and management. Its directorate took its instructions from the Prussian Minister of Finance and its employees were civil servants. There was also a committee with exclusively consultative functions, consisting at first of experts nominated by the Government, but later including representatives of the unions and regional banks of cooperative societies which placed deposits in the Bank or had business relations with it.

Dr. Faust brings out the practical reasons why a central banking institution became necessary and why state action was required to establish one—not that cooperators were unanimous on this point. One class the Bank was intended to benefit, the artisanal middle-class, was inclined to stand aloof, under the influence of Schulze-Delitsch's dogma that self-help and state-help were incompatible and the corresponding attitude of Schenck and Krüger, his successors in the post of Director of the General Union of Economic and Industrial Cooperative Societies. Henry W. Wolff is concerned to show, in Ch. XVI of his book "People's Banks" (1907) that government, in its efforts to assist cooperative credit, usually does the wrong things for the wrong reasons and draws upon the history of the Prussian Central Cooperative Bank for illustrative examples. Raffeisen, on the other hand, drew up plans for a state central bank

for agriculture which he did not live to see realised and which were forgotten after his death. Nevertheless, the primary credit societies, of both the Schulze-Delitsch and Raiffeisen types, had found it necessary in their own interests and those of their members to unite in central or regional banks, for, when they were obliged to seek the help of the ordinary banking system, they often found that they were not able to make effective use of it, nor was it authorised to do business on the basis of the security they could offer. The arguments for a cooperative central bank for cooperative purposes became irresistible in time, as more and more of the central and regional banks were drawn into business relations with the Prussian Central Cooperative Bank.

This process is clearly described by Dr. Faust in the first part of his book. The second part is devoted to the existing institution, the Deutsche Genossenschaftskasse, whose foundation in 1949 became inevitable, as soon as it was recognised that the partition of Germany and of Berlin between East and West had made it impossible for the Bank to operate from the metropolis on the old lines.

In the Constitution of the new Genossenschaftskasse, established by an Ordinance of the Trizonal Economic Council, with the approval of the Occupying Powers, in May 1949, it was possible to embody the results of half a century's experience. The Genossenschaftskasse is not a state institution but one subject to public law. In its share capital, the participation of government and public authorities may not reach 50 per cent. The cooperative participation is thus assured of a majority. The Federal Government's contribution is fixed at 1 million DM.

The Genossenschaftskasse operates under its own Board of Management, appointed by the Administrative Council of 25 members, 13 of which represent cooperative organisations. It was not possible at the beginning to restore the former function of the Central Bank as a channel for the flow of capital and credit between the agricultural and the artisanal cooperative movements and vice versa. Legalistic arguments and the fear of "concentrations of economic power" persuaded the Occupying Powers to limit the Bank's operations to the field of agriculture. However, no-one objected to accepting half a loaf, in the certain knowledge that the other half would be granted by the Federal Parliament soon to be elected. An amending law passed in 1957 gave the Bank full power to deal with any branch of the Cooperative Movement.

Meanwhile, Rudolf Hartmann, a first-class banker who had served a number of years with the Central Bank in Berlin, was appointed Chairman of the Board and launched the Genossenschaftskasse on a career of success in

which its total balance sheet has risen in 17 years from DM 121 million to DM 5,251 million. It is to the inestimable services rendered to the Bank by this far-sighted, indefatigable worker, who became first President of the Bank, that the Board has dedicated this volume.

It is good that the story of the Bank has been told in so well-documented a fashion by Dr. Faust, but its circle of readers will be restricted

for the time being to those who read German. An English version, even if abridged, would be of the greatest value to many cooperators, especially in the developing countries, who need examples to guide them in finding the right way by which state help can lead, not to dependence, but to the promotion of self-help and cooperative help.

W. P. Watkins

REGIONAL PLAN FOR COOPERATIVE SOCIETIES

The plan for the formation of 50 Regional Cooperative Societies in England, Wales, and Ireland has been published in booklet form by the Cooperative Union. The booklet describes the plan under various headings: Course of Trade; Capital; Personnel; Need for Structural Change; Special Problems; Economic Recession and Planning Authorities.

Implementation of the plan is dealt with in detail and lists of the present societies in each of the proposed 50 Regional Societies are also included. In addition, the booklet contains a large map showing the approximate boundaries of the Regional Societies.

Price 3s., by post 3s. 6d.

from the

**COOPERATIVE UNION LTD.,
Holyoake House, Hanover Street,
Manchester 4.**

AFFILIATED ORGANISATIONS

- ALGERIA:** Société Coopérative Musulmane Algérienne d'Habitation, et d'Accession à la Petite Propriété, 6 et 8, rue du Cercle Militaire, Oran; also at - 21, rue Edgar Quinet, Algiers, and 9, rue Mathurin Régnier, 75 Paris 15.
- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires. Intercoop, Editora Cooperativa Limitada, Florida 32. Oficina 42, Buenos Aires. Asociación Argentina de Cooperativas y Mutualidades de Seguros, Belgrano 530, 5 Piso, Buenos Aires.
- AUSTRALIA:** Cooperative Federation of Australia, c/o. CWS of Queensland Limited Buildings, 50-54 Ferry Street, South Brisbane, Queensland.
- AUSTRIA:** "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, Vienna VI. Membership (1966): 467,800; turnover: consumers' societies: Sch. 3,624 mill.; wholesale (G.Ö.C.): Sch. 1,728 mill.; department stores: Sch. 637 mill.; own production: consumer societies: Sch. 431 mill.; G.Ö.C. and subsidiaries: Sch. 419 mill. Bank für Arbeit und Wirtschaft A/G, Seitzergasse 2-4, Vienna I. Zentralkasse der Konsumgenossenschaften, Theobaldgasse 19, Vienna VI. Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösendorferstrasse 7/11, Vienna I. 1966: Affiliated organisations: 315 (comprising 203 societies and 112 associations); membership 122,941; dwellings administered 266,061 (comprising 116,232 societies and 149,829 associations); balance at 1965: 30.3 milliard Sch. (divided as to societies Sch. 14.1, associations Sch. 16.2). Österreichischer Raiffeisenverband, Seilergasse 16, Vienna I.
- BELGIUM:** Société Générale Coopérative, 26-28 rue Haute, Brussels 1. Affiliated consumers' societies: 25; membership: 300,000; turnover (1963): Frs. 3,900 mill.; shops: 1,400; Wholesale society turnover (1963): Frs. 959 mill. Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151, rue Royale, Brussels 3. Premiums (1966): Frs. 1,903 mill.; reserves: Frs. 6 milliards; insurance funds, life: Frs. 20 milliards. Fédération Nationale des Coopératives Chrétiennes, 135, rue de la Loi, Brussels 4. (1967): 1,250 shops; turnover: Frs. 1,430 million; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 mill.; reserves: Frs. 1,300 mill. L'Economie Populaire, 30, rue des Champs, Ciney (Namur). Branches (1965): 444; membership: 85,200; turnover: Frs. 890 mill.; savings deposits: Frs. 511.5 mill.; capital and reserves: Frs. 111.5 mill. L'Institut Provincial de Coopération Agricole, 42, rue des Augustins, Liège.
- OPHACO** (Office des Pharmacies Coopératives de Belgique), 602, Chaussée de Mons, Anderlecht-Brussels. Union of 28 cooperative societies owning 360 pharmacies, 68 optical departments and counters, 7 drug stores, 14 wholesale depots. Turnover (1963): Frs. 1,250 mill. Surplus distributed to 400,000 members: Frs. 95 mill.
- BRAZIL:** Aliança Brasileira de Cooperativas (ABCOOP), Ave. Franklin Roosevelt 39-12°, Sala 1216, Rio de Janeiro, G.B. Uniao Nacional das Associações de Cooperativas (UNASCO), Avenue Franklin Roosevelt, 126-Conj. 608, Rio de Janeiro.
- BULGARIA:** Central Cooperative Union, Rue Rakovski 103, Sofia.
- BURMA:** National Cooperative Council, 290-300, Lewis Street (2nd Floor), Rangoon.
- CANADA:** Cooperative Union of Canada, 111, Sparks Street, Ottawa 4, Ont. A federation of English-language cooperative organisations, organised in 1909. Conseil Canadien de la Coopération, 353 rue Dalhousie, Suite 205, Ottawa 2, Ont.
- CEYLON:** Cooperative Federation of Ceylon, Cooperative House, 455, Galle Road, Colombo 3.
- CHILE:** Federación Chilena de Cooperativas de Ahorro y Credito, Ltda., Dieciocho 246, Clasificador 760, Santiago de Chile.
- COLOMBIA:** Cooperativa Familiar de Medellin, Ltda., Calle 49, No. 52-49, Medellin.
- CYPRUS:** Cooperative Central Bank Ltd., P.O. Box 1447, Nicosia. Cyprus Turkish Cooperative Central Bank Ltd., P.O. Box 791, Nicosia. Vine Products Cooperative Marketing Union Ltd., P.O. Box 314, Limassol.
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, Tesnov 5, Prague I.
- DENMARK:** De samvirkende danske Andelskaber (Andelsudvalget), H. C. Andersens Boulevard 42, Copenhagen V. Representing 30 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 750,000 individual members. Turnover (1966): D.Kr. 16,372 mill. Det Kooperative Faellesforbund i Danmark, Frederiksborggade 50, Copenhagen S. Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprising: consumers', workers', artisans', productive and housing societies etc. Faellesforeningen for Danmarks Brugsforeninger (FDB), Roskildevej 65, Albertslund. Affiliated societies (1965): 1852; members: 716,000; turnover: 2,583 mill. D.Kr.; wholesale turnover: 1,453 mill. D.Kr.; own production: 405 mill. D.Kr.

- DOMINICA:** *Dominica Credit Union League, 14, Turkey Lane, Roseau.*
- EGYPT:** *Société Coopérative des Pétroles, 94, Kasr El - Eini Street, Cairo.*
- EIRE:** *Irish Agricultural Organisation Society Ltd., The Plunkett House, 84 Merrion Square, Dublin 2. National Organising and Advisory Body for Agricultural Cooperatives. Affiliated societies: 339; membership: 121,000; turnover (1964): £ 106 mill. Cooperative Development Society Ltd., 35 Lower Gardiner Street, Dublin.*
- FINLAND:** *Suomen Osuuskappojen Keskuskunta (S.O.K.), Vilhonkatu 7, Helsinki 10. Affiliated societies (1967): 305; members: 535,136; wholesale turnover: Fmk. 1,259 million; own production of SOK: Fmk. 254 million. Yleinen Osuuskappojen Liitto r.y. (Y.O.L.), Vilhonkatu 7, Helsinki 10. Affiliated societies (1967): 305; members: 535,136; turnover of societies: Fmk. 2,324 million; total production of the affiliated societies: Fmk. 44 mill. Kulutusosuuskuntien Keskusliitto (K.K.), r.y., Mikonkatu 17, Helsinki 10. Affiliated societies (1966): 93; members: 562,134; turnover: Fmk. 1,606 mill.; own production: Fmk. 248 mill. Osuustukkukauppa (O.T.K.), P.O. Box 10120, Helsinki 10. Affiliated societies (1966): 93; turnover: Fmk. 907.1 mill.; own production: Fmk. 290 mill. Pellervo-Seura, Central Organisation of Farmers' Cooperatives, Simonkatu 6, Helsinki K. Affiliated organisations (1963): 10 central organisations; 1,102 societies.*
- FRANCE:** *Fédération Nationale des Coopératives de Consommation, F.N.C.C., 89, rue la Boétie, 75 Paris VIII. Affiliated societies (1964): 475; membership: 3,460,000; shops: 9,900; turnover: NF. 3,600 mill. Société Générale des Coopératives de Consommation, 61 rue Boissière, 75 Paris XVI. Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88, rue de Courcelles, 75 Paris VIII. Confédération Générale des Sociétés Coopératives Ouvrières de Production, 88, rue de Courcelles, 75 Paris VIII. Banque Coopérative des Sociétés Ouvrières de France, 88, rue de Courcelles, 75 Paris VIII. Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, 129, Bd. St. Germain, 75 Paris VI. Confédération Française de la Coopération Agricole, 18 Rue des Pyramides, 75 Paris 1er. Caisse Nationale de Crédit Agricole, 91-93, Boulevard Pasteur, 75 Paris XV. Fédération Nationale des Sociétés Coopératives*
- d'Habitations à Loyer Modéré, Foyer Coopératif, 17, rue Richelieu, 75 Paris 1er.*
- Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 31, ave. Pierre 1er de Serbie, 75 Paris XVI.*
- Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, 75 Paris VIII.*
- GERMANY:** *Zentralverband deutscher Konsumgenossenschaften e.V., Besenbinderhof 52, (2) Hamburg I. Affiliated societies (1964): 239; membership: 2,556,321; turnover: D.M. 3,540,742.4 mill. Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., Besenbinderhof 52, (2) Hamburg I. Total turnover (1964): D.M. 1,900 mill.; own production: D.M. 570 mill. Gesamtverband gemeinnütziger Wohnungsunternehmen, Breslauer Platz 4, (22c) Cologne. "Alte Volksfürsorge", Gewerkschaftlich-Genossenschaftliche Lebensversicherung A.G., An der Alster, (2) Hamburg I. Deutsche Sachversicherung "Eigenhilfe", Steinstrasse 27, (2) Hamburg I.*
- GHANA:** *The Alliance of Ghana Cooperatives Ltd., Post Office Box 2068, Accra.*
- GREAT BRITAIN:** *Co-operative Union Ltd., Holyoake House, Hanover Street, Manchester 4. Affiliated societies (1966): 680; membership: 13,065,402; retail societies' share capital: £ 237,599,848; retail sales: £ 1,107,930,027. Co-operative Wholesale Society Ltd., 1, Balloon Street, Manchester 4. Affiliated societies (1965): 746; sales: £ 487,859,688; Bank turnover: £ 9,764,603,821; reserve and insurance funds: £ 40,791,711; total assets: £ 300,463,985. Co-operative Insurance Society, Ltd., Miller Street, Manchester 4. Assets (1964): £ 369 mill. Scottish Co-operative Wholesale Society Ltd., 95, Morrison Street, Glasgow C. 5. Affiliated societies (1964): 164; sales: £ 93,720,670; reserves and insurance funds: £ 8,417,093; total resources: £ 19,532,184. Co-operative Permanent Building Society, New Oxford House, High Holborn, London, W.C. 1.*
- GREECE:** *Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), 6, Othonos Street, Athens 118.*
- GUYANA:** *Guyana Cooperative Union Ltd., Ministerial Buildings, High Street and Brickdam, Georgetown.*
- HAITI (W.I.):** *Caisse Populaire Dominique Savio, 57, Rue Rigaud, Pétion-Ville.*
- HOLLAND:** *Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikcoöperaties, "CO-OP Nederland", Postbus 6008, Vierhavensstraat 40, Rotterdam 7.*

- Association of Enterprises on a Cooperative Basis, *Bloemgracht 29, Amsterdam.*
- HUNGARY:** Federation of Hungarian Cooperative Societies, *Szabadság 14, Budapest V.*
- ICELAND:** Samband Isl. Samvinnufélag, *Reykjavik.*
- INDIA:** National Cooperative Union of India, *72 Jorbagh, New Delhi 3.*
- National Agricultural Cooperative Marketing Federation Ltd., *No. E-11 Defence Colony (Ring Road), New Delhi 3.*
- IRAN:** Cherkate Taavoni Masrafe Artêche (Army Consumers' Cooperative Society), *Avenue Sevrom Esfand, Rue Artêche, Teheran.*
- Credit and Housing Cooperative Society of Iran, *20-22 Shahabad Avenue, Teheran.*
- Central Organisation for Rural Cooperatives of Iran, *357 Pahlavi Avenue, Teheran.*
- ISRAEL:** General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", *Ltd., P.O.B. 303, Tel-Aviv.*
- Affiliated societies and companies (1963): 1,855 in all branches.
- "Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, *44, Rothschild Bd., P.O. Box 75, Tel-Aviv.*
- "Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, *8 Kaplan Street, P.O.B. 209, Tel-Aviv.*
- Bank Zerubavel, *44, Rothschild Bd., Tel-Aviv.*
- ITALY:** Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome.*
- Confederazione Cooperativa Italiana, *Borgo Santo Spirito 78, Rome.*
- Associazione Generale delle Cooperative Italiane, *Via Milano 42, Rome.*
- IVORY COAST:** Centre National de la Coopération et de la Mutualité Agricoles, *B.P. 702, Abidjan.*
- JAMAICA:** Jamaica Cooperative Union, *Ltd., 14-16 Barry Street, Kingston, W.I.*
- JAPAN:** Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Cooperative Union), *Tanra-Kaikan, 9 Ichigaya-Kawada-cho, Shinkjuku-ku, Tokyo.*
- Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Cooperatives), *5 1-chome Otomachi, Chiyoda-ku, Tokyo.*
- Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Cooperative Associations), *Shinchiyoda Building no. 14-19 3-chome, Nishishinbashi, Minato-ku, Tokyo.*
- JORDAN:** Jordan Cooperative Central Union Ltd., *P.O.B. 1343, Amman.*
- KENYA:** Kenya National Federation of Cooperatives Ltd., *P.O.B. 9768, Nairobi.*
- KOREA:** National Agricultural Cooperative Federation, *75, 1st Street, Chung-jong-Ro, Sodaemun-ku, Seoul.*
- MALAYSIA:** Cooperative Union of Malaysia Ltd., *8, Holland Road, Kuala Lumpur.*
- Sarawak Cooperative Central Bank Ltd., *Kuching, Sarawak.*
- MALTA:** Farmers' Central Cooperative Society Ltd., *New Building, Middleman Street, Marsa.*
- MAURITIUS:** Mauritius Cooperative Union, *Cooperation House, Dumat Street, Port Louis.*
- MEXICO:** Confederación de Cooperativas de la República Mexicana, *C.C.L., Av. Cuauhtemoc 60, 5 Piso, Mexico 7, D.F.*
- NEW GUINEA:** Federation of Native Associations Ltd., *P.O.B. 152, Port Moresby, Papua.*
- NEW ZEALAND:** Hutt Valley Consumers' Cooperative Society Ltd., *P.O.B. 5006, Naenae.*
- NIGERIA:** Cooperative Union of Eastern Nigeria Ltd., *Cooperative Bank Buildings, Milverton Ave., Aba.*
- Cooperative Union of Western Nigeria Ltd., *c/o Cooperative Buildings, New Court Rd., Ibadan.*
- Lagos Cooperative Union Ltd., *Cooperative Office, 147, Broad Street, Lagos, W. Nigeria.*
- NORWAY:** Norges Kooperativ Landsforening, *Kirkegaten 4, Oslo.*
- Affiliated societies (1965): 904; membership: 347,208; turnover of local societies: Kr. 2,171 mill.; of N.K.L.: Kr. 663 mill.
- BBL A/L Norske Boligbyggelags Landsforbund, *Trondheimsveien 84-86, Oslo.*
- PAKISTAN:** East Pakistan Cooperative Union, *Ltd., 9/D-Motijheel Commercial Area, 8th floor, Dacca 2.*
- West Pakistan Cooperative Union, *5, Court Street, P.O.B. 905, Lahore 1.*
- Karachi Central Cooperative Bank, *Ltd., 14, Laxmi Building, Bunder Road, Karachi 2.*
- Karachi Central Cooperative Consumers' Union, *Iqbal Market and Cold Storage, Soldier Bazar, Karachi.*
- Karachi Cooperative Housing Societies' Union, *Shaheed-e-Millat Road, Karachi 5.*
- Karachi Cooperative Union Ltd., *Cooperative House, Shaheed-e-Millat Road, Karachi 5.*
- Karachi Fishermen's Cooperative Purchase and Sales Society Ltd., *West Wharf Road, Karachi.*

- Sind Baluchistan Provincial Cooperative Bank, Ltd., *Provincial Cooperative Bank Bldg., Serai Road, P.O. Box 4705, Karachi 2.*
- Provincial Fishermen's Cooperative Society Ltd., *Iqbal Road, Patharghata, Post Box 27, Chittagong.*
- PHILIPPINES: Central Cooperative Exchange Inc., *P.O.B. 1968, Manila.*
- POLAND: Central Agricultural Union of "Peasant Self-Aid" Cooperatives, *Kopernika 30, Warsaw.*
 Central Union of Building and Housing Cooperatives, *Ul. Jasna 1, Warsaw.*
 "Spolem" – Union of Consumer Cooperatives, *Grazyny 13, Warsaw.*
 Central Union of Work Cooperatives, *Surawia 47, Warsaw.*
- ROUMANIA: Uniunea Centrala a Cooperativelor de Consum "Centrocoop", *Str. Brezoianu 31, Bucharest.*
- SINGAPORE: Singapore Cooperative Union Ltd., *Post Box 366; Office and Library: 3-J/K Clifford House, Singapore 1.*
- SWEDEN: Kooperativa Förbundet, *Stockholm 15.*
 Affiliated retail societies (1967): 275; membership: 1,404,000; total turnover of distributive societies: Kr. 6,050 mill., total turnover of K.F.: Kr. 4,623 mill. (Kr. 3,304 mill. sales to affiliated societies); K.F.'s own production: Kr. 2,053 mill., total capital (shares, reserves and surplus) of K.F. and affiliated retail societies: Kr. 1,160 mill.
 Kooperativa Kvinnogillesförbundet, *Stockholm 15.*
 Hyresgästernas Sparkasse- och Byggnadsförenings Riksförbund (H.S.B.), *Fleminggatan 41, Stockholm 18.*
 Affiliated Building Societies: 150; with individual members: 280,000; number of flats administered by local societies: 250,000; value of real estate: 9,600 mill. Kr.
 Svenska Riksbyggen, *Box 19028, Stockholm 19.*
 Folksam Insurance Group, *Folksam Building, Stockholm 20.*
 Sveriges Lantbruksförbund, *Klara Östra, Kyrkogata 12, Stockholm 1.*
- SWITZERLAND: Verband schweiz. Konsumvereine (V.S.K.), *Thiersteinallee 14, 4002 Basle.*
 Affiliated societies (1964): 505; shops: 3,200; membership: 780,000; retail turnover of affiliated societies: Frs. 1,700 mill.; wholesale turnover: Frs. 1,100 mill.
 Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), *Schaffhauserstrasse 6, Winterthur.*
 Verband sozialer Baubetriebe, *c/o SBHV., Sihlpostfach, Zurich.*
 Genossenschaftliche Zentralbank, *Aeschenvorstadt 71, Basle.*
 COOP Lebensversicherungs-Genossenschaft, *Basel, Aeschenvorstadt 67, Basle.*
- TANZANIA: Cooperative Union of Tanganyika Ltd., *Avalon House, P.O. Box 2567, Dar-es-Salaam.*
- TUNISIA: El Ittihad, *16, Avenue de Carthage, Tunis.*
- UGANDA: Uganda Cooperative Alliance, *P.O.B. 2215, Kampala.*
- U.S.A.: Cooperative League of the U.S.A., *59, East Van Buren Street, Chicago, Ill. (60605), and 1012, 14th Street, N.W., Washington 5, D.C.*
- U.S.S.R.: Central Union of Consumers' Cooperative Societies of the U.S.S.R. and RSFSR, "Centrosoyuz", *Tcherkassky per no. 15, Moscow.*
 Consumers' societies (1967): 16,489; members: 55 mill.; shops: 356,700.
- YUGOSLAVIA: Glavni Zadruzni Savez FNRJ, *Terazije 23/VI, Belgrade.*
- ZAMBIA: Eastern Province Cooperative Marketing Assoc. Ltd., *P.O.B. 108, Fort Jameson.*

INTERNATIONAL ORGANISATIONS

Organisation of the Cooperatives of America, *G.P.O.Box 4103, San Juan, Puerto Rico 00936.*

Nordisk Andelsforbund (Scandinavia), *3 Axelortv, Copenhagen V, Denmark.*

International Cooperative Bank Co. Ltd., *Aeschenvorstadt 75, P.O.B. 348, CH 4002 Basle, Switzerland.*

International Cooperative Petroleum Association, *11 West 42nd Street, New York, N.Y. 10036, U.S.A.*

Sociedad Interamericana de Desarrollo de Financiamiento Cooperativo, *1012, 14th Street, N.W., Room 1401, Washington D.C., U.S.A.*



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I.C.A. PRESIDENT AND DIRECTOR VISIT EAST AFRICA, SOUTH-EAST ASIA AND AUSTRALIA

Following the meetings of the I.C.A. Executive Committee in January, the President, Dr. Mauritz Bonow accompanied by his wife, and the Director, Mr. W. G. Alexander, set out on a tour of Uganda, Tanzania, Kenya, Pakistan, India, Thailand and Japan. The Regional Officer for South-East Asia, Dr. S. K. Saxena, joined the party on their tour of Thailand and Japan. Dr. and Mrs. Bonow proceeded to Australia while Mr. Alexander returned to London.

During their visit to Moshi, Tanzania, Dr. Bonow and Mr. Alexander were present for the opening of the new Cooperative College by His Excellency the Prime Minister of Sweden, Mr. Tage Erlander, in the presence of His Excellency the President of Tanzania, Mr. Julius Nyerere. The College, built on a 30-acre site with accommodation for 150 students, will provide within Tanzania facilities for the education and training of the professional and voluntary workers within the cooperative movement. The impressive inauguration ceremony took place under the Swedish, Tanzanian and Cooperative flags.

Whilst in East Africa, Dr. Bonow and Mr. Alexander had discussions with national cooperative organisations and Government Ministries responsible for Cooperatives in Uganda, Kenya and Tanzania, about the future role of the I.C.A. in Africa.

In Pakistan Dr. Bonow and Mr. Alexander visited Lahore and Karachi, where they held discussions with leaders of the West Pakistan Cooperative Union and visited some of the cooperatives, including the Karachi Fishermen's Cooperative Purchase and Sale Society Limited, which is planning a major extension of its activities. Mr. Riazuddin Ahmed of Karachi, member of the I.C.A. Executive Committee, assisted in the meetings and discussions, and the Government officials made clear their desire to establish the right relationship between Government and cooperatives at a time when the Government wishes to stimulate cooperative action beyond its present phase of development and is anxious to increase the efficiency of some existing cooperative organisations.

New I.C.A. Regional Office

The new buildings of the I.C.A. Regional Office and Education Centre for South-East Asia in New Delhi were opened by the Presi-

dent of the I.C.A., Dr. Mauritz Bonow. His Excellency the Minister of Food, Agriculture, Community Development and Cooperation, the Honourable Mr. Jagjivan Ram, presided over the inauguration ceremony. Leading cooperators and diplomatic representatives of Sweden, the U.K., U.S.A., Canada and a number of South-East Asian countries were present.

The permanent home of the I.C.A. Regional Office and Education Centre was built on a 4,000 sq. yard site acquired in 1966. The plans designed by the chief architect of Kooperativa Förbundet and adapted to local conditions by an Indian firm of architects, are of a very high standard of architecture and workmanship, with a blend of Swedish planning and Indian craftsmanship contributing to the final excellent result. The administrative block has 32 rooms including a library and a conference hall with seating accommodation for 80 people. The residential block provides accommodation for the junior staff and three rooms for visitors, and also has a flat for the caretaker. The cost of land, building and furniture amounting to about \$400,000 was contributed by the I.C.A. Development Fund, Swedish and Japanese co-operators and the Swedish International Development Agency (SIDA).

The International Conference on Cooperative Education was inaugurated at the same time as the new buildings of the I.C.A. Regional Office and Education Centre. Mr. Alexander assumed the responsibilities of Director of this Conference on account of the sad loss in December of Professor D. G. Karve who had previously undertaken to direct the Conference. Educational policymakers from eight countries in South-East Asia and the principals responsible for the education of students from South-East Asia at colleges in Canada, Czechoslovakia, Japan, Sweden, United Kingdom, United States and the U.S.S.R. were brought together at the Conference. This was a unique confrontation of those best able to assess the requirements for cooperative education in developing countries and those who for many years have been trying to provide such assistance. A report of this Conference is being published.

During their stay in New Delhi, the I.C.A. President and Director met the Prime Minister of India and senior Government officials and also held discussions with the national cooperatives at their headquarter offices in the ca-



pital. The President of India graciously received the President of the I.C.A. and the entire International Conference for Cooperative Education.

In Bangkok, the I.C.A. President was able to attend the inauguration ceremony of the new building now being erected for the recently registered Cooperative League of Thailand which coincided with his visit. The newly formed League unites the various cooperative organisations in one national organisation. Discussions were held with the University of Kasetsart about facilities for higher education for cooperative staff and officials. Visits were paid to the UN E.C.A.F.E., the FAO and the ILO offices for the Region.

In Japan the I.C.A. delegation met leading cooperators of the agricultural, consumer and fisheries cooperatives and they were taken to visit cooperatives in Yaizu, Kyoto and Kobe. The Japanese cooperatives play a very important role in assisting cooperatives of other nations and the various forms of such assistance were discussed during the meeting in Tokyo.

Dr. and Mrs. Bonow went on to Australia where the Cooperative Federation of Queensland had brought forward the date of its State Conference in Brisbane to coincide with the visit of the President of the I.C.A. Representatives of the Federation of Native Associations in Papua, a new member organisation of the I.C.A., were also present at the Conference and had an opportunity of meeting the I.C.A. President.

From Brisbane Dr. Bonow went to Sydney where he met the New South Wales State Minister for Cooperation together with cooperative leaders and the Registrar of Cooperative Societies.

In Perth Dr. Bonow had a meeting with the President of the Executive Council of the Cooperative Federation and a number of leading cooperators of that State.

Dr. and Mrs. Bonow returned to Stockholm during the middle of March. Since then the I.C.A. Secretariat has received many tributes to the value of the President's tour from all the many countries he has visited and especially from Australia. It is the first time that an I.C.A. President in office has visited Australia.

W. G. A.



PHOTOGRAPHS (previous page):

top: at Moshi, on the occasion of the opening of the new Cooperative College. From left—Hon. J. A. Mhaviile, M. P., Mr. W. G. Alexander, Dr. M. Bonow, W. R. Kapinga.

bottom: the President and Director of the I.C.A. answering questions after addressing the Follow-up Seminar of students from the KF/SL Seminars in Sweden in one of the new classrooms at the College in Moshi.





Opening of the new buildings of the I.C.A. Regional Office and Education Centre for S. E. Asia by Dr. Bonow.



above: Inaugural speech by the I.C.A. President at the opening of the I.C.A. Regional Office and Education Centre for S. E. Asia.

right: I.C.A. President and the Hon. Jagjivan Ram, Indian Minister of Food, Agriculture, Community Development and Cooperation.



COMPETING FOR CAPITAL

Problems of Cooperative Finance and Investment

by Paul Derrick

ONE of the essential differences between a cooperative society and a company is that a cooperative society is run in the interests of its members as producers or consumers whereas a company is run for the profit of its members as investors, for the profit of the people providing the capital. In a company all profits go, sooner or later, to the people holding the shares as a return on capital; but in a cooperative the return paid on capital is limited and surplus earnings are distributed in proportion to purchases of goods or services or in proportion to the value of goods supplied or work contributed. All payments to capital are treated as a cost.

This basic difference necessarily makes it difficult for cooperatives to raise capital in competition with companies. Companies are able to offer an unlimited return and the prospect of a substantial capital gain while cooperatives are only able to offer shareholders a limited return and no capital gain. Moreover the return on capital offered by cooperatives is traditionally limited to 5 per cent and is limited by law in many countries—for example, to 5 per cent in Italy & Ireland, to 6 per cent in France and Sweden and to $7\frac{1}{2}$ per cent in Britain.

Like any other enterprise a cooperative society raises capital in three basic ways. Firstly there is the society's own capital subscribed by members taking up shares either at the time of the society's formation or subsequently. Secondly there is the capital accumulated by the society out of its own earnings; and thirdly there is borrowed capital. No enterprise can afford to borrow too

large a proportion of its capital since the risks of lenders will be greater the higher the proportion of loan capital to total capital; and the price paid for borrowed capital will, as a result, be higher.

The Return on Capital

Cooperatives have found it increasingly difficult to raise capital in recent years partly because continuing inflation in most countries since the second world war has resulted in a world liquidity shortage and rising interest rates. World reserves as a proportion of world imports have been declining and are half as big as they were twenty years ago. Many countries have been compelled to adopt deflationary policies and raise interest rates in order to balance their external payments. Cooperators do not propose to join in the controversy about whether world liquidity should be increased by creating Special Drawing Rights on an adequate scale, by raising the price of gold or in some other way; but they can insist that increasing world liquidity is a matter of great urgency and that steps should be taken as soon as possible to reduce the need for high interest rates and deflationary policies. It is unconvincing to argue, as some bankers do, that high interest rates are simply the result of increasing demand for capital. High interest rates are clearly in some measure the consequence of a world liquidity shortage that is recognised by all and steps need to be taken as soon as possible to increase world reserves as a proportion of world imports.

So long as high interest rates persist,

however, cooperators will have to live with them; and they are bound to ask themselves whether they would be wise to seek an increase in the legal limit fixed in many countries on the return payable on cooperative shares. Although some cooperatives pay no interest at all upon share capital, many have found it necessary to pay the market rate on loan capital. As it is undesirable for societies to have too large a proportion of loan capital many may consider that it would be reasonable if cooperatives were allowed, in contemporary conditions, to pay a somewhat higher return on share capital.

As the ICA Commission on Principles said, if cooperative societies adjusted the upward limits of their interest rates to the levels set by long term changes in the capital market this would not be in contravention of cooperative principle. The Commission considered that increases in interest paid on shares in order to attract savings are legitimate, provided such increases are not too great; and also that there should be more flexibility in the application of the cooperative principle of a limited return on capital in industrial countries where the demand for capital has resulted in higher interest rates. It concluded that the adjustment of the rate of interest on shares by cooperatives to meet market conditions was in full conformity with cooperative principles. A higher rate of interest on share and loan capital makes some projects uneconomic; but cooperators may need to consider whether they would be wise to press their governments to allow a higher return on cooperative shares where a legal limit is set. The cooperative principle is not that the return paid on capital should be low or set at any particular rate; the cooperative

principle is that the return should be limited.

Withdrawable Shares

Another reason why it is also difficult for cooperatives to obtain adequate supplies of capital is that cooperative shares are usually either withdrawable at the option of the member or repayable at the option of the society, as in many agricultural societies. Withdrawable share capital may be withdrawn, on certain conditions, at any time and repayable shares are commonly repaid on retirement or when a member leaves a society. To break with these arrangements would make members less willing to take up shares and would probably lead to a reduction of share capital; the possibility of capital being withdrawn too easily is a source of weakness to cooperatives.

In companies, on the other hand, shares are normally freely transferable and are bought and sold on stock exchanges. Ordinary shares vary considerably in price and speculators can make huge profits; but preference shares issued by companies carry only a limited return in the same way as shares issued by cooperative societies and they do not vary very much in price. Even where it is legal for cooperatives to issue freely transferable shares they seldom do so, and this is because the cooperators do not wish voting power and control to pass into the hands of non-members as a result of share transfers.

The transfer of cooperative shares is permitted in some countries subject to restrictions; as for productive societies in Britain and for agricultural societies in most E.E.C. countries. In Australia cooperative shares are quoted on stock exchanges. In America agricultural cooperatives, particularly regional

cooperatives serving a large number of supply or marketing societies, often raise capital by the issue of preference shares carrying interest at 6 per cent. These preference shares are frequently issued in lieu of a cash patronage refund when earnings are ploughed back; and like the preference shares issued by companies they carry no voting power so long as dividends are maintained.

The difficulty about issuing preference shares or any kind of transferable share is, of course, the problem of voting power. Cooperators are unwilling that the cooperative principle of equal voting power should be in any way infringed or that voting power should pass into the hands of people not trading with a society. Yet companies commonly issue non-voting "A" shares and find it very useful to do so; and cooperators might well consider whether it would be useful if more cooperatives issued non-voting, transferable preference shares.

The economic strength of American agricultural cooperatives probably owes something to the issue of preference shares; and the issue of shares of this kind might help financing problems in developing countries where cooperatives commonly obtain a considerable part of their capital from public or semi-public sources. As it is undesirable for too large a proportion of the capital of any society to be loan capital, preference shares could be a useful instrument. Moreover their voting power could be very restricted indeed: for example they might carry voting power only if no return is paid over a number of years. Shares of this kind could contribute to a solution of the problem of maintaining the autonomy of cooperatives in developing countries where significant

amounts of share capital come from public sources.

Self Financing

The proportion of cooperative capital provided by the issue of shares to members, by the accumulation of surpluses and by borrowing varies considerably from one country to another, partly because of differences in tax and other legislation. In many countries cooperatives are at a disadvantage compared with companies with respect to self financing out of undistributed profits or accumulating capital out of income because of the exemption from Corporation Tax of dividends on purchases or patronage refund. The dividend on purchases paid by a consumers' cooperative is rightly regarded as a price rebate and a society can, if it wishes, make more accurate estimates of costs and sell to its members at lower prices instead of distributing a dividend on purchases at the end of the year. But the exemption of dividends on purchases from taxation necessarily encourages cooperatives to distribute more and to plough back less, since the tax liability of a society is less in proportion as it ploughs back less and distributes a higher dividend on purchases.

Companies, on the other hand, pay Corporation Tax on profits distributed in dividends on shares as well as on profits ploughed back and their tax liability in many countries is not reduced by distributing higher dividends and ploughing back less. Thus companies in Britain have a very powerful incentive to plough back earnings rather than to increase dividends because this reduces total tax liability. Companies are taxed on their trading profits at 42½ per cent; and, in addition, personal income tax is paid on earnings distri-

buted in dividends. As a result about 72 per cent of industrial investment is financed from undistributed company profits.

In Germany, on the other hand, companies pay Corporation Tax at a much higher rate on undistributed profits than on profits distributed in dividends and as a result German companies tend to distribute a higher proportion of earnings and to plough back less. Only about 20 per cent of industrial investment in Germany is now financed from undistributed profits.

In Britain in 1958 the Independent Commission set up to study the problems of the cooperative movement recommended British cooperatives to plough back a larger proportion of their earnings. They continue, however, to plough back a much smaller proportion than companies because they have a direct incentive to distribute rather than to plough back whereas companies often have a direct incentive to plough back rather than to distribute.

There is thus a strong case for tax concessions which will help cooperatives to accumulate capital out of income because the fact that the return paid on share capital by cooperatives is limited necessarily makes it harder for cooperatives to raise capital by the issue of shares than it is for companies to do so.

Over the last fifty years tax concessions extended to cooperatives in many countries have been withdrawn, and in most countries cooperatives are now taxed in much the same way as companies. In Britain the trading surpluses of cooperatives were exempt from taxation before 1933 on the ground that cooperatives were non-profit organisations; but private traders protested and today cooperatives pay Corporation Tax at the same rate as companies. One of

the few concessions now allowed in Britain is that cooperatives are allowed to deduct dividends—or “interest”—on shares before their profits are assessed for tax which means that a high proportion of share capital as against loan capital does not increase Corporation Tax liability as it does in the case of companies.

In Germany and Austria tax concessions enjoyed by cooperatives before the second world war have been withdrawn. In France tax concessions to cooperatives have been made conditional on burdensome restrictions on trading with non-members. However in most countries the dividends on purchases paid by consumers' societies are still rightly regarded as a price rebate and are exempt from tax. But we have seen that this exemption of dividends on purchases from taxation discourages cooperatives from ploughing back earnings. Hence cooperative movements might consider the possibility of allowing dividends on purchases or patronage refunds paid to members to be subject to Corporation Tax in return for being allowed to pay Corporation Tax at a reduced rate. The exemption of dividends on purchases from taxation may be logical; but it *does* discourage self-financing.

As cooperatives necessarily find it harder to raise capital by the issue of shares than do companies there is a clear case for allowing cooperatives to pay Corporation Tax at a lower rate than companies—as they still do in a number of countries such as Norway, Italy and Japan. In Canada cooperatives are exempt from taxation during their first three years in order to help them to accumulate capital out of income. If cooperative movements were to press governments to be allowed to pay Cor-

poration Tax at a reduced rate in return for agreeing to pay the tax on dividends on purchases, they would still be able to reduce their tax liability by charging lower prices and paying a lower dividend on purchases. Cooperatives are in the happy position of being able to avoid any tax that may be imposed on dividends on purchases simply by lowering their prices.

Cooperators in some countries have been campaigning *against* taxation being imposed on dividends on purchases; but they might consider whether it might be better to campaign *for* cooperatives to be allowed to pay tax at a reduced rate on their trading surpluses including dividends on purchases. If private traders said that this was unfair competition, the rejoinder could be that companies which limited the return that they paid on capital could *also* be allowed to pay tax at a reduced rate. A resolution demanding that cooperatives and companies paying a limited return on capital should pay Corporation Tax at a reduced rate was carried by the United Kingdom Cooperative Congress in 1966.

Alternatively cooperatives might even consider reducing tax liability to a minimum by selling at cost in the same way as Cooperative Supplies Depot of Ottawa Limited. This society sells goods to members at the price paid for them and members contribute to operating expenses through a special levy.

Cooperative Reserves

Cooperatives are also to some extent discouraged from ploughing back earnings to finance expansion by the fact that ploughing back does not lead to any increase in the value of shares held by members. The ploughing back of earnings by a company, on the other

hand, increases the value of assets and leads to higher share values. The shareholder is glad to make the capital gain which is often taxed at a relatively low rate when the share is sold; whereas if the money had been distributed in a higher dividend instead of being ploughed back he might have had to pay tax at a high rate.

In some countries cooperatives are required by law or by their rules to plough back a proportion of their earnings until their reserves reach a prescribed proportion of the value of share capital. This indicates that legislators recognise the tendency of cooperatives to plough back a smaller proportion of their earnings than do companies. Cooperative law in some countries, such as Germany, distinguishes between statutory reserves which are the inalienable property of the society and free reserves in which individual members may participate in some way and to some extent.

At the 23rd Congress of the ICA in Vienna it was proposed that the indivisibility of cooperative reserves should be incorporated in the cooperative statement of principles. To many cooperators it is a matter of principle that the residual assets of a cooperative society should *not* be distributed to members in the event of a winding up and that the reserves of societies do not belong to members. It is argued that it would be wrong to allow one generation of cooperators to benefit from the savings and sacrifices of an earlier generation, that funds saved by a society in its early years should not be distributed to the people who happen to be members a few decades later. It can also be argued that the non-participation of the members of a cooperative in its reserves or its residual assets reduces

the danger of members wishing to dissolve a society in order to share in its assets; and such participation in residual assets is forbidden by law in some countries for some kinds of cooperatives.

At the same time with some kinds of cooperatives, such as housing cooperatives, members may feel strongly that in the event of leaving they are entitled to share in the growth of the value of their society's assets during the period of their membership. In moving an amendment to the resolution on principles at the Vienna Congress Professor Lambert drew a clear distinction between "reserves" in which members should not be allowed to participate and "provisions"—or "free reserves"—in which it is legitimate for them to participate.

Insofar as share capital is easily withdrawable or repayable the existence of substantial indivisible reserves on which members have no claim is a source of strength to a cooperative. On the other hand the members of a cooperative may not be inclined to plough back earnings if they do not share in any way as individuals in the increase in asset values resulting from the ploughing back of earnings. Some cooperatives issue "bonus" shares or loan stock to members in respect of earnings ploughed back, that is they pay some part of the dividend on purchases or patronage refund or bonus on wages in shares or in loan stock instead of in cash. But it is important that such bonus shares should be issued in proportion to purchases or sales or wages and not, as in a company, in proportion to shares already held.

In some countries "bonus" shares are issued by companies to their shareholders without the shareholders having to pay any tax on them, whereas the issue of shares to workers involves the

payment of personal tax by the worker and a higher payment of corporation tax than would have been the case if a cash bonus had been paid on wages. It is important that cooperatives should not be discouraged by tax liability from issuing bonus shares to their members in respect of ploughed back earnings, just as it is important that cooperatives should not be discouraged by tax liability from raising capital by the issue of shares rather than by the issue of debentures or loan stock.

Cooperatives could be encouraged to plough back earnings if additions to their indivisible or statutory reserves were exempt from corporation tax on the ground that members do not gain in any way from the growth of such reserves. In Britain the Milk Marketing Board, a statutory body with functions similar to those of an agricultural marketing cooperative, has negotiated an agreement with the tax authorities which enables it to deduct allocations to indivisible reserves from its profits before they are assessed for tax.

Cooperators need to ask themselves to what extent shares should be issued to members in respect of ploughed back earnings and to what extent undistributed profits should be allocated to indivisible reserves. It may be that cooperatives would tend to plough back a significantly larger proportion of earnings if members believed they were likely to share to some extent in the increased value of assets or if tax concessions were made in respect of ploughed back earnings allocated to indivisible reserves.

Savings by Members

The issue of bonus shares to members of a cooperative society in respect of

ploughed back earnings is something very close to the investment by members of their personal savings in the shares of their society. In the one case saving as well as investment is undertaken by the society; in the other saving is undertaken by the members as individuals who invest their savings in their society.

In many consumers' cooperatives members commonly allow the dividends on purchases due to them to be saved for them by their society. This kind of saving by a society on behalf of its members may be positively encouraged by its rules so that the saving is not completely voluntary. In other cases, as in Britain, shares may be very easily withdrawable and a substantial part of savings made by a society on behalf of its members may be invested in government or other securities instead of in the society itself.

Some cooperatives operate special Savings Banks paying something approaching the market rate of interest, the actual rate depending upon the notice required for withdrawals. Many cooperatives issue Cooperative Development Bonds or similar securities intended primarily for members and repayable after a period of years. If the period is five years or so the interest may be significantly higher than that paid on deposits at savings banks or on members accounts. Sometimes a special bonus may be paid after a period of years.

In some countries, such as Sweden, pension funds are an important source of capital for cooperatives and these represent saving on behalf of employees rather than on behalf of members. In the French workers' productive societies many workers share in the residual earnings of the societies for which they

work without becoming members, and persuading additional workers to become members provides a useful potential source of capital.

In Sweden a savings scheme taking account of the fall in the value of money has been in operation since 1952; and some cooperators argue that the supply of capital available to cooperatives could be significantly increased if members could be assured that they were entitled to withdraw money of a value equivalent to the savings they had invested some years before. In some countries, such as France, small credit and thrift cooperatives are organised in association with consumers, agricultural, workers' productive and other cooperatives; and they provide a useful source of capital for the cooperatives with which they are associated.

In several countries, such as Switzerland and Holland, cooperatives raise capital without difficulty in the money market by the issue of debentures. The integration of national financial markets, as by the enlargement of the European Economic Community, would make it easier for cooperatives to raise capital in this kind of way. With adequate guarantees from cooperatives special companies could be formed to raise capital for cooperatives. Guarantees such as the additional liability attaching to the shares of some cooperatives with limited liability could help cooperatives to raise loan capital more easily.

Legislation was passed in Britain in 1967 to enable agricultural cooperatives to raise debenture capital as a floating charge against all assets in the same way as a company. In Germany a revolving credit system for the raising of loan

capital by cooperatives has been developed with some success. In general there is a trend towards greater centralisation in the raising of capital just as there is a trend towards greater centralisation in the investment of capital. A large organisation can generally raise capital more cheaply than a smaller one and for this reason closer financial cooperation is being developed between wholesale societies and retail ones.

Institutional Sources of Capital

In many countries cooperatives rely for an important part of their loan capital on their own cooperative banks and as these are run in the interests of borrowers the terms tend to be better than those offered by commercial banks. Very often cooperative banks receive some support from public funds, especially in the case of agricultural banks. In Germany there are several very strong cooperative banks, some catering mainly for agricultural cooperatives and others mainly for consumers' cooperatives. Cooperative banks may be associated with networks of cooperative credit societies and interest rates may be subsidised as in France. In Britain the agricultural cooperatives have been urging the government to establish an agricultural cooperative finance corporation in order to help finance the increasing turnover of agricultural cooperatives since farmers need most of their available capital for farming operations. In America agricultural cooperatives are very strong partly because federal funds have been made available to banks for cooperatives.

In India a network of cooperative banks has access to substantial public funds. But in developing countries generally the problem is often not only that of an adequate supply of capital

for the formation of cooperatives, but also managerial skill and experience to ensure that such capital is invested wisely.

In some countries, such as Germany and Austria, there has been substantial trade union investment in cooperative banks. In others, such as Sweden and the U.S.A., there has been large scale trade union investment in housing cooperatives. And in many countries, such as Sweden, Germany, Britain and the U.S.A., cooperative insurance societies and cooperative credit societies are an important source of investment funds.

In some countries cooperatives form subsidiary companies to help them finance their operations; and part of the capital for such subsidiaries may be put up by private companies. For example the Scottish Cooperative Wholesale Society recently joined with Associated British Foods to build a new flour mill which will produce more flour than Scottish cooperative societies alone would be able to sell. This permits full advantage to be taken of the economies of scale. Some of the subsidiaries of Sweden's KF are not wholly owned; and in Germany subsidiary companies may be formed for special purposes such as acquiring properties which are afterwards leased to cooperatives. In France a special society has been formed to borrow long term from public sources in order to finance the building of new stores.

In Germany agricultural cooperatives may join with individual farmers in financing an agricultural processing plant; and the processing company will pay a limited return on its capital and distribute any surplus earnings to members in proportion to trade in the same way as an agricultural processing co-

operative. In France commercial and industrial interests, which have much greater resources than agricultural co-operatives, have been threatening to dominate agricultural processing. The French Government has recently passed legislation authorising the formation of Sociétés d'Interet Mixte Agricole to which commercial interests may contribute as much as 70 per cent of the share capital with agricultural co-operatives holding the remaining 30 per cent but with the right of veto on certain important issues in spite of their minority holding. By this device the French Government hopes that agricultural co-operatives will be able to maintain a stake in agricultural processing in spite of their limited capital resources. The S.I.M.A. distribute their residual earnings in proportion to goods supplied or bought in the same way as agricultural co-operatives.

By forming subsidiary companies themselves or joining with private companies to achieve economies of scale, co-operatives in many countries have been trying to solve problems which have arisen from inadequate capital resources. The primary need is for legislation, and particularly tax legislation, which will make it easier for them to increase their share capital in spite of the limited return paid on that capital and also for legislation which will make it easier for them to accumulate capital out of earnings and encourage them to plough back earnings instead of distributing them.

As far as loan capital goes there are many possible sources; but perhaps the most interesting development during the next few years will be the further expansion of the operations of the International Cooperative Bank in Basle.

Agricultural co-operatives are in urgent need of capital, particularly in developing countries; and capital could be made available from international agencies and other sources *if only adequate guarantees could be given that it would be invested in economically viable projects*. If some new international co-operative organisation could ensure this, it could contribute to a significant increase in the rate of expansion of the world co-operative movement.

Cooperative Investment

The supply of an adequate amount of loan capital to the co-operative movement depends to a significant extent upon the confidence of individuals and institutions that it will be invested wisely and will bring them a return comparable to that obtainable by investing capital in other ways. Co-operators may sometimes find it difficult to think in terms of investing capital in such a way as to bring in the highest possible rate of return because of their consciousness of the basic co-operative principle that the return paid on capital should be limited.

Yet in respect of any investment project the highest possible rate of return on capital employed is simply another name for efficiency. There are other considerations to be taken into account when projects are assessed and feasibility studies are made; but the rate of return on capital employed is generally recognised to be the most important. If the capital resources of a co-operative society are so invested that the result will be greater efficiency the members of the society will benefit *not as investors* but rather through lower prices or higher earnings. The higher the return on capital employed which is achieved

by a cooperative society, the more the members will benefit either as consumers or as producers.

Calculating the rate of return on any particular investment project is a highly complicated business and some methods of investment appraisal are more sophisticated than others. The method known as Discounted Cash Flow involves complicated calculations but takes the time factor into account more effectively than traditional methods.

The Discounted Cash Flow or D.C.F. rate of return is the highest rate of return that a project can afford to pay, that is, the highest rate of interest at which money could be borrowed to finance a project with no profit and no loss at the end of the period of years to which estimates relate. If capital costs are more than the estimated D.C.F. rate of return a project will not be worth while even though it seems superficially attractive. Cooperators should take kindly to the D.C.F. method of appraisal for it treats capital as a *cost* and hence is in line with cooperative principles.

With any cooperative investment project the difference between the cost of capital on the one hand and the D.C.F. rate of return on the other is of direct benefit to members. In a consumers' society it will mean lower effective prices, in a workers' productive society higher earnings and in an agricultural marketing society bigger revenue from sales to members.

In investment appraisal by the D.C.F. method capital is a cost and the rate of return over and above the cost of capital is a return to members in lower prices or higher earnings. But sound investment appraisal depends not only on sophisticated methods but also on

the accuracy of estimates and on market research. When large sums are being invested much will depend upon the skill with which the project is appraised as well as upon the competence with which the society is managed. When retail cooperative societies invest in new supermarkets it is highly probable that they will need not only capital from their wholesale society but also skilled assistance in assessing whether the right site has been chosen and whether the probable growth of the market is such that there will be an adequate D.C.F. rate of return on the investment.

What Kind of Investment?

Cooperative societies are likely to find it easier to raise loan capital in proportion as they can convince those providing the capital that it will be invested wisely, that sophisticated methods of investment appraisal will be used and that the enterprise will be competently managed. Investment as such does not necessarily mean higher living standards. Unwise investment can mean heavy losses and lower living standards, and there may be investment in projects of a kind which a community is quite incapable of supporting. But apart from deciding whether a particular investment is sound and will bring an adequate D.C.F. rate of return on capital employed, cooperators have to decide what kind of investment they wish to make.

Wholesale consumer societies, for example, have to decide whether they think it wiser to invest their resources mainly in converting shops to self service and building new Supermarkets, Department Stores and Warehouses or whether they would be wiser to invest mainly in new productive activities.

Insofar as they invest in new productive enterprises, they have to choose between investing their limited resources in a large number of relatively small scale productive enterprises producing for the cooperative market or a smaller number of large scale enterprises producing for the open market as well as for retail cooperatives. In Britain the aim of consumers' cooperatives was originally conceived to be to supply themselves with as many as possible of the things that their members needed and the Cooperative Wholesale Society built or took over some two hundred factories. In Sweden, on the other hand, Kooperativa Forbundet invested in a smaller number of large scale enterprises with the avowed objective of breaking the monopoly power of certain private manufacturers. By selling on the open market as well as to its own societies, K.F. achieved significant economies of scale and was able to produce more efficiently than its competitors.

Investment planning by consumers' cooperatives in Europe in the future is likely to require more and more collaboration between wholesale societies in order to take full advantage of the economies of scale. Whether Britain and the Scandinavian countries join the Common Market or not, there should be more cooperation between European cooperative movements in investment planning. Euro-Co-op has already built a biscuit factory and a chocolate factory is to follow. Unless cooperatives can produce on an adequate scale they will not be able to produce as cheaply as their competitors and might as well not produce at all.

It is also important for agricultural cooperatives to produce on a adequate

scale. For example Indian and American cooperators have joined to build a large fertiliser plant in Gujerat instead of several smaller ones in different parts of India. If agricultural cooperatives produce farm implements or machinery they need to do it on a considerable scale. On the other hand there are many opportunities for small scale investment by cooperatives in developing countries which may more truly help to meet the real needs of the people than large scale investment in grandiose projects which a community cannot easily support.

It may be sound business sense for the Scottish Cooperative Wholesale to join with another enterprise in building a flour mill in order to take full advantage of the economies of scale; but it does not follow that it will always be wiser to invest in a larger project rather than a smaller one or even that the larger project is more likely to bring a higher D.C.F. rate of return. In many parts of Asia and Africa the investment of quite modest amounts of capital in relatively simple tools and skills can often do much more to meet the real needs of peoples than spectacular projects dreamed up by politicians—and bring a much higher D.C.F. return as well as a higher return in human happiness.

Cooperators should always remember that the basic purpose of investment by cooperatives is not to make a fortune for anyone, but rather to raise the living standards of ordinary people either as producers or as consumers. The soundness of a project is evaluated by estimating the probable return on capital employed but its purpose is to reduce prices for ordinary people or to increase their earnings.

COOPERATIVE PRODUCTION : STRUCTURAL CHANGE?

by L. W. v. d. Muijzenberg

*Resolution on the Agenda of the I.C.A.
23rd Congress (VIENNA):*

Congress urges the promotion of cooperative co-partnership in the productive undertakings of the consumers' cooperative movement, along with a justified decentralisation of the productive activities of the wholesale societies.

THE issue of the *Review of International Cooperation* for July 1967 contained an article entitled "Consumers as Producers" which discussed the value and significance of the above resolution from the Netherlands organisation "Association of Factories * on a Cooperative Basis".

There is no need to examine this article word by word, for it is based on British experience and, on matters of principle, it would not help the argument that I propose to develop. But a few general remarks might be useful.

There is no doubt that many enthusiastic cooperators in the past, in the Netherlands as in other countries, have

had to abandon courageous attempts to establish "production cooperatives" * or cooperative productive societies. Stiff competition has often meant that such attempts have ended in failure. Nevertheless since the "production cooperatives" of the Netherlands joined together in the A.B.C.—the "Association of Factories on a Cooperative Basis"—there have been no failures; and new factories have joined the association. The largest factory in the Association has 350 workers and annual sales of about £2 millions. On the other hand, during 1967 alone, some 2,439 large and small privately owned businesses in the Netherlands went bankrupt. All production cooperatives in the Netherlands

* The word "factory" is used in this article in the sense of a whole society or enterprise and does not merely refer to a single building. In the I.C.A. list of affiliated organisations, *Associatie van Bedrijven op Coöperatieve Grondslag* is translated as "Association of Enterprises on a Cooperative Basis". Workers' Productive Societies are described in this article as "production cooperatives".

that belong to the Association have long had full order books, even in years of recession, apart from minor fluctuations. Sometimes order books have been so full that the factories themselves have been unable to meet them.

We believe that our proposal expresses the spirit of our times just as the Rochdale pioneers, in building the cooperative movement in the middle of the nineteenth century, understood the spirit of their time. Today cooperators are only too eager to be regarded as "progressive"; but in fact the cooperative movement today tends to maintain conservative attitudes on social and economic issues.

In the factories and plants of our manufacturing and service cooperatives we try to make economic democracy more real and contribute thereby to the process of emancipating the workers by enabling them to participate in the management, administration and decision-making of their cooperatives. We know that many difficulties have to be overcome in winning the full and fruitful cooperation of the workers. In Western Europe interest in this problem has been growing recently and changes in this field are certainly on the way. It is not without significance that in countries such as the Netherlands delegations from the universities and semi-public institutions, with financial support from big companies, such as Philips, are visiting Yugoslavia to study the new socio-economic structure of their factories and to report on them in detail.

Basic Principles

The problems confronting different kinds of cooperatives differ in many ways and have their juridical, sociological, commercial and economic, technical, cultural and philosophical as-

pects; but the basic principle and chief characteristic of all cooperatives, the principle of democratic control, the second Principle in the recent I.C.A. statement, remains unchanged. All cooperatives are democratically controlled whether they are engaged in production, distribution, banking and credit or some other cooperative activity. The essential and definitive feature of all cooperative activity is its democratic character.

According to the recent I.C.A. Report on Cooperative Principles a cooperative is a union of individuals who join together to better their position, to achieve social and economic objectives which they cannot attain as individuals. But when individuals or groups join a cooperative to trade in articles that have not been produced by themselves, or when they avail themselves of the labour of others, they should not claim the name "cooperative", for to do so would clash with the spirit of the I.C.A. Principles which lay down the basic characteristics of cooperatives. So we have to ask ourselves earnestly on what grounds consumers' cooperative societies apply the name "cooperative" to the productive enterprises of their wholesale societies and speak of partnership. To examine this question we need to glance at history.

Historical Background

The pioneers of the world cooperative movement, in Britain about 1845, were calling for "social production" which was very progressive in the conditions of the time; and they therefore decided to form cooperative productive societies. But they realised that competition from private traders was likely to be tough and that assured and continuing markets

were of vital importance. They therefore formed consumers' cooperative societies which also helped to raise the capital necessary for establishing production cooperatives or workers' productive societies.

It was only in 1874 that the Secretary of the Cooperative Union expressed for the first time the view that consumers' cooperatives should undertake the production of the goods they sold *in their own shops*. With this the seed was planted and the foundation laid for the growing apart of the independent and democratically controlled production cooperatives and the enterprises of the consumers societies which also obtained their supplies from private enterprises.

The contrast with the successful consumers' societies was accentuated by the poor management of many of the production cooperatives and their disregard of important management rules and economic laws. The production cooperatives were mostly run by men from small workshops who had little experience in the management and administration of a large factory. Their enthusiasm was not enough to make up for their lack of business experience and they frequently ignored elementary business principles and economic circumstances. They were distinguished by a certain amateurism; but today a very different approach is needed in a world of huge industrial plants, automation and computers.

A production cooperative was in the nineteenth century—and is today—economically weaker and more vulnerable than a retail consumers' society. Production cooperatives require much heavier capital investment per worker employed than consumers' societies, and capital may be hard to get. Consumers'

cooperatives attract customers almost automatically, if they are well managed, through their dividend on purchases, and there is little risk in selling the necessities of life. The capital provided by members and retained dividends can meet the investment needs of a retail consumers' society, for the small savings of many members make up a substantial sum. But the capital needs of a production cooperative are greater per man employed; and sufficient capital cannot often be obtained from the savings of the relatively small number of working members. Private investors are unlikely to be interested for they see little profit in cooperatives; and it is often only by a stroke of luck that production cooperatives are able to obtain a plant in good working order. There is no doubt that consumer societies have also suffered severely from the difficulty of obtaining capital for expansion.

The Interests of the Consumer

A question of vital importance for the cooperative movement today is whether the productive enterprises of consumers' societies should be organised as semi-autonomous workers' copartnerships. This means a factory with democratic control of both, the workers of that factory and the consumer society which supplied the capital. The question is whether this arrangement for using the capital of consumers' cooperatives would or would not increase the efficiency of the productive undertakings, whether the semi-autonomous workers' productive societies would be able to produce at competitive prices.

It is not enough that the social status and position of the workers in an enterprise should be raised by production being organised on a partnership basis.

It has to be shown that production organised in this way is more efficient; and this is shown by the results of the factory, that is to say by the price at which it can deliver its product. The price at which producers are able to turn out their goods is of crucial interest to those on whom they depend for a living, that is the housewives with their shopping baskets.

Partnership has been valued in the past for effecting a favourable change in the attitudes of the workers towards the productive process; and today with the complexities of modern industry based on heavy investment it is still impossible to see the worker as a part of a machine or an instrument panel. The worker's intervention in the productive process has to be highly skilled to achieve economic production and the greatest possible efficiency. Moreover the worker has to call on his creative powers to devise improvements in the expensive processes of production. This acting on one's own responsibility to achieve optimum productive efficiency is not only needed at times of crisis. Attitudes have to be such that the workers are always willing to consider together all relevant circumstances and to take joint action. This kind of attitude cannot be achieved simply by paying higher wages, by reducing working hours, by providing longer holidays or by improving working conditions. The workers have to know that they are concerned with the achievements of the whole factory; not simply in a limited field but through the process of working together continuously as a team.

Social and Economic Reasons

One of the Principles of Cooperation is that the fruits of industry should be

divided among those whose work has produced them; and with production cooperatives this is a palpable reality, the surplus available for distribution being divided among them after allocations to reserve and investment and other costs. The mutual dependence and solidarity of producers, distributors and consumers, the concept from which the cooperative idea came, becomes once more a reality. The old slogan, "workers, work for each other" does not have to be abandoned for it has returned in a contemporary context.

Some may have their doubts because there may not seem to be a great deal of interest among workers in the partnership idea. But it is by no means easy to explain the complexities of economic relationships in a simple way. Thus it is necessary to give exact information on matters on which one can pass judgement; and general information about the management of a plant is needed before it can be controlled by everyone. Economic democracy is not a simple matter. It has to grow; but there has to be a beginning.

The management of a factory is not only a matter for specialists such as economists, engineers, sociologists and the like who know their own subject well; these people also have to be convinced that the workers have sufficient knowledge and sense of responsibility to be brought into the process of decision making and that they are, as human beings, entitled to be so involved. Yet this is the main difference between a production cooperative and a private firm; although even in some private firms serious efforts are made to apply the lessons of modern sociological thinking.

Democratic management is a lively process. The managers of several fac-

tories may get together for the joint consideration of common problems; and an exchange of experiences at such meetings may lead to new insights. This helps the firm to maintain its place in the market. But such collaboration is impossible for private concerns, except for trade associations, owing to the competitive struggle which we reject on grounds of principle.

Practical Possibilities for Consumer Cooperatives

Without necessarily providing for any kind of workers' participation in control, it would be possible to arrange for workers to share in the surplus earnings of the productive enterprises of both wholesale and retail consumers' societies. Even if we confine ourselves to the economic argument there are good grounds for such a division of surplus earnings: it will raise the productivity of labour because the workers will have an interest in producing as efficiently as possible. Some part of the fruits of such increased productivity can be distributed monthly as a bonus on wages or in savings stamps which can later be exchanged for shares or bonds in the society—along lines, that are well known to members of consumers' societies.

Another way of tackling the problem is to issue to workers bonds reflecting the ploughing back of earnings and the growth of the assets of the enterprise. When workers leave an enterprise or get into genuine financial difficulties it could be made possible for them to cash these bonds. When bonds are issued to workers in this way in respect of

ploughed back earnings the possession of a certain number of bonds can be made a qualification for voting in the election of the Board of the production cooperative.

Workers' participation in the profits of a cooperative factory and in investment in it may only be a first step towards participation in management itself; but it creates the possibility of participation in management being extended to the workers in the factory by mutual agreement.

The effective participation of workers in the control of a factory requires a certain decentralisation of productive work and division of responsibilities. Everyone today understands the economic value of decentralisation, how over-centralisation leads to bureaucracy and to lower efficiency and to losses. The modern trend is towards a certain autonomy in productive units. The further the decentralisation of the process of production develops, the more opportunity and need is there for effective partnership and joint decision making, not only from the point of view of labour but also from that of management. These trends are certainly of vital importance to the cooperative movement. In reviewing the problems facing the cooperative movement and the structural changes that are needed we must make preparations for fundamental changes in the way cooperatives undertake production. The production cooperatives will be only too happy to place their experience and insight at the disposal of the whole cooperative movement. Our resolution is a move in this direction.

CUBS OF THE GREAT BEAR

Jim Lotz *

CANADA officially discovered her north in 1953. On December 8th of that year, Mr. Louis St. Laurent, the Prime Minister of Canada, moving the second reading of a Bill to create the Department of Northern Affairs and National Resources admitted "we have administered these vast territories of the north in an almost continuous state of absence of mind". Canada's northland beyond the sixtieth parallel makes up about 40 per cent of the land surface of the nation and is divided into two territories—the Yukon and the Northwest Territories. Both areas are the direct responsibility of the federal government. The total population of both the territories (and this is a peak summer population and so includes many transients) totalled 43,120 in 1966. In 1961, of a total population of 37,626, Indians and Eskimos comprised 15,440.

Since 1953, the Canadian government has poured large sums of money into the north to "develop" it. The results have been strikingly similar to those associated with foreign aid programmes in so-called underdeveloped countries. The traditional peoples have been rescued from the worst hazards of life in a barren land; medical care, education and welfare services are provided for them. But their economic status is low. In 1963, the annual per capital income of Eskimos in the Northwest Territories was estimated at \$426, and that of the Indians at \$510; that of whites was estimated at \$2,922. The familiar pattern of a dual economy has grown up, with the traditional peoples becoming "outsiders" in the economic and social life. Not only do the traditional peoples in the Territories lack money they also have little say in decisions that affect their life and future.

** I want to express my appreciation of the first members of the Great Bear Cooperative whose stubbornness allowed the cooperative to survive and prosper—Mrs. Madeline Andre, Miss Ruth Andre, Mr. Andre Andre, Mrs. Madeline Bezha, Miss Sarah Cleary, Father Rene Fumoleau, o.m.i., Mrs. Dora Gully, Mr. Joe Kenny, Mr. George Kodakin, Mrs. Bella Modeste, Mrs. Ann Mulders, Mr. Gerard Mulders, Mr. Johnny Neyelly, Mrs. Rosie Sewi, Mr. Alfred Taneton. They lived this experience—I have only written it.*



The Great Bear Cooperative

The story of the Great Bear Cooperative at Fort Franklin, the first Indian cooperative in the Northwest Territories, illustrates many of the problems of socio-economic development in a remote, isolated, climatically severe region. It illustrates the difficulties that traditional peoples trying to establish systems of self-help must face—from assumptions about what they could do to sheer lack of business experience.

Fort Franklin lies at the western end of Great Bear Lake, where the trees meet the tundra, where the land meets the water, where the grey barren lands meet the green wooded valley of the Mackenzie. The settlement site was not selected by the Indians who live there now; a trading post was first opened there in 1805. Before 1950, the life of the Indians was nomadic. They hunted and trapped in the area around Fort Franklin, using the post as a base. In

1950, the Federal Government built a school there, and the Catholic Church established a mission. Instead of wandering over the land, the Indians began to settle at the fort. They began to lose their knowledge of the old ways without learning much about those of the new. They were freed from the need to live at the level the land dictated, and population rose rapidly. In 1960, the population of Fort Franklin numbered 248; seven years later it was 352. No more than ten planes a year came to the settlement and the people were continually in debt to the store. Fishing for subsistence, trapping for cash, and welfare payments made up the economic base of the community.

In the winter of 1960–61, a group of Indians attempted to break out the trap of limited opportunities. With a \$50.00 loan from the Catholic mission, they began to sell fish to a construction firm building an airport at a settlement on the Mackenzie River. At the end of the first week of operation, in February 1961, their books showed a profit of \$2.20. Then the construction job ended, after the crew had bought fish for \$613.

From the local Catholic priest, Father Fumoleau, they heard about the cooperatives among the Eskimos in the Canadian Arctic. The first problems associated with establishing a cooperative lay less with the abilities of the local Indians than with the barriers that the white men had erected in their own minds and in their own structures. The Indians wrote to the Department of Northern Affairs and National Resources for help but the results were nil. Then the Indians began to ship fish to Inuvik, at the mouth of the Mackenzie Delta. They were informed that this was forbidden by the Federal Department of Fisheries, since Great Bear Lake had no

“quota”. At the time of the order forbidding the export of fish, the Indian group had 3,000 pounds of fish on their hands. The government bought the fish and distributed it to people on relief at Fort Franklin and Fort Norman. Later the Indians were allowed to export their “domestic fishing surplus”, but only to a limited market. By now the Indians were interested in forming a cooperative. Various government officials informed them that Eskimos could form cooperatives, but not Indians, and that an Indian cooperative would not work.

The group began buying and selling handicrafts in September, 1961, and by the end of the year had sold \$132 worth. Quality was not as high as it became later and quantities limited, but the handicrafts brought new money into the community. By the end of 1962, fish and handicrafts had brought \$4,454.20 into the village. By mid-June, 1963, the group (still not officially organised into a cooperative) had brought \$7,916.20 to Fort Franklin. By this time the village was divided into a “co-op” and an “anti co-op” group; the poorest people expressed greatest interest in organising a cooperative.

First Indian Cooperative

In April, 1963, Indian Affairs officials visited the village. The school principal and the local Catholic priest (who had acted as manager of the group) helped the Indians to present their case. The federal officials agreed that a cooperative should be formed, and a cooperative development officer from the Department of Northern Affairs and National Resources in Inuvik came in after break-up to help to organise it. After a discussion, the group decided that the objectives of the cooperative would be:

- to bring improvement in living conditions;
- to develop an ambition for better living conditions;
- to bring greater opportunity for this improvement;
- to organise economic development;
- to allow the Indians to become increasingly self-supporting and independent members of the community.

They decided on three specific programmes—stimulating the production of fish, fur and handicrafts for sale, buying necessities in bulk from outside on a collective basis, and eliminating debts, advances and credit buying. On June 14th, 1963, 36 people gathered at the federal school and the cooperative came into official existence with the preparation of a Memorandum of Association. The Great Bear Cooperative was incorporated on July 15, 1963, with a maximum capital stock of 500 shares at a par value of \$10.

Since incorporation, the progress of the cooperative has been considerable. A sympathetic Hudson Bay Company manager helped a great deal, as did a new school principal who arrived in August 1963. With the latter's help, the Indian Affairs Branch agreed that if work was available, relief would not be issued. The market for handicrafts was widened, and some sold in the United States. Three parcels of samples went “astray” in the mail, and the co-op members learnt about postal insurance. Capital was short and skills lacking. But the members gradually learned how to handle the recurrent crises and put the cooperative on a firm footing. A short term loan from Indian Affairs Branch provided a financial basis for operations



Fort Franklin from the air



The fish camp

for a while, and more important, led to the opening of a bank account at Fort Smith, then the capital of the Territories. On January 31st, 1964, assets were \$4,398.28 and liabilities \$3,389.13. On March 13th, 1964, the first general meeting of the cooperative was held. Lack of working capital was the major problem. A system of coupons was devised for paying people for handicrafts; with the coupons, people could buy more handicraft material. The cooperative lost money and got shoddy goods from two fly-by-night supply firms, a project for establishing gardens never developed, handicrafts disappeared from show cases—these minor setbacks were serious to a struggling organisation.

In 1961, the settlement had been described as “certainly one of the most distressed areas in Canada”. The Indians in the cooperative by late 1964, were no longer depressed or distressed—but very determined. They wrote to their Territorial Councillor and to the Council of the Territories, outlining their problems and their need for capital. In their letter they wrote, proudly: “. . . our goal is not only to bring material results and more money into the settlement. It is to bring the betterment of people themselves . . . We think we have come a long way in the past few years. Pride in working is coming back. People start to learn the weight of responsibilities and also the joy of carrying them out . . . Through mutual effort and cooperation, the physical, economic, social and cultural environment has been improved. As it was said “The small people together are giants”, and we believe that the people in our village, and also in most villages of the North, are more able than we had ever thought . . .”

By the end of 1964, the cooperative had seventeen members. No attempts had been made to force people to join—it was hoped that, by example and education, the other village people would see the value of working together.

Money proved to be the major problem. And a full time manager was needed, and would have to be trained. Cut off from the outside world, without access to advice, guidance or technical assistance, infrequently visited by government officials and with many people in the village indifferent or sceptical of their efforts the members wrote to their Territorial Councillor on March 24th, 1965. They detailed their difficulties—absence of adult education services, the refusal of the Indian Affairs Branch to train a manager, and the impossibility of raising capital. The letter pointed out that Indians in another settlement were getting several thousand dollars a month in relief while “relief and rations” were unknown at Fort Franklin. Their long and impassioned letter ended with the plea “If no one wants to give us that help right now, please, never print again, never say again that the Government will **HELP THE PEOPLE WHO HELP THEMSELVES**”. In May 1965, the Department of Northern Affairs and National Resources informed the cooperative members that they would help them to train a manager.

At the June session of the Northwest Territories Council, a government official praised the cooperative which “was incorporated in 1963 with the minimum of assistance from outside sources, government or otherwise; that group has made tremendous strides in community development and organisation.” The Territorial Council Standing be-

hind the cooperative offered \$250.00 a month for the on-the-job training of a manager. The first manager stayed only two months, so, in September 1965, the cooperative hired a 24 year old Indian with grade 12 education. By this time, the cooperative had bought a tractor, a sawmill and a scow from Indian Affairs Branch. Unfortunately, the tractor was in poor condition. In the summer of 1965, the co-op ordered \$8,000 worth of groceries and they also managed to obtain a bank loan. The merchandise arrived in late September, and in November it was moved into a 24 x 18 log cabin. On merchandise bought from the store, cooperative members get a 4 per cent dividend at the end of each month. The store does not allow debts, but members can get an advance up to the amount of money they have invested in shares. The cooperative appointed a handicraft supervisor who keeps close check on the quality of the work. A primitive bookkeeping system has been improved four times and accounts are now kept in a 20 column journal.

Success comes at last

In December 1966, the cooperative had 38 members. During 1966, it sold merchandise worth \$34,168. Handicrafts brought in \$15,749. Firewood worth \$605 and fish worth \$589 were sold. The cooperative's equipment earned a surplus of \$2,738. In the fall of 1967, the cooperative began the operation of a tourist camp (two cabins called Sah-Tew Lodge) and a transient centre.

Since that time there has been steady progress. Retaining a manager has proved to be a problem. Early in 1967, Father Fumoleau, the Oblate missionary whose efforts and knowledge spurred on and sustained the cooper-

ative, took five months leave. On his return in the summer, he found that the manager had left and he had to manage the cooperative until a new one was found in September 1967. Talking to him in Ottawa in late June, 1967, I found him reluctant to commit himself to active involvement with the cooperative in the future. He wanted to get out of the management and stay out of it. The cooperative belonged to the local people, and they should run it, he said.

The cooperative at Fort Franklin seems to show, among other things, that government agencies may be less able to change and to adapt to new conditions than the people they are supposed to be developing. The Indians at Fort Franklin showed that, through the cooperative, they can meet the challenge of change, if given help, guidance, advice and money (in relatively small amounts and in the form of loans), and allowed to make their own mistakes. They had to learn about the new world of accounts and loans, merchandising and advertising, tourist promotion and handicraft production the hard way. But they learned.

It's a long way from the small store and a group of pioneers in Rochdale to a log cabin on the shores of a remote northern lake and a group of Indians trying to find ways to better their lot. But somehow the same spirit of resolution, the same belief that men can be masters of their own destiny, the same basic trust and belief in the potential of individual men and of men working for a common goal, has transcended the bounds of time and space and provided the members of the Great Bear Cooperative with a belief in their dignity and the tools to better their lot.

Dolls
made by the cooperative



Beaded moccasins

BOOK REVIEW

Towards a Cooperative World by G. Davidovic. Published by the Coady International Institute of St. Francis Xavier University, Antigonish, Nova Scotia, Canada, Price \$2.00

It is unusual for a reviewer to advise prospective readers to turn first to the last two pages of a book but for this book it is a "must". The Notes on the Author by an anonymous hand give a clue to his attitude towards totalitarian regimes of any kind and to Communism expressed in trenchant terms particularly in Part II where he deals with State-Cooperation Relationships. He mentions in his introduction the torrent of abusive words used by the Communists against him at the meeting of the Central Committee of the International Cooperative Alliance at Stockholm in 1961 and, as a fellow sufferer to a smaller degree from milder attacks at the I.C.A. Congress in Lausanne in 1960, this reviewer cannot but sympathise with his attitude towards those who seek to show that free cooperative movements on the lines of those in Western Europe and North America can flourish under totalitarian regimes.

The book with a Preface by the Rt. Rev. F. J. Smyth, D.P., Director of the Coady International Institute of the University of St. Francis Xavier, Antigonish, contains a series of lectures given to overseas students at the Institute from 1964 onwards in Mr. Davidovic's capacity as part-time Professor.

Part I deals with Cooperative Development and Policy. It contains information about the world cooperative movement and an interesting review of the activities of the I.C.A. together with an account of the I.C.A. membership policy, a delicate balancing feat in view of the stresses within the membership of the organisation.

In Part II there is an analysis of State-Cooperation Relationships much of which is historical. The relationship between Socialism and Cooperation is discussed at length and is summed up on page 72 with a quotation from G. J. Holyoake. Mr. Davidovic considers that the difference between the socialist and cooperative movements can be seen in the light of the final objectives. "The final victory of the socialist

movement will result in a considerable increase in the power of the State. People will then have to rely mainly on the State for the solution of their problems, and it will solve them all in a rather bureaucratic centralised and uniform way."

Experience in Britain over the last few years supports this view though no form of government can solve all the problems. Mr. Davidovic argues in contrast that the final victory of Cooperation will result in people being in a position to solve their problems all by themselves, all by cooperative action. It may be permissible to query the logic of his argument here. As a devoted cooperator he appreciates the undoubted benefits to be obtained by cooperative activity. He stresses that Cooperation is essentially an economic movement while Socialism is a political one. Yet there is a need to draw the distinction between economic and political action which Mr. Davidovic seems to have overlooked in his burning desire for what he calls Cooperativism, the Cooperative Commonwealth. The book is dedicated to the memory of the late Pandit Nehru, "the great citizen of the world and a great believer in a Cooperative Commonwealth". Mr. Davidovic has obviously been inspired by his thinking but, as shown in the part dealing with the I.C.A., political ideologies prevent the lion lying down happily with the lamb even in a fold with the imposing name of "Cooperative Commonwealth". You may drive out Nature with a pitchfork but it always comes back, a Latin tag remembered from far off school days. And did not Nehru himself have his blind spots?

Part II on The Emerging States and Cooperation quoting Nehru's conception of "State-Cooperation" is of particular interest to this reviewer and the four principles embodied in that conception should be studied by the "high ups" in Ministries responsible for cooperative development and by Registrars of Cooperative Societies and their staffs.

In Part III on Cooperation and International Politics he deals with the activities of the I.L.O. and later of the F.A.O. and UNESCO and then turns to cooperative promotion in the world by individual Governments instancing in particular

Britain and the United States. It gives some pleasure to this reviewer to quote the following on action by Britain—"And if Britain's image remained, as a rule, high in the eyes of the people in former colonial territories after they had gained independence this was due to no little extent to the work that British civil servants had done in the cooperative field—". Tribute is rightly paid to the Humphrey Amendment to the American Foreign Aid Act in which it was written—it is declared to be the policy of the United States—to encourage the development and the use of cooperatives, credit unions and saving and loan associations—". Mention is also made of supplementing international official action by the I.C.A. and its members. The establishment of a strong International Cooperative Bank is recommended and the 1965 F.A.O. report on agricultural credit through cooperatives and other credit institutions is criticised on the ground that the team concentrated on the shortcomings of cooperatives and showed little interest in the proposed bank. Mention is made of the International Cooperative Bank Co. Ltd. in Basle and of the recent increase in its capital.

In Part IV the role of Cooperation in the transformation of Man-Enterprise and of Man-Capital Relationships is examined and there is an explanation—not easy to follow—of how profit will be replaced by earned income as the supreme regulator in the economy when the cooperative economy acquires a decisive role in the economy as a whole.

Part V deals with cooperative action and social transformation and the formation of a particular social type, the Cooperator. Those who have spent much of their working lives dealing with self-seeking chairmen of committees, recalcitrant members in general meetings, loan

defaulters and incompetent secretaries in cooperative societies may perhaps be forgiven by the author if they have not often discovered this rare bird. The argument that material and social conditions are shaped by the cooperative spirit is re-inforced by examples from Switzerland, Denmark and Israel.

The last Part deals with the political impact of the cooperative philosophy. The essence of neutrality within the cooperative structure is accepted by Mr. Davidovic after criticisms of the decisions of the International Cooperative Congress in Paris in 1937. He is doubtful of the value of the Cooperative Party in Britain and he takes a sideways swipe at the Communists who remain bitter opponents of the principle of neutrality adding "They cannot do otherwise under the communist rule anyway". Mr. Davidovic ends on a hopeful note, "—of a world in which people and nations would merge with each other—form a beautiful whole—the cooperative world". This reviewer recalls marching in World War One to "Its a long way to Tipperary—but my hearts right there." Mr. Davidovic's heart is there all right, but there is a long, long way to go to that cooperative world.

This book, price two Canadian dollars, should be in all cooperative libraries. It contains valuable references to cooperative policies arrived at by the I.C.A. in the past and it discusses on broad lines many of the present problems, particularly that of State Cooperative relationships.

The students at the Coady Institute were fortunate in being served such a feast from so dedicated a Maître though it may be permissible to express a fear that, like the present reviewer, not all of them were able to digest all the rich food set before them.

B. J. Surridge

Publicity for

INTERNATIONAL CO-OPERATIVE DAY

On the first Saturday of July, co-operators throughout the world celebrate International Co-operative Day. A list of the wide range of posters, pelmets, flags, badges, and other material for the Co-operative Day celebrations is obtainable free of charge from the

CO-OPERATIVE UNION LTD.,

Holyoake House, Hanover Street, Manchester 4.

AFFILIATED ORGANISATIONS

- ALGERIA:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 6 et 8, rue du Cercle Militaire, Oran; also at - 21, rue Edgar Quinet, Algiers, and 9, rue Mathurin Régnier, 75 Paris 15.
- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires. Intercoop. Editora Cooperativa Limitada, Florida 32. Oficina 42, Buenos Aires. Asociación Argentina de Cooperativas y Mutualidades de Seguros, Belgrano 530, 5 Piso, Buenos Aires.
- AUSTRALIA:** Cooperative Federation of Australia, c/o. CWS of Queensland Limited Buildings, 50-54 Ferry Street, South Brisbane, Queensland.
- AUSTRIA:** "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, Vienna VI. Membership (1966): 467,800; turnover: consumers' societies: Sch. 3,624 mill.; wholesale (G.Ö.C.): Sch. 1,728 mill.; department stores: Sch. 637 mill.; own production: consumer societies: Sch. 431 mill.; G.Ö.C. and subsidiaries: Sch. 419 mill. Bank für Arbeit und Wirtschaft A/G, Seitzergasse 2-4, Vienna I. Zentralkasse der Konsumgenossenschaften, Theobaldgasse 19, Vienna VI. Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösendorferstrasse 7/11, Vienna I. 1966: Affiliated organisations: 315 (comprising 203 societies and 112 associations); membership 122,941; dwellings administered 266,061 (comprising 116,232 societies and 149,829 associations); balance at 1965: 30.3 milliard Sch. (divided as to societies Sch. 14.1, associations Sch. 16.2). Österreichischer Raiffeisenverband, Seilergasse 16, Vienna I.
- BELGIUM:** Société Générale Coopérative, 26-28 rue Haute, Brussels 1. Affiliated consumers' societies: 25; membership: 300,000; turnover (1963): Frs. 3,900 mill.; shops: 1,400; Wholesale society turnover (1963): Frs. 959 mill. Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151, rue Royale, Brussels 3. Premiums (1966): Frs. 1,903 mill.; reserves: Frs. 6 milliards; insurance funds, life: Frs. 20 milliards. Fédération Nationale des Coopératives Chrétiennes, 135, rue de la Loi, Brussels 4. (1967): 1,250 shops; turnover: Frs. 1,430 million; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 mill.; reserves: Frs. 1,300 mill. L'Economie Populaire, 30, rue des Champs, Ciney (Namur). Branches (1965): 444; membership: 85,200; turnover: Frs. 890 mill.; savings deposits: Frs. 511.5 mill.; capital and reserves: Frs. 111.5 mill. L'Institut Provincial de Coopération Agricole, 42, rue des Augustins, Liège.
- OPHACO** (Office des Pharmacies Coopératives de Belgique), 602, Chaussée de Mons, Anderlecht-Brussels. Union of 28 cooperative societies owning 360 pharmacies, 68 optical departments and counters, 7 drug stores, 14 wholesale depots. Turnover (1963): Frs. 1,250 mill. Surplus distributed to 400,000 members: Frs. 95 mill.
- BRAZIL:** Aliança Brasileira de Cooperativas (ABCOOP), Av. Presidente Wilson 210, Salas 914/914 A, Rio de Janeiro, G.B. Uniao Nacional das Associações de Cooperativas (UNASCO), Avenue Franklin Roosevelt, 126-Conj. 608, Rio de Janeiro.
- BULGARIA:** Central Cooperative Union, Rue Rakovski 103, Sofia.
- BURMA:** National Coöperative Council, 290-300, Lewis Street (2nd Floor), Rangoon.
- CANADA:** Cooperative Union of Canada, 111, Sparks Street, Ottawa 4, Ont. A federation of English-language cooperative organisations, organised in 1909. Conseil Canadien de la Coopération, 353 rue Dalhousie, Suite 205, Ottawa 2, Ont.
- CEYLON:** Cooperative Federation of Ceylon, Cooperative House, 455, Galle Road, Colombo 3.
- CHILE:** Federación Chilena de Cooperativas de Ahorro y Credito, Ltda., Dieciocho 246, Clasificador 760, Santiago de Chile. Cooperativa Sodimac Ltda., Cosilla 3110, Santiago de Chile.
- COLOMBIA:** Cooperativa Familiar de Medellín, Ltda., Calle 49, No. 52-49, Medellín.
- CYPRUS:** Cooperative Central Bank Ltd., P.O. Box 1447, Nicosia. Cyprus Turkish Cooperative Central Bank Ltd., P.O. Box 791, Nicosia. Vine Products Cooperative Marketing Union Ltd., P.O. Box 314, Limassol.
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, Tesnov 5, Prague I.
- DENMARK:** De samvirkende danske Andelskaber (Andelsudvalget), H. C. Andersens Boulevard 42, Copenhagen V. Representing 30 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 750,000 individual members. Turnover (1966): D.Kr. 16,372 mill. Det Kooperative Faellesforbund i Danmark, Frederiksborggade 50, Copenhagen S. Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprising: consumers', workers', artisans', productive and housing societies etc. Faellesforeningen for Danmarks Brugsforeninger (FDB), Roskildevej 65, Albertslund. Affiliated societies (1965): 1852; members: 716,000; turnover: 2,583 mill. D.Kr.; wholesale turnover: 1,453 mill. D.Kr.; own production: 405 mill. D.Kr.

DOMINICA: Dominica Credit Union League, 14, Turkey Lane, Roseau.

EGYPT: Société Coopérative des Pétroles, 94, Kasr El—Eini Street, Cairo.

EIRE: Irish Agricultural Organisation Society Ltd., *The Plunkett House, 84 Merrion Square, Dublin 2.* National Organising and Advisory Body for Agricultural Cooperatives. Affiliated societies: 339; membership: 121,000; turnover (1964): £ 106 mill. Cooperative Development Society Ltd., 35 Lower Gardiner Street, Dublin.

FINLAND: Suomen Osuuskappojen Keskuskunta (S.O.K.), *Vilhonkatu 7, Helsinki 10.* Affiliated societies (1967): 305; members: 535,136; wholesale turnover: Fmk. 1,259 million; own production of SOK: Fmk. 254 million.

Yleinen Osuuskappojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki 10.*

Affiliated societies (1967): 305; members: 535,136; turnover of societies: Fmk. 2,324 million; total production of the affiliated societies: Fmk. 44 mill.

Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki 10.*

Affiliated societies (1967): 88; members: 586,531; turnover: Fmk. 1,719 mill.; own production: Fmk. 267 mill.

Osuustukkukauppa (O.T.K.), P.O. Box 10120, *Helsinki 10.*

Affiliated societies (1967): 88; turnover: Fmk. 986.0 mill.; own production: Fmk. 310.3 mill.

Pellervo-Seura, Central Organisation of Farmers' Cooperatives, *Simonkatu 6, Helsinki K.*

Affiliated organisations (1963): 10 central organisations; 1,102 societies.

FRANCE: Fédération Nationale des Coopératives de Consommation, F.N.C.C., 89, rue la Boétie, 75 Paris VIII.

Affiliated societies (1964): 475; membership: 3,460,000; shops: 9,900; turnover: NF. 3,600 mill.

Société Générale des Coopératives de Consommation, 61 rue Boissière, 75 Paris XVI.

Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88, rue de Courcelles, 75 Paris VIII.

Confédération Générale des Sociétés Coopératives Ouvrières de Production, 88, rue de Courcelles, 75 Paris VIII.

Banque Coopérative des Sociétés Ouvrières de France, 88, rue de Courcelles, 75 Paris VIII.

Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, 129, Bd. St. Germain, 75 Paris VI.

Confédération Française de la Coopération Agricole, 18 Rue des Pyramides, 75 Paris 1er.

Caisse Nationale de Crédit Agricole, 91-93, Boulevard Pasteur, 75 Paris XV.

Fédération Nationale des Sociétés Coopératives

d'Habitations à Loyer Modéré, Foyer Coopératif, 17, rue Richelieu, 75 Paris 1er.

Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 31, ave. Pierre 1er de Serbie, 75 Paris XVI.

Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, 75 Paris VIII.

GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., *Besenbinderhof 52, (2) Hamburg 1.*

Affiliated societies (1964): 239; membership: 2,556,321; turnover: D.M. 3,540,742.4 mill.

Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., Besenbinderhof 52, (2) Hamburg 1.

Total turnover (1964): D.M. 1,900 mill.; own production: D.M. 570 mill.

Gesamtverband gemeinnütziger Wohnungsunternehmen, Breslauer Platz 4, (22c) Cologne.

"Alte Volksfürsorge", Gewerkschaftlich-Genossenschaftliche Lebensversicherungs A.G., An der Alster, (2) Hamburg 1.

Deutsche Sachversicherung "Eigenhilfe", Steinstrasse 27, (2) Hamburg 1.

GHANA: The Alliance of Ghana Cooperatives Ltd., Post Office Box 2068, Accra.

GREAT BRITAIN: Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester 4.*

Affiliated societies (1966): 680; membership: 13,065,402; retail societies' share capital: £ 237,599,848; retail sales: £ 1,107,930,027.

Co-operative Wholesale Society Ltd., 1, Ballboon Street, Manchester 4.

Affiliated societies (1965): 746; sales: £ 487,859,688; Bank turnover: £ 9,764,603,821; reserve and insurance funds: £ 40,791,711; total assets: £ 300,463,985.

Co-operative Insurance Society, Ltd., Miller Street, Manchester 4.

Assets (1964): £ 369 mill.

Scottish Co-operative Wholesale Society Ltd., 95, Morrison Street, Glasgow C. 5.

Affiliated societies (1964): 164; sales: £ 93,720,670; reserves and insurance funds: £ 8,417,093; total resources: £ 19,532,184.

Co-operative Permanent Building Society, New Oxford House, High Holborn, London, W.C. 1.

GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), 6, Othonos Street, Athens 118.

GUYANA: Guyana Cooperative Union Ltd., *Ministerial Buildings, High Street and Brickdam, Georgetown.*

HAITI (W.I.): Caisse Populaire Dominique Savio, 57, Rue Rigaud, Pétion-Ville.

HOLLAND: Coöperatieve Vereniging U.A., *Centrale der Nederlandse Verbruikcoöperaties, "CO-OP Nederland", Postbus 6008, Vierhavensstraat 40, Rotterdam 7.*

- Association of Enterprises on a Cooperative Basis, *Bloemgracht 29, Amsterdam.*
- HUNGARY:** Federation of Hungarian Cooperative Societies, *Szabadság 14, Budapest V.*
- ICELAND:** Samband Isl. Samvinnufélagi, *Reykjavik.*
- INDIA:** National Cooperative Union of India, *72 Jorbagh, New Delhi 3.*
- National Agricultural Cooperative Marketing Federation Ltd., *No. E-11 Defence Colony (Ring Road), New Delhi 3.*
- IRAN:** Cherkate Taavoni Masrafe Artèche (Army Consumers' Cooperative Society), *Avenue Sevvom Esfand, Rue Artèche, Teheran.*
- Credit and Housing Cooperative Society of Iran, *20-22 Shahabad Avenue, Teheran.*
- Central Organisation for Rural Cooperatives of Iran, *357 Pahlavi Avenue, Teheran.*
- ISRAEL:** General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv.*
- Affiliated societies and companies (1963): 1,855 in all branches.
- "Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, *44, Rothschild Bd., P.O. Box 75, Tel-Aviv.*
- "Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, *8 Kaplan Street, P.O.B. 209, Tel-Aviv.*
- Bank Zerubavel, *44, Rothschild Bd., Tel-Aviv.*
- ITALY:** Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome.*
- Confederazione Cooperativa Italiana, *Borgo Santo Spirito 78, Rome.*
- Associazione Generale delle Cooperative Italiane, *Via Milano 42, Rome.*
- IVORY COAST:** Centre National de la Coopération et de la Mutualité Agricoles, *B.P. 702, Abidjan.*
- JAMAICA:** Jamaica Cooperative Union, Ltd., *14-16 Barry Street, Kingston, W.I.*
- JAPAN:** Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Cooperative Union), *Tanra-Kaikan, 9 Ichigaya-Kawada-cho, Shinkjuku-ku, Tokyo.*
- Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Cooperatives), *5 1-chome Otemachi, Chiyoda-ku, Tokyo.*
- Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Cooperative Associations), *Shinchiyoda Building no. 14-19 3-chome, Nishishinbashi, Minato-ku, Tokyo.*
- JORDAN:** Jordan Cooperative Central Union Ltd., *P.O.B. 1343, Amman.*
- KENYA:** Kenya National Federation of Cooperatives Ltd., *P.O.B. 9768, Nairobi.*
- KOREA:** National Agricultural Cooperative Federation, *75, 1st Street, Chung-Jong-Ro, Sodaemun-ku, Seoul.*
- MALAYSIA:** Cooperative Union of Malaysia Ltd., *8, Holland Road, Kuala Lumpur.*
- Sarawak Cooperative Central Bank Ltd., *Kuching, Sarawak.*
- MALTA:** Farmers' Central Cooperative Society Ltd., *New Building, Middleman Street, Marsa.*
- MAURITIUS:** Mauritius Cooperative Union, *Cooperation House, Dumat Street, Port Louis.*
- MEXICO:** Confederación de Cooperativas de la República Mexicana, C.C.L., *Av. Cuauhtemoc 60, 5 Piso, Mexico 7, D.F.*
- NEW GUINEA:** Federation of Native Associations Ltd., *P.O.B. 152, Port Moresby, Papua.*
- NEW ZEALAND:** Hutt Valley Consumers' Cooperative Society Ltd., *P.O.B. 5006, Naenae.*
- NIGERIA:** Cooperative Union of Eastern Nigeria Ltd., *Cooperative Bank Buildings, Milverton Ave., Aba.*
- Cooperative Union of Western Nigeria Ltd., *c/o Cooperative Buildings, New Court Rd., Ibadan.*
- Lagos Cooperative Union Ltd., *Cooperative Office, 147, Broad Street, Lagos, W. Nigeria.*
- NORWAY:** Norges Kooperative Landsforening, *Kirkegaten 4, Oslo.*
- Affiliated societies (1965): 904; membership: 347,208; turnover of local societies: Kr. 2,171 mill.; of N.K.L.: Kr. 663 mill.
- BBL A/L Norske Boligbyggelags Landsforbund, *Trondheimsveien 84-86, Oslo.*
- PAKISTAN:** East Pakistan Cooperative Union, Ltd., *9/D-Motijheel Commercial Area, 8th floor, Dacca 2.*
- West Pakistan Cooperative Union, *5, Court Street, P.O.B. 905, Lahore 1.*
- Karachi Central Cooperative Bank, Ltd., *14, Laxmi Building, Bunder Road, Karachi 2.*
- Karachi Central Cooperative Consumers' Union, *Iqbal Market and Cold Storage, Soldier Bazar, Karachi.*
- Karachi Cooperative Housing Societies' Union, *Shaheed-e-Millat Road, Karachi 5.*
- Karachi Cooperative Union Ltd., *Cooperative House, Shaheed-e-Millat Road, Karachi 5.*
- Karachi Fishermen's Cooperative Purchase and Sales Society Ltd., *West Wharf Road, Karachi.*

- Sind Baluchistan Provincial Cooperative Bank, Ltd., *Provincial Cooperative Bank Bldg., Serai Road, P.O. Box 4705, Karachi 2.*
- Provincial Fishermen's Cooperative Society Ltd., *Iqbal Road, Patharghata, Post Box 27, Chittagong.*
- PHILIPPINES: Central Cooperative Exchange Inc., *P.O.B. 1968, Manila.*
- POLAND: Central Agricultural Union of "Peasant Self-Aid" Cooperatives, *Kopernika 30, Warsaw.*
Central Union of Building and Housing Cooperatives, *Ul. Jasna 1, Warsaw.*
"Spolem" - Union of Consumer Cooperatives, *Grazyny 13, Warsaw.*
Central Union of Work Cooperatives, *Surawia 47, Warsaw.*
- ROUMANIA: Uniunea Centrala a Cooperativelor de Consum "Centrocoop", *Str. Brezoianu 31, Bucharest.*
- SINGAPORE: Singapore Cooperative Union Ltd., *Post Box 366; Office and Library: 3-J/K Clifford House, Singapore 1.*
- SWEDEN: Kooperativa Förbundet, *Stockholm 15.*
Affiliated retail societies (1967): 275; membership: 1,404,000; total turnover of distributive societies: Kr. 6,050 mill., total turnover of K.F.: Kr. 4,623 mill. (Kr. 3,304 mill. sales to affiliated societies); K.F.'s own production: Kr. 2,053 mill., total capital (shares, reserves and surplus) of K.F. and affiliated retail societies: Kr. 1,160 mill.
Kooperativa Kvinnogillesförbundet, *Stockholm 15.*
Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund (H.S.B.), *Fleminggatan 41, Stockholm 18.*
Affiliated Building Societies: 150; with individual members: 280,000; number of flats administered by local societies: 250,000; value of real estate: 9,600 mill. Kr.
Svenska Riksbyggen, *Box 19028, Stockholm 19.*
Folksam Insurance Group, *Folksam Building, Stockholm 20.*
Sveriges Lantbruksförbund, *Klara Östra, Kyrkogata 12, Stockholm 1.*
- SWITZERLAND: Verband schweiz. Konsumvereine (V.S.K.), *Thiersteinerallee 14, 4002 Basle.*
Affiliated societies (1964): 505; shops: 3,200; membership: 780,000; retail turnover of affiliated societies: Frs. 1,700 mill.; wholesale turnover: Frs. 1,100 mill.
Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), *Schaffhauserstrasse 6, Winterthur.*
Verband sozialer Baubetriebe, *c/o SBHV, Sihlpostfach, Zurich.*
Genossenschaftliche Zentralbank, *Aeschenvorstadt 71, Basle.*
COOP Lebensversicherungs-Genossenschaft *Basel, Aeschenvorstadt 67, Basle.*
- TANZANIA: Cooperative Union of Tanganyika Ltd., *Avalon House, P.O. Box 2567, Dar-es-Salaam.*
- TUNISIA: El Ittihad, *16, Avenue de Carthage, Tunis.*
- UGANDA: Uganda Cooperative Alliance, *P.O.B. 2215, Kampala.*
- U.S.A.: Cooperative League of the U.S.A., *59, East Van Buren Street, Chicago, Ill. (60605), and 1012, 14th Street, N.W., Washington 5, D.C.*
- U.S.S.R.: Central Union of Consumers' Cooperative Societies of the U.S.S.R. and RSFSR, "Centrosoyus", *Tcherkassky per no. 15, Moscow.*
Consumers' societies (1967): 16,489; members: 55 mill.; shops: 356,700.
- YUGOSLAVIA: Glavni Zadruzni Savez FNRJ, *Terazije 23/VI, Belgrade.*
- ZAMBIA: Eastern Province Cooperative Marketing Assoc. Ltd., *P.O.B. 108, Fort Jameson.*

INTERNATIONAL ORGANISATIONS

Organisation of the Cooperatives of America, *G.P.O.Box 4103, San Juan, Puerto Rico 00936.*

Nordisk Andelsforbund (Scandinavia), *3 Axelortv, Copenhagen V, Denmark.*

International Cooperative Bank Co. Ltd., *Aeschenvorstadt 75, P.O.B. 348, CH 4002 Basle, Switzerland.*

International Cooperative Petroleum Association, *11 West 42nd Street, New York, N.Y. 10036, U.S.A.*

Sociedad Interamericana de Desarrollo de Financiamiento Cooperativo, *1012, 14th Street, N.W., Room 1401, Washington D.C., U.S.A.*

Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

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Declaration of the I.C.A.

THE INTERNATIONAL COOPERATIVE ALLIANCE, addressing its Affiliated Organisations, comprising over 224 million members in 61 countries, on the occasion of the 46th International Cooperative Day :

- URGES ONCE AGAIN all forces for peace throughout the world to strive for world peace and disarmament under an effective system of international control;
- ASKS cooperators throughout the world to further all activities aiming at greater recognition and full enjoyment of the fundamental freedom and equality of all individuals and to campaign for human rights everywhere;
- REAFFIRMS its belief in the work of the *United Nations* and asks its member organisations to participate in the tasks allotted to regional and international agencies by the *United Nations*;
- REMINDS all cooperative organisations, which are already making contributions to *World Literacy*, that in the world as a whole, four out of ten human beings are as yet untouched by literacy, and are thus unable to understand the forces that bring about the achievement of better living for the millions;
- DECLARES that it is at one with the General Assembly of the *United Nations* on the twentieth anniversary of the signing of the *Universal Declaration of Human Rights*; and
- STRESSES that *UNESCO's* efforts to promote literacy will only be carried through by the determined policies of governments, by international action, and by active collaboration of common men and women in all countries; and
- URGES that all cooperative organisations should work together in every practical way at local, regional, national and international levels to help expand international trade, provide technical assistance, and generally support all constructive efforts to promote economic development and increase the standard of living throughout the world.

THE RAINBOW FLAG

ITS ORIGIN AND SYMBOLISM

AT the end of the rainbow, says an old fable, one will find a pot of gold. A piece of pure fantasy that has given rise to the English expression "rainbow-chaser"—one who wastes his time on will-o'-the-wisp schemes, convinced that one day the impossible will happen. But as with all fables, the real truth—that toil and effort finally bring their reward—is clothed in allegory.

The literature of the world in fact is rich in metaphorical allusions to the rainbow as a source of encouragement and a fountain of promise. Man has seen it as a symbol of hope, a harbinger of peace, and in its exquisite multi-coloured pattern has sensed an ultimate, all-pervading harmony.

What more fitting and appropriate emblem, then, than the rainbow-patterned flag could have been chosen to symbolise to the world the aims and ideals of the international Cooperative Movement? For like the rainbow itself, Cooperation brings hope to the depressed, achieves harmony among diverse interests and offers the promise of an ultimate and universal peace. And when this year—the forty-third since it was first unfurled to the world as the standard of a true internationalism in which no creed, colour or race stands exalted above another—the flag flies high, it will, despite the political gulfs that separate nations today, command the allegiance of a growing number of the world's millions.

Historical Background

It was at Ghent in 1923 that the I.C.A. Executive first agreed that the Alliance should have a flag, whose device should be the seven colours of the spectrum. A similar suggestion had been made as early as 1896 by F. Bernardot, a delegate from the Familistère de Guise to the Second Congress of the Alliance held in Paris. No further steps were taken, however, but the idea was kept alive by that great French Cooperator, Charles Gide, who in a prophetic passage in his essay, "The Twelve Virtues of Cooperation", had already written:

"It is not only the abolition of economic and commercial conflicts, but those of a political and military character, for which Cooperation will pave the way. This was the aim of the economists of the Liberal School, the School of Manchester. These economists had proclaimed the reign of free exchange, and, as a logical result, of peace. But both are further away than ever Well, it is another School, which also originated near Manchester, that has now taken up the same dream, to unite all men of goodwill throughout the world. And where the great traders of Manchester failed, the humbler workers of Rochdale will succeed. The I.C.A., their new-born daughter, will have its flag, the colours of which will be the seven colours of the spectrum, denoting, like that of the Phalansterians, Diversity

in Unity. And instead of eagles, lions, leopards, and all that menagerie of wild beasts which serve as the emblems of so-called "civilised" states, the flag of the Alliance will bear as its arms, two clasped hands".

Though for thirty years Gide did more than anyone else to keep the idea alive, he took care to point out that the original conception of the rainbow flag had emanated from that strange genius and precursor of Cooperation in France, Charles Fourier, who had adopted it for his ideal community, the Phalanstere, as a token of Diversity in Unity. After Fourier's death in 1837, the tradition of the rainbow emblem was maintained year after year when his disciples met. Although their meetings were inevitably interrupted for a period under the Second Empire, it was revived immediately they could be resumed in 1865.

When Gide proposed the adoption of a flag in 1923, he also suggested, because of the technical difficulty of reproducing the spectrum exactly, that the seven bands of colour should be superimposed on a white background, and a star should be added as an emblem. And this in fact was the pattern of the I.C.A. flag that first appeared in public at the International Cooperative Exhibition and the I.C.A. Congress at Ghent in 1924. In the following year, however, the Executive Committee adopted the present pattern, the seven colours of the rainbow (red, orange, yellow, green, blue, indigo and violet) in horizontal stripes.

Such is the historical background of the flag which on International Cooperative Day will be saluted by followers in more countries of the world than ever was the standard of the greatest empire that has ever existed.

An Authoritative Voice

Never was it so urgent as it is today that the flag which epitomises the collective aspirations of 224,000,000 people should be simultaneously unfurled throughout the length and breadth of the world. Countless men and women are denied their elementary freedoms; frontiers seal off whole peoples from their neighbours and stem the flow of information and commerce; xenophobia and suspicious fears emasculate man's noblest instincts; conflicting ideologies set members of even the same community against each other; the frenzied search for ever greater and more powerful weapons of destruction depresses the living standards of more favoured countries and prevents the introduction of vast schemes of development to improve the lot of the backward peoples.

Wherever the flag of International Cooperation flies, man can take hope that these conditions need not endure forever. Drawing inspiration from the achievements of a single century, cooperators can look forward with slowly increasing confidence to an era when, through their collective efforts the right of every man or woman to live his or her life under conditions of personal freedom, social and economic justice and enduring peace will be more firmly established. Wielding greater economic power than ever before in their history, represented in the Council of the United Nations, their advice sought by National Governments, cooperators can now speak with a voice of authority which, had it fallen on the ears of Rochdale's humble pioneers, would have sounded like the fanfare to the millennium.

* * *

I.C.A. EXECUTIVE MEETING IN WARSAW HELD ON 4TH AND 5TH MAY, 1968

THE I.C.A. Executive Committee met in Warsaw, Poland, on 4th and 5th May at the kind invitation of the Central Agricultural Union of "Peasant Self-Aid" Cooperatives, preceded as usual by meetings of the Executive and Technical Assistance Sub-Committees. Dr. M. Bonow (Sweden), the President, was in the chair.

Staff Changes in the I.C.A.

Director

The Executive unanimously approved a recommendation to the Central Committee to appoint Dr. S. K. Saxena as Director of the I.C.A. in succession to Mr. W. G. Alexander, with effect from 1st October, 1968, and as Director-Designate with effect from 1st August, 1968.

Dr. Saxena is at present Regional Officer for South-East Asia. He began working with the I.C.A. Regional Office and Education Centre from 1959 when he was responsible for drawing up the framework of the regional project. Until 1961 he was with the Education Centre in New Delhi and since then he has been Regional Officer. When the Regional Office and Education Centre for South-East Asia were brought under unified control, he became responsible for the overall direction of the activities in the region.

Aged 42, Dr. Saxena is married with two children. He holds an Economics Degree from the University of Agra, India, a Social Science Degree from the Institute of Social Studies, The Hague, The Netherlands, and a Doctorate of



Philosophy in Economics in the field of Industrial Relations from the Municipal University of Amsterdam. He has attended Seminars in Salzburg, Austria; Oxford, United Kingdom; Lund, Sweden and has written many papers and booklets on a wide range of cooperative topics.

Secretary for Education and Technical Assistance

The Executive approved the appointment of Dr. Ladislav Sieber as Secretary for Education and Technical Assistance in succession to Mr. R. P. B. Davies, who was appointed Secretary for Administration in February. Dr. Sieber is Assistant Director of the Cooperative College at Jiloviste, Prague, Czechoslovakia, where he is responsible for organising and supervising educational and training schemes and has particular responsibility for students from Asian and African developing countries. Before his appointment as Assistant Director of the Cooperative College, Dr. Sieber was for three years Liaison Officer in the International Relations Department of the Central Cooperative Council of Czechoslovakia with responsibility for relations with the Eng-

lish and French speaking countries and with the International Cooperative Alliance. He was then appointed Sub-Editor of Svépomoc, the Publishing House of the Central Cooperative Council. From 1961/66 he was Education Officer with the Central Cooperative Council. Dr. Sieber is 44 years of age, married with four children. He holds a Doctorate in Law from the Faculty of Law, Charles University, Prague, and speaks Czech, Slovak, English, French and German. He will take up his position at the beginning of July, 1968.

I.C.A. Office in East Africa

The Executive gave approval for the planning of an I.C.A. Office in East and Central Africa. During the visit of the President of the Alliance, Dr. Mauritz Bonow, and the Director, Mr. W. G. Alexander, to East Africa, early this year, discussion had taken place with responsible officials of national cooperative organisations and Government Departments for Cooperative Development in Uganda, Tanzania and Kenya. All the national cooperative organisations, as well as the African Cooperative Alliance, through its Secretary, Mr. W. R. Kapinga, agreed that it would be desirable to take advantage of the present economic grouping of Kenya, Tanzania and Uganda, to start some cooperative activity above the national level. The Government Departments of the three countries also expressed their approval. The plans will now go before the I.C.A. Central Committee.

Latin America

The I.C.A. will support a Cooperative Integration Institute for Latin America. This Institute will be concerned with

recommendations for structural changes designed to strengthen the cooperative movements in the Latin American countries. Its Board of Direction will be responsible to the Organization of the Cooperatives of America.

Structure of the I.C.A.

Thorough discussion took place on the draft paper prepared by the Director of the I.C.A. on its Structure, including a review of the comments and suggestions received from Member Organisations, Auxiliary Committees and International Organisations. The suggestions would be taken into account in the preparation of a revised paper for submission to the Central Committee meeting in September 1968.

I.C.A. Activities within the United Nations Agencies

The Executive heard reports of activities of the I.C.A. within the United Nations Agencies—ILO, FAO, UNESCO, UNCTAD, ECOSOC and ECE. Support was approved for a proposed office in Rome with the FAO, ILO, ICA and IFAP and the ICA's commitment would be to appoint the Agricultural Secretary as a member of any Liaison Committee to be set up. The ICA will give financial support from the Development Fund to the FAO's survey on "International Finance for Agricultural Cooperatives" if it should not be possible to obtain funds from the United Nations Development Programme for this survey.

Human Rights Year

The I.C.A. had been represented in the Committee set up by Non-Governmental Organisations to prepare a draft document on Human Rights and it was

agreed that this subject should be brought before the Central Committee at its meeting in September.

Applications for Membership

The following organisations were admitted to membership of the Alliance: National Federation of Producers' Cooperatives (OKISZ), Hungary, subject to certain queries being satisfactorily resolved;

Cooperativa SODIMAC Limitada, Chile (this is a Consumers' Cooperative formed primarily to sell material intended for the construction industries).

An application for membership from the Instituto Movilizador de Fondos Cooperativos, Argentina, was not approved.

Central Committee Meeting in 1968

By invitation of the Scottish Cooperative Wholesale Society, the Central Committee Meeting will be held in Glasgow on 5th, 6th and 7th September 1968. The Auxiliary Committees and Sub-Committees will meet prior to the Central Committee.

Congress in 1969

The 24th Congress of the I.C.A. will be held in the Town Hall, Hamburg, from 1st to 4th September, 1969, preceded by Conferences called by the Auxiliary Committees. The subject of the Press Conference was agreed as "How can the Cooperative Press become an Effective Mass Medium for Cooperators, and What Principles should guide it in deciding its Choice of Information and the Extent of its Exclusiveness for Cooperation?"

75th Anniversary of the I.C.A. in 1970

Approval was given for the preparation of a brochure about the I.C.A. with emphasis on the future activities and development of the Alliance. It was also agreed to consider publication in English and French of the book written in German by Mr. W. P. Watkins, former Director of the Alliance, on the History of the I.C.A.

Whilst at Warsaw, members of the Executive Committee were received by the Deputy Prime Minister of Poland.

W. G. A.

A MAN CONQUERS POVERTY

by

Franz Braumann

On the 30th March, representatives from many countries gathered at the Raiffeisen Memorial in Neuwied in the Rhineland to mark the 150th anniversary of Friedrich Wilhelm Raiffeisen's birth. Speaking on this occasion, Dr. Theodor Sonnemann, President of the German Raiffeisenverband, related how, out of Raiffeisen's experience of the poverty in the district which he administered as mayor grew his idea of self-help through cooperation, an idea which was to become a practical reality largely through his faith—for Raiffeisen was a deeply religious man—which gave him the power to persuade men to trust one another and venture along new paths. To mark the 150th anniversary we have pleasure in reproducing in a shortened version the story of Raiffeisen's life and work as told by Franz Braumann.

Ed.

A book with the same title by Franz Braumann is published by CUNA International Inc., 1617 Sherman Avenue, Box 431, Madison, Wisconsin 53701, U.S.A.



FRIEDRICH WILHELM RAIFFEISEN

(Drawing by Max Bletschacher)

THE winter of 1845-6 brought great hardship to the peasants and small farmers of the German Rhineland. The sheaves of corn sprouted in the fields and the potatoes rotted in the ground. People wandered from village to village in search of food and such cattle as they had left were mortgaged to the money-lender.

In the remote village of Weyerbusch in the Westerwald, young Mayor Raiffeisen struggled to help his people, appalled at the gaunt faces he saw around him and the thin herb broth which was all there was to eat. But it was a hard struggle; he was unwelcome and regarded with suspicion in a district long left to fend for itself by the authorities in Koblenz. His appeals to the *Landrat* for

help at first went unanswered, but when ultimately the government agreed to send flour from its store, there was a condition attached to its distribution. "Only to those who can pay" said the order. To Raiffeisen such action was impossible; it went against his conscience. Those in greatest need could not pay, for their savings had been swallowed up by the moneylender. The Mayor found a way out of the difficulty; the better-off folk in Weyerbusch must help their poorer neighbours. He persuaded them to form a "Bread Union", and together they built a small bakehouse and installed a baker from a neighbouring village. The Bread Union paid for those who had no money on the understanding that they would repay at harvest time. Never before had Weyerbusch baked its own bread and saved the traders' profit.

Raiffeisen knew the relief was only temporary. What was to happen when the first consignment of flour was exhausted? Some more permanent way must be found for the people to help themselves. Out walking in the forest one day, he realised how it could be done—people must work together, as they had done to build the bakehouse and the new school in Weyerbusch.

Calling his council together, the young Mayor proposed that a "Poor People's Committee" should be formed through which a loan could be raised for which they would be jointly responsible. With this they could buy more flour and seed potatoes. At first there was great opposition. The council would not hear of a loan—had they not seen enough of the usurer's methods to be wary? But the loan would not be from the usurer; it would be raised out of their own resources and those of their better-off neighbours. "We must

just trust each other", Raiffeisen said

From that time on, Raiffeisen had won over his people. They trusted him and were willing to put his ideas to the test: ideas quite new and revolutionary for country folk.

The end of the following year found the Weyerbusch folk happier and better off than in other communes in the Rhineland. Mayor Raiffeisen's fame was spreading and even the *Landrat* was taking notice.

On his appointment as Mayor of the Commune of Flammersfeld, a larger district in the Westerwald, Raiffeisen had more scope for his energies and ideas. Always he sought for ways in which the people could be persuaded to better themselves by their own efforts. First there had been the new school in Weyerbusch, then the bakehouse, both built by villagers themselves. Now in Flammersfeld, Raiffeisen, who had had some engineering training, planned a new road to the nearest town, built with labour from the surrounding villages; to combat the inertia of the long winter, he started cottage industries; and then—the first credit society.

Ever since the early Weyerbusch days Raiffeisen had been familiar with the tragedy of the forced sale of farms to the moneylender at a fraction of their real value to meet debts and accumulated interest at extortionate rates. Here, he realised, lay the root cause of the widespread poverty: credit, or cattle, provided by the moneylender—at a price; a price which rose with each spring and had to be paid with each harvest, until the moneylender foreclosed.

Raiffeisen set about finding a solution to this problem. He persuaded sixty of the better-off folk in Flammersfeld to join together in founding the

"Flammersfeld Self-Help Union", and on their joint security he borrowed 2,000 thalers from a bank in Cologne. With this sum cattle were redeemed from the moneylenders and credit from the Union tided the people over to harvest time. So successful was this effort that within two years the moneylenders in Flammersfeld had gone out of business and departed.

In 1852, Raiffeisen was again moved to a larger district, Heddesdorf near Neuwied. Here again he formed a self-help organisation and tried to extend its activities to include social work such as the care of orphans, released prisoners and other needy folk. But gradually people lost interest; first one good work and then another had to be abandoned, and the Union was on the verge of liquidation. Once again, at his wits' end, Raiffeisen sought inspiration in his native hills: once again, he found the answer. Those who asked for help must also share the responsibility of providing it; they also must be members of the Union. "Each for all and all for each" must be the motto.

Thus the Raiffeisen system of credit banks came into being, a system which would one day encircle the world.

While he was Mayor of Flammersfeld, Raiffeisen's sympathy for his fellowmen was put to further tests. In the Neuwied district there was an outbreak of typhus. The Mayor felt it his duty to go from house to house doing what he could to help the sick. Although the fever passed him by, he collapsed from nervous strain and his always poor eyesight finally broke down. He became dependent on his clerk to read every letter and guide his hand when he signed any document. The authorities considered him no longer fit to carry out his duties as Mayor and he was retired. He was bare-

ly 47 years old, a time when a man's work should be showing results.

Now, said his friends, he would be free to devote himself entirely to his life's work—the expansion of the self-help credit unions. But how was he to make a living since his work for the poor and needy brought him in no money? His wife had died while he was ill and his eldest daughter, Amalie, ran the house and looked after the other three children.

Raiffeisen's first attempt to earn a living by investing in a small cigar factory in Neuwied proved a failure. He next started a wine business, hoping to break the monopoly of the wholesale merchants. This time, with the help of his daughter Amalie his business prospered and brought in sufficient to keep the family.

But gradually the credit unions were absorbing more of his time. Many visitors began to come to the house in Neuwied, first from the surrounding countryside and then from further afield, asking for Raiffeisen's advice and guidance in forming self-help societies. It was noted in government circles what the credit unions could do to alleviate the hardship of the poor, and Raiffeisen received many invitations to explain his system. Accompanied by his daughter, he visited other districts in the Rhineland, in Bavaria and in Alsace to talk to the town clerks and the mayors, to the farmers and the labourers and help them to form credit unions. But his greatest appeal was to the small folk and those who were attracted to an idea founded on love of one's neighbour and the exclusion of profit. So great was the interest that, at his friends' suggestion, Raiffeisen dictated to his daughter the story of how the credit unions had come into being, giving the rules which he

had drawn up for their constitution and management. The book was published in 1866 under the title "Credit Unions as a Remedy for the Poverty of Rural and Industrial Workers and Artisans."

With the expansion of the credit unions, funds were building up. Realising that more money was available than would be taken up in loans, Raiffeisen suggested that all the unions should combine to form an umbrella organisation—a cooperative bank—to administer the funds to the best advantage for the members' benefit. He hoped to offer insurance as well as credit and banking services.

Although at first there was opposition to the centralisation of administration, in 1869 the first Central Credit Union was formed in Neuwied by the local credit unions, to be followed five years later by the General Agricultural Bank.

Throughout Germany there were over a hundred credit unions. They had made the name of the simple country mayor world-famous, for they had spread far beyond the frontiers of his homeland; into Austria and Switzerland, and later into France, Belgium and Holland. Today, they are to be found in almost every country in the world.

In spite of his blindness and advancing years, Raiffeisen found the will and the strength to travel up and down the country, spreading his ideas, until, in his seventieth year, he died at his home in Neuwied.

In Dr. Sonnemann's words: "Raiffeisen had the good fortune to see what he had sown come to fruition. By peaceful means, his ideas had conquered the world during his lifetime."

The International Raiffeisen Union formed on his 150th anniversary is a fitting memorial to Vater Raiffeisen.

M. H.

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AGRICULTURAL COOPERATION IN ARGENTINA

by Dante O. Cracogna

1. Origin and Development

Primary Cooperatives: Agricultural cooperation first made its appearance in Argentina during the last quarter of the 19th century. Recent research has revealed that the earliest among the rural cooperative organisations was the *Compañía Mercantil del Chubut*, started by a Welsh colony in Patagonia in the year 1885. The aims of this society were to market the wheat and other products of the region; to provide general merchandise and a fleet of ships for the transport of all the commodities concerned. There is not sufficient evidence, however, to show whether this society adhered strictly to the Rochdale Principles. Subsequently, it was changed into a commercial company and it finally disappeared in 1922.

The society which can with certainty be regarded as the oldest in the agricultural sector—and indeed the oldest still existing in Argentina—is *El Progreso Agrícola* of Pigüé, founded in 1898 by a group of French colonists. This organisation undertakes agricultural insurance. Here it should be mentioned that today only those societies which undertake marketing of produce are regarded as specifically agricultural, although they offer other services as well.

Other cooperatives gradually made their appearance in rural areas, among those still existing being the *Liga Agrícola Ganadera de Junín* founded in 1904, the first genuine example of the multi-service type of agricultural society which is predominant throughout

the grain and stock farming region known as the “pampa humeda”. This type of cooperative took the place of the former “general warehouse” which provided the producers with consumer goods and marketed their produce. In 1905 the first of the cotton cooperatives was formed in the Chaco region. These societies market the cotton grown by their members and carry out the first stages of processing it. The first wine cooperative appeared in 1913 in Colonia General Roca, and two years later the first fruit marketing society appeared in the central region. The first dairy cooperative was founded in 1918 in the dairy farming valleys in the interior of the country to process and market the milk.

From then onwards the number of agricultural cooperatives increased throughout the country and they are still today the most important. Many other types also were started, such as cattle societies, horticultural, grain and *yerba maté* societies, and others. The majority were engaged in collecting and marketing their members’ produce, and in addition provided many industrial services, as well as supplying the goods required by members both for their work and their homes.

Federations: The secondary organisations, apart from one or two failures, came into being in 1922 with the foundation of the present Association of Argentine Cooperatives (ACA). This society, in common with the majority of its type, markets the produce delivered

to it by its affiliated primary societies either on the home market or abroad, and either in its raw state or after processing. It also supplies consumer goods to member societies.

Other agrarian cooperative federations were subsequently formed, some on a regional basis and others covering almost the whole country: some were multi-purpose societies and others specialised in one particular line (dairying, cotton, fruit growing, stock farming etc.) according to the type of activity carried on by their respective member societies.

Confederations: The final stage in the evolution of the agricultural cooperative movement in Argentina was reached with the formation of the third grade organisation, the *Confederación Intercooperativa Agropecuaria (CON-INAGRO)*, founded in 1956 in Buenos Aires. At present it consists of the ten most important agricultural federations in the country, namely: Asociación de Cooperativas Argentinas (ACA), Federación Argentina de Cooperativas Agrarias (FACA), Fábricas de Manteca SANCOR, Unión de Cooperativas Agrícolas Algodoneras (UCAL), "La Unión" Asociación de Cooperativas Agrarias, Asociación de Cooperativas Agropecuarias "RosaFé", Federación de Cooperativas Agrícolas de Misiones, Fraternidad Agraria Cooperativas de Cooperativas, Federación Entrerriana de Cooperativas and Unión de Cooperativas Canaderas.

2. The Cooperative Law

From the beginning of this century onwards many attempts have been made to promulgate a law concerned specifically with cooperatives which had hitherto been unsatisfactorily regulated under three Articles in the Commercial Code. Although various suggestions were

made for legislation referring specifically to agricultural cooperatives, ultimately it was decided to adopt a law of a general nature covering all types of cooperatives. Thus, in 1926 National Law No. 11388 was passed and incorporated under a special heading in the Commercial Code. It covered all the fundamental principles of Cooperation as set forth by the International Cooperative Alliance eleven years later. The wide terms of this law and the directives it provided for cooperative promotion made a great contribution to strengthening and developing the infant agricultural cooperative movement, enabling it to grow in a sound and orthodox manner without any outside interference. Indeed, the terms of this law have been fully vindicated in the light of the reformulation of the Rochdale Principles carried out by the 23rd Congress of the International Cooperative Alliance.

3. Present Situation

a) *Relative Importance:* The Argentine Cooperative Movement comprises a wide range of activities covering many sectors of the national economy: the services it offers include credit, insurance, electricity, telephones, housing; various kinds of consumer goods; producers' and workers' productive activities; transport, education, printing; supply. The agricultural movement proper consists of producers' societies.

According to the latest statistics available (1965), of the 3,582 cooperatives in existence in the country, 1,389 are agricultural societies with 470,264 members. An interesting point is that the population of Argentina at that time was estimated at about 22.5 millions of which roughly 30 per cent lived in rural

areas. Taking as a basis a peasant family of five persons, this means that some 35 per cent of the rural population is enrolled in the agricultural cooperative movement, without taking into account the fact that many may also be members of other sectors of the movement.

In the same year the agricultural cooperatives owned subscribed capital of \$10,423,833,000 of which \$411,181,400 was paid up; and reserves totalling \$1,653,411,900. The year's trading amounted to \$124,996,946,300 and the surplus to \$3,355,789,800.

The following figures show the importance of the agricultural sector in the Argentine Cooperative Movement as a whole. For the year 1965 the agricultural societies formed 42.6 per cent of the total number of societies; the membership 17 per cent; assets (paid up capital plus reserves) 39.2 per cent; turnover 54.9 per cent and surplus 58.2 per cent. When one considers the relatively small number of its members in relation to the total membership (470,264 out of 2,841,851), the achievement of the agricultural cooperatives is all the more impressive.

The agricultural societies are distributed as to type as follows: mixed farming 594; cotton growing 45; stock farming 72; cattle ranching 28; horticulture 16; dairy farming 499; vineyards and orchards 105; *yerba maté* and tobacco growing 30.

It is estimated that during 1965 the agricultural cooperatives handled 40 per cent of the country's total grain production and 33.7 per cent of the cotton. In 1966 they manufactured 70.7 per cent of the butter produced in the country, 20.9 per cent of the cheese, 92.5 per cent of the caseine and 18.3 per cent of the

powdered milk. During the same year 7.8 per cent of the national production of wine was produced cooperatively. The cooperative share in other commodities such as fruit, tea, etc., is also important. The movement's share in the export trade in agricultural products is also increasing. Over the past five years, for example, there has been a steady rise in the cooperative share in exports of wheat and maize—two of the chief Argentine exports.

Mention should be made of the valuable service which agricultural cooperatives provide in supplying consumer goods for members. Of the total cooperative turnover in consumer goods of all kinds throughout the country, 82 per cent was done by the 822 agricultural cooperatives having such a section, amounting to \$21,721,988,100. This service has, of course, proved of the greatest value to cooperatives in rural areas. Many agricultural societies have introduced modern distribution techniques such as self-service and supermarkets, with the result that members from different districts come with their families to the cooperative where, in addition to selling their own produce, they have an opportunity to procure various things which they require for their cultivation or their homes.

Since Argentina is predominantly a cattle farming country, it is not surprising that the oldest examples of cooperation at present in existence should be agricultural societies, nor that this sector of the movement should hold the most important place in the national economy.

b) *Organisation*: Agricultural cooperation in this country as in almost all others, arose out of the special requirements in each particular case, and

consequently it did not develop along any pre-arranged lines. As and when the primary societies felt the need, they formed various types of federations, and the majority of these in turn combined in a tertiary organisation, the Confederation (CONINAGRO).

As we have seen, the largest group of societies consists of agricultural and stock farming organisations which are mainly multipurpose. They market their members' produce—chiefly grain and cattle, as well as certain smaller lines—and at the same time supply almost all the goods which they require, both for cultivation (machines, implements, fertilisers, etc.), and for the use of themselves and their families. This type of multiple service society has a historical origin, as it replaces the "General Warehouse", and, since such societies serve a very large area, it is more convenient and economical to concentrate the various services in one place. Only very rarely do primary societies undertake any industrial activity.

The remaining groups of agricultural societies are concerned mainly with marketing a particular product or a line of similar products such as processed milk products, cotton, fruit, poultry, etc., and with providing the commodities essential in the production of these lines. They undertake a considerable amount of industrial processing.

The federations formed by the stock farming cooperatives undertake large scale marketing of the produce of their affiliated societies, and at the same time provide them with consumer goods. They also process certain products. They are organised both horizontally and vertically.

The federations combining the other types of agrarian cooperatives also dis-

tribute the produce of their affiliated primary societies after having processed it on a large scale under a system of vertical integration.

Both types of federations are actively concerned in exporting the finished products. The secondary organisations have complementary economic functions of auditing, legal advice, and taxation problems, as well as cooperative promotion, education and representation. In 1965 there were 20 agricultural cooperative federations.

The Confederation, although legally constituted to undertake economic activities, is mainly concerned with representing its members' interests, co-ordinating their activities, providing accountancy services and generally directing the policy of the agrarian movement as a whole. It represents the interests of the movement in official circles and other economic and social sectors, as well as making them known to the public, in general.

c) *The Argentine Agrarian Cooperative Bank*: In 1958 an event occurred of great importance to the agricultural movement, namely, the foundation of the Argentine Agrarian Cooperative Bank which started operations in 1965.

In spite of the short time it has been in existence, this bank, which is owned entirely by agricultural cooperatives of all grades and their members, has proved conclusively that the financing of this important sector of the cooperative movement opens up a vast range of new possibilities for the movement.

At present the Bank has about 26,500 producer/members, as well as 600 affiliated primary societies and 12 federations who have jointly contributed capital of about \$850 millions.

d) *Agricultural Cooperation and Youth*: Alongside the first, second and third grade cooperative organisations there are important youth groups devoted to training young country people, promoting cooperation and forming cadres to take over the future management of the agricultural movement.

The youth movement is organised in local centres attached to the primary societies; these are grouped together in secondary organisations attached to the agricultural federations, which in turn have their central organisation, the Confederation of Agrarian Cooperative Youth, alongside CONINAGRO. These organisations do an admirable job by means of conferences, courses of one or more days, exchanges, the formation of libraries, and social gatherings.

4. Conclusion

The Agricultural Cooperative Movement has achieved a position of considerable importance in Argentina. One of its greatest achievements has been to liberate the rural population from exploitation by unscrupulous middlemen who, profiting by their economic strength, used many dishonest tricks to keep the people in a state of undeserved poverty. Cooperation has done away with this kind of exploitation which was ignored or even abetted by government

circles, and has enabled the agricultural producer to achieve a position commensurate with his contribution to the economy and to the community as a whole.

Everything which these country folk have achieved through cooperation has been done entirely by their own efforts, without any kind of help or concession from the government apart from the sagacious law which has regulated cooperative societies for over forty years. This result is all the more meritorious for having sprung entirely from the ability, tenacity and good-will of the cooperative producers.

It is essential that, today, this good-will should be supplemented by further technical capacity to enable agricultural cooperatives to reach still higher levels of economic and social development. This calls for revision of the existing structure, rationalisation and modernisation in order to make the best use of communal effort and co-ordinate the activities of all sectors of this important branch of the cooperative movement. Already, the first steps in this direction have been taken, since CONINAGRO, whose objective is "to co-ordinate and direct the activities of its affiliated members, with a view to securing the maximum return for the cooperative common effort", is now in a position to offer efficient help.



COOPERATIVES

THE I.L.O.
AND
COOPERATIVES

SINCE its foundation in 1919, the I.L.O. has taken a keen interest in the cooperative movement and in the role that such associations can play in social and economic promotion. In March 1920, the cooperative technical service was set up as part of the International Labour Office (the Secretariat of the International Labour Organisation) whose functions were to "pay special attention to the study of certain aspects of cooperation which are connected with the improvement of the economic and social conditions of workers". This decision, which reflected the thinking of the pioneers of the I.L.O. social development programme, is still one of the cornerstones of the Organisation's cooperative programme, namely, that it is not sufficient to protect the worker only in his place of work and to ensure him decent conditions of work; it is also necessary to improve his living conditions. Social legislation, to be fully effective, requires an institutional framework permitting the workers to participate in, and to some extent influence, economic and social development. Cooperative organisations can provide such a framework.

The first Director of the I.L.O., Albert Thomas, was himself a convinced cooperator and he appointed Georges Fauquet (author of the well-known book "The Co-operative Sector"), first chief of the "Co-operative Service"; his work was ably continued by his successor, Maurice Colombain.

Research and Information

Between the two World Wars research and diffusion of information were the I.L.O.'s main activities in the field of cooperation. To collect, analyse and evaluate information on all aspects of cooperative activities, and make it avail-

able to interested member States and to cooperators throughout the world in the form of specialised studies and publications, is still one of the major tasks of the I.L.O.'s "Cooperative, Rural and Related Institutions Branch". This work is facilitated by a panel of international consultants on cooperation comprising over 30 members from all parts of the world who place their experience at the disposal of the I.L.O. in meetings or by correspondence.

The I.L.O. is concerned with all questions related to cooperative development: cooperative legislation; the promotion of cooperatives by national authorities and institutions; cooperative education and training; the organisation, financing, management and administration of cooperatives; cooperative unions and federations, inter-cooperative collaboration, relations between cooperatives and their members and staff; the economic and social significance of cooperation in the various branches of the national economy; the role of cooperation in over-all development plans; the relation between the State and cooperatives.

In addition to the careful study of questions relating to cooperation in general, the I.L.O. also takes an interest in different types of cooperative structure—pre-cooperative forms, supply and marketing cooperatives, common facility cooperatives such as consumers', housing, credit, industrial, health and other cooperatives and their unions and federations.

Publications

The I.L.O. has published a number of studies, manuals and reports on the various aspects of the cooperative movement, such as, "Co-operation—A Work-





top left: ILO activities in the lecture room

bottom left: Cooperative Art Studio, Nigeria

above: Technical training

bottom: Cooperative trainees studying coffee conditioning

er's Education Manual", and "Co-operative Management and Administration". Current work includes studies on non-conventional forms of cooperative organisations and on cooperative group insurance.

Manuals on housing cooperatives, Members' Education, Employees Training and Government Cooperative Officers' Training in which considerable interest has been expressed, are in preparation. Also the I.L.O. issues, at irregular intervals, a "Co-operative Information" bulletin containing data on all aspects of cooperative development and activities in the world.

Pooling of Experience

The I.L.O. also offers delegates of member States an opportunity to discuss and exchange experiences on cooperative matters at the International Labour Conference and at regional conferences and meetings of experts. Special expert meetings on specific cooperative questions, have also been held under the auspices of, or with the collaboration of the I.L.O.; some of them might be mentioned here: The Asian Meeting of Experts on Co-operation (Karachi, 1950); the Technical Meeting on Co-operation in Asia and the Far East (Kandy, Ceylon, 1954), collaboration with the F.A.O.; the Technical Meeting on Fishing Co-operatives (Naples, 1959), in collaboration with the F.A.O.; the Technical Meeting on Co-operation in the Near and Middle East (Cairo, 1959), jointly with the F.A.O.; the Expert Meetings on Rural Cooperation (Mexico City, 1961), jointly with the F.A.O. and O.A.S.

Of special importance was the meeting of a group of experts on cooperation convened by the I.L.O. in Geneva in

1962, which examined the trends and developments of the cooperative movement throughout the world. The conclusions reached at that meeting comprised practical suggestions and proposals regarding the major aspects of cooperative development, such as the role of the State in the growth of cooperation, forms of technical assistance for cooperatives, the significance of cooperatives in national economic and social development.

A regional technical meeting on cooperatives for Latin America took place in Santiago de Chile (1963), to study problems of coordination of cooperative development with the national economy; practical problems of cooperative promotion, organisation, administration and management; education and training of cooperative personnel; problems of financing cooperatives. In late 1968, a meeting of a group of experts chosen from among the members of the panel of consultants mentioned earlier, is foreseen in Geneva.

The I.L.O. Recommendation No. 127

The world-wide recognition of the economic and social importance of the cooperative movement found its expression in the adoption of the *Recommendation No. 127 concerning the Role of Cooperatives in the Economic and Social Development of Developing Countries*, adopted unanimously by the 50th Session of the International Labour Conference in 1966. This first adoption of an international instrument on cooperatives may be considered as the affirmation of the efforts which the I.L.O. has undertaken during the past several decades to promote cooperatives.

The Recommendation defines a cooperative society as "an association of per-

sons who have voluntarily joined together to achieve a common end through the formation of a democratically controlled organisation, making equitable contributions to the capital required, and accepting a fair share of the risks and benefits of the undertaking in which the members actively participate". The Recommendation is designed to provide governments of developing countries with guidelines for effective cooperative development. Its scope extends to all types of cooperatives. The objectives of policy which it lays down, state that the establishment and growth of cooperatives should be regarded as one of the most important instruments for economic, social and cultural development, as well as human advancement, and that governments of developing countries should formulate and carry out a policy under which cooperatives receive economic, financial and administrative aid and encouragement without effect on their independence. The Recommendation draws attention to the need for providing appropriate education and training facilities, and calls on member States to collaborate, to the greatest possible extent, in providing aid and encouragement to cooperatives in developing countries. It covers the role of cooperatives in dealing with particular problems, and includes an annex illustrating the use which may be made of various forms of cooperatives in the successful implementation of agrarian reform, and in the improvement of the level of living of the beneficiaries.

The Technical Assistance Programme

The cooperative idea has spread throughout the world, especially in the developing countries, which see in enterprises of this type a means to accel-

erate socio-economic growth. However, the expansion of cooperatives in the developing countries is seriously handicapped by lack of expert knowledge in the practical application of cooperative ideas. The technical assistance projects in the cooperative field, which make up a substantial part of the I.L.O.'s total operational programme, are intended to provide such knowledge.

The programme of practical activity on the spot originated already in 1937 when, at the request of the Moroccan Government, an expert on cooperation was sent to advise the Government on a policy for development of cooperatives. Since 1949, the United Nations Expanded Programme of Technical Assistance (now the Technical Assistance Component of the United Nations Development Programme—U.N.D.P.) has made it possible to expand these activities considerably. The I.L.O.'s operational work in the field of cooperatives does not merely concern cooperatives in the narrow sense of the term, but also the promotion of related institutions in developing countries. It may be divided into five major groups:

- (I) making available cooperative experts to advise and assist developing countries in all phases of cooperative development;
- (II) the allocation of fellowships and travel grants to nationals of developing countries;
- (III) the organisation of seminars and training courses on cooperation;
- (IV) the supply of teaching aids and technical equipment for training and educational purposes;
- (V) the launching, under suitable conditions, of cooperative enterprise development centres—com-

prehensive institutions concerned with cooperative training, research and promotion, largely under the control of the cooperative movement in the countries where they are established.

Expert missions touch on every branch of cooperative activity with which the I.L.O. is concerned, ranging from reorganisation of cooperative departments and drafting cooperative legislation, to specialised fields of cooperative activity, education and training, insurance, marketing, credit, etc. Of more than 60 experts on cooperation on mission in developing countries, about 50 per cent are concerned with cooperative education and training tasks of various types.

Technical assistance activities in the

cooperative field are expected to continue and indeed to expand for many years to come. To be successful, it needs an increasing number of qualified people prepared to make their services available, and here all well-established cooperative organisations can help. It also depends on adequate technical support of the I.L.O., and this is why the I.L.O. research effort is being strengthened, particularly with respect to methods and types of action best suited to developing countries; the research programme, in turn, depends on an adequate flow and analysis of information and results of studies carried out elsewhere. Thus, the various activities of the I.L.O. are all interrelated, but have the common aim of best serving the cooperative movement throughout the world.

FAO AND COOPERATIVES



African and Asian cooperators in a discussion group at a FAO Seminar

EVERYONE today should know that the initials FAO stand for the *Food and Agriculture Organisation*. It was the first of the U.N. Specialised Agencies; the founding date (October 14, 1945) actually preceding by ten days the creation of the United Nations. From the beginning FAO recognised that many aspects of its work could be facilitated by the cooperative action of farmers, fishermen or woodlot owners. This had special force in those countries where agricultural production is in the hands of people with small resources. Unless these primary producers are organised into groups which in turn can become part of a larger network, they have little chance of improving their conditions of life and work, or of adding to the national wealth.

There could be no question of forcing farmers to cooperate, as *FAO has in any case no executive authority* over its Member Countries. It can work in a country only at the request of, and with the consent of, a national government. This circumstance affects all the methods that FAO can use to further its objectives, including the aim of encouraging the growth of healthy cooperatives.

What does FAO think of as being a *true cooperative*? The following definition has been adopted: a cooperative is an association of persons who join together voluntarily on an equal footing to achieve a common purpose, who exercise full control over its activities and who share in any resultant savings in proportion to the extent each has participated. It is expected that each country will have a law applicable to cooperatives under which they are accorded certain rights, and to which they have a responsibility to conform. Where

such a law has not yet been made, or appears in need of revision, FAO can give expert advice.

It may be asked if cooperatives are the only grouping of farmers recommended by FAO. They are not. So great is the urgency attached to modernising agriculture, that FAO would support *any form of group action* where the people concerned have a degree of mutual trust and a recognised common purpose. Such joint activities can be the prelude to the formation of orthodox types, be they called cooperatives or farmers' associations.

A second question that FAO must have an answer to is whether it is any use advocating cooperatives among illiterate people, in countries where the farmers or fishermen are in the grip of entrenched opponents of any change such as land reform or cheap credit. FAO's reply is that real progress can be expected only through an *integrated approach*, involving several factors simultaneously. An example would be the settling of farmers on the land of a large divided estate and giving them the necessary education and the means (finance, fertiliser, seeds, implements, marketing facilities, etc.) to better farming. The large projects made possible under the United Nations Special Fund hold a greater promise for success, in the opinion of FAO, than any piece-meal forms of technical assistance, though the latter may also be worthwhile.

Thus far there are only *two Special Fund projects* dealing with cooperatives for which FAO is the operating agency. These are the Institute of Cooperation and Agricultural Extension established at Abu Ghraib, near Baghdad in Iraq (total cost US\$2,195,062) and the Mogiana Agricultural Diversifica-

tion Scheme in Brazil (total cost US\$2,326,100) whereby the cooperative coffee growers plan to increase their production of crops other than coffee.

Another project of major importance for which FAO has responsibility is located in *Afghanistan*. Financed by the people of Sweden as a contribution to the Freedom from Hunger Campaign, it will cost 1.8 million dollars in the first three years. The aim is to demonstrate a successful and fully integrated use of agricultural credit through co-operatives, in accordance with the findings of an expert team which were published in FAO Agricultural Study No. 68 in 1965. An extension to six years is envisaged, until the programme can continue independently of outside support. Depending on the progress made in Afghanistan, one or two other countries may be chosen for similar projects.

The methods of promoting co-operatives that are open to FAO under the terms of its constitution are limited in number and have had varying results. One which can with most certainty be looked upon as effective is the preparation of *technical publications on topical subjects*. The latest, entitled "Audio-Visual Aids for Cooperative Education and Training" has had a remarkably good reception, and FAO anticipates having to order a second impression within a year of its first appearance. This sort of interest is positive proof of a kind that is scarcely obtainable in regard to other methods.

In the comparatively short time that FAO has been offering technical assistance to co-operatives, first place has always been given to *training* of managers and other staff, and to *education* of elected officers, members and the

public at large. Since 1952 more than thirty-five training courses and seminars have been undertaken. In addition, the cooperative specialists on the Headquarters' staff of FAO (now numbering four) have contributed to numerous seminars and schools organised by other agencies including the *International Co-operative Alliance*. It is always difficult to know what, if any, are the long-term effects of such training efforts. Some *follow-up action* is obviously desirable, and a start has been made by holding seminars for past participants in courses of training annually held in Denmark. Three such follow-up seminars have so far been organised, in Africa, Asia and the Far East, and in Latin America. They are regarded as a highly valuable exercise, both in revealing the value of past training and in offering advice to the organisers on how to improve their *modus operandi*.

As an essential preliminary to all the promotion work of FAO it was found useful to hold, on a regional basis, what were called *technical meetings on co-operatives*. From the first, in India in 1949, to the seventh in Latin America in 1961, such meetings followed the same pattern. The agenda was settled only after prior consultations as to the topics of urgent interest. The participants were all prominent in their own national cooperative movements. The aim was to pool the experience of these people and to delineate reliable opinion for future guidance. Technical meetings also were able to draw attention to matters requiring further investigation and to make suggestions to FAO and other organisations on the best forms of assistance suitable to the region.

In two regions a *second technical meeting* was found to be necessary after

an interval of five years, to up-date the recommendations of the first. Now it is nearly ten years since a meeting has been held in the Near East region and there are signs that it is time to suggest another; likewise in Latin America. But the expenses of all technical meetings have been met from FAO's Regular Program budget, which means that unless some other source of funds is tapped, another meeting would not be possible before the biennium 1970/71.

A new method of work, tried for the first time in December 1967, was an *ad hoc consultation with African leaders of cooperatives*, sponsored jointly by the ILO, the International Federation of Agricultural Producers and FAO, in collaboration with ICA and AARRO. The meeting was held in Niamey, Niger, over a period of five days, during which representatives from Cameroon, Kenya, Mali, Niger, Senegal, Tanzania and Uganda were given full scope to explain their difficulties and to suggest ways of improving the technical assistance rendered to cooperatives.

One form of technical assistance definitely popular is the *Fellowships* of FAO awarded out of money from the UN Development Program. Unfortunately, it cannot be said that they have much impact when compared with the cost of other training methods. But the fortunate recipients, if they are carefully selected, can be expected to have an enhanced influence on returning home and, with the prestige of international travel behind them, can become apostles of progress. Up to the end of 1967 FAO had arranged and supervised the studies of forty-five Fellows from thirty different nations. Their travels included one or more countries outside

their own, mostly in Europe and North America.

Fellowships are really no more than an extended form of training, organised on an individual basis. FAO has always preferred to place its Fellows in an institution that offers a suitable curriculum and residential accommodation. In this way they have greater encouragement for serious study than if left to wander as lonesome learners. But even if at the end they emerge possessed of much new learning, how can it be known whether their lessons were the right ones and whether they are in fact put to good use? FAO is anxious to keep in touch with its Fellows for as long as possible afterwards, in order to render additional help if that appears necessary and to accumulate information as a guide to awarding future Fellowships.

Still on the subject of training, FAO staff has had the disturbing experience of meeting the same people at more than one seminar or training centre, apparently shuttling endlessly between their own countries and the various projects organised by a multiplicity of agencies offering technical assistance at the international level. It may be entirely the fault of a national government if it nominates the same person to go overseas on an errand little different from the previous time. Nevertheless, it is a pointer to the need for good *collaboration between FAO and all other bodies that endeavour to promote cooperatives*. Joint sponsorship of international meetings, seminars, etc. although admittedly cumbering already slow procedures, must always be looked upon as desirable on the grounds that it will tend to minimise duplication and wasteful rivalry. This is why FAO has

always welcomed closest coordination with the International Cooperative Alliance.

In conclusion it can be said that the status of International Cooperative Alliance in FAO as a recognised non-governmental organisation has resulted in a close understanding and a satisfac-

tory combination of effort. ICA representatives attend the biennial Conference of FAO when its programme is discussed in detail, and likewise FAO staff has attended meetings of the ICA Agricultural Committee, the ICA Fisheries Sub-Committee and the annual International Cooperative Schools.

THE CO-OPERATIVES IN THE FIFTIETH YEAR OF CZECHOSLOVAKIA'S INDEPENDENCE

by Dr. Milos Vetvicka

FIFTY years ago Czechoslovakia came into being as an independent Republic after several centuries of lack of freedom and foreign domination. It came into existence in keeping with the wishes of Czechs and Slovaks who for many years had been fighting against the Austro-Hungarian monarchy, always keeping in mind the past glorious history of the nation and its independence. Our nations never became reconciled to their fate and they always longed for freedom. In October 1918 their wish came true.

Already at the time when Czechoslovakia came into being in 1918, the co-operative movement was an important factor in the public and economic life of the country. There were many consumer cooperatives, agricultural marketing, storing and processing co-ops as well as credit co-ops. However the coming into existence of an independent State gave rise to a new development, especially during the first post-war years. This can be seen for example in the case of the workers' consumer co-ops, the number of which increased

during that period from 698 to 1,326, whilst the number of members rose from under 300,000 to more than 600,000. In the years that followed, the consumer cooperatives maintained their position and they became important assistants to the working people in their endeavours to counteract the consequences of high prices, unemployment, crises and poverty.

It should be added, however, that the workers' consumer co-ops in particular did not find themselves in an easy position. This was due to unfavourable legislation as well as direct intervention by the authorities, which always saw in them a dangerous element especially in cases where the co-ops openly supported the workers and stood against the danger of the growing threat of fascism. It was a weakness of the cooperative movement that it was split up according to political and nationality aspects at a time when unity was essential.

The situation of the agricultural cooperatives in Czechoslovakia was different from the beginning since they were greatly dependant on large agrarian

capital. Whilst the consumer cooperatives essentially opposed capitalism and the all-powerful position of cartels and monopolies, the agricultural cooperatives were completely on its side.

The powerful centre, the Centrokoooperativ, gradually dominated the entire agricultural output of the country, subjugating the village to the interests of the big farmers for whom it created the best conditions for marketing agricultural produce and supplying farm requirements. The Centrokoooperativ also gained influence over the cooperative processing industry, it won from the government a monopoly position in trade in grain, farming equipment and fertilisers, and it changed into a gigantic enterprise with all the characteristics of a concern exerting its influence in many non-agricultural undertakings including the production of armaments.

A result of the degeneration of the agricultural co-op movement was the speedy limitation of the rights of members in the co-ops themselves, where the non-democratic principle "As many votes as there are shares" was applied in decision taking on all basic questions. It was even possible for a non-member of the cooperative to take part in the voting if he could just formally show that he was authorised to vote on behalf of a number of members.

The period from 1918 to 1938 can be described as one of growth of the co-op movement accompanied by the fight for unity in the workers' co-op movement and the transition of the strong agricultural co-op movement into a capitalist concern. The years following the occupation of the country by Nazi Germany were characterised by an attack on the very nature of the cooperative movement. The occupying power first broke

up the co-ops in the frontier districts. In the rest of the country the elected officials were gradually suspended and replaced by government commissioners appointed by the Nazi authorities. Membership activities in the co-ops stagnated and the latter turned into organisations embodied in the economic plans of the occupying power.

The agricultural co-ops represented by the Centrokoooperativ system were not spared interference by the Nazi authorities either. A number of its leaders entered the service of the Nazis who in return and as a sign of faith entrusted these co-ops with control over the fulfilment of deliveries of agricultural produce but at the same time suspended all membership rights. So, even the last features of the co-op movement were removed.

The occupation caused the cooperative movement in Czechoslovakia great material losses and also sacrifices of lives. Thousands of officials were sent to concentration camps, many were executed or tortured to death. However, this persecution met with ever growing resistance which became especially obvious at the time of the revolutionary people's uprising in Slovakia and later also in the Czech lands against the Nazis.

The situation of the cooperatives after the liberation in May 1945 was not a happy one. They had to take over new tasks under unfavourable economic conditions, with a shortage of commodities and raw materials, as well as a lack of experienced leading officials. From the very beginning the co-ops also had to become adjusted to the big social changes which had occurred in the liberated country. These changes can be briefly summed up by stating that the people

had decided to build up the country as a socialist Republic.

From the very beginning of the country's reconstruction the co-op movement held an important position. A significant milestone was the setting up of the Central Cooperative Council as the unified supreme body of the entire Czechoslovak cooperative movement on May 17, 1945. The Central Council, from the outset, made every effort to strengthen the unity which had been established during the years of the Nazi occupation.

The cooperatives played an active part in building up the country as can be seen from their attitude to the fulfilment of the Two-Year Plan of Reconstruction and the Development of the Czechoslovak National Economy, which was the first systematic attempt at a planned economic development in Czechoslovakia.

The events of February 1948 when Czechoslovakia decided to adopt a socialist road to further development also marked a historical milestone for the cooperative movement which pledged to carry out the tasks of socialist construction in its own sphere. The new Constitution of 1948 gave the cooperative movement a place of honour in the new society. Paragraph 157 of that Constitution described the cooperatives as "an association of working people for joint activities, with the aim of raising the living standards of its members and other working people, and not of achieving the highest profits from the invested capital". The second clause of this paragraph stated: "The State supports the cooperative movement in the interest of the development of the national economy and general prosperity".

After the Constitution had been approved, a law was passed also on the

Central Cooperative Council under the number 187/1948. This law was the culmination of a long struggle for the unity of the entire Czechoslovak cooperative movement. Cooperative legislature was then supplemented one year later by law number 69/1949 which defined the origin and activities of unified agricultural cooperatives. The civil code of 1950 characterised co-op ownership as socialist property and granted the cooperatives many advantages.

These legal amendments signalled the changing position of the cooperative movement in the State which speedily started implementing socialist changes. The cooperatives were faced with a qualitatively higher task, namely not only to strive to improve the material position of their members but also to contribute towards the general development of the whole of society. Important in this respect was the pledge made by the State in the Constitution to help the cooperatives in the interest of general prosperity. This definitely decided the question of the function of the cooperative movement and its relations to the State. The former antagonism was replaced by a friendly relationship.

In the years that followed, a new rapidly developing branch of the Czechoslovak cooperative movement started to make itself felt—the agricultural producers' cooperatives. In the established unified agricultural cooperatives which also received considerable financial assistance from the State, the most varied scattered co-op organisations active in the villages were joined and gradually they became the dominating factor of the entire cooperative movement in Czechoslovakia. The socialist transformation of the village was carried out in a way which was understandable and close to the peasants—by the setting up

of producers' cooperatives. The cooperative principles, which before that time were known in the countryside only in the spheres of marketing, supplying and occasionally processing agricultural produce, were gradually applied above all in the sphere of direct production.

The consumer cooperatives also took upon themselves a great social task, since they played the important role of helping to develop socialist trade. The cooperatives gradually extended the network of their shops and recruited many new members. In handicraft production, the fact that small craftsmen joined the cooperatives led to the establishment of a strong cooperative sector which made it possible to utilise the obvious skills of the craftsmen for the needs of the whole of society. The growth of these two branches is reflected in the fact that by 1954 there were 1,300,000 members organised in consumer cooperatives and some 100,000 in producers' cooperatives.

The further developments to date are generally known and it is not the aim of this article to deal with them in more detail. It will suffice to mention some basic facts about the present strength of the co-op movement in socialist Czechoslovakia. The co-op movement is continuously growing and becoming stronger in all the main sectors which are all closely concerned with the living standards of the people. The most powerful branch, with regard to its national economic and social significance continues to be the agricultural cooperatives which have taken on the responsibility for agricultural production, so important for the feeding of the population. Unified agricultural cooperatives can be found today in almost every village and they have a total of some 860,000 members. The cooperative

farms are highly mechanised and they make use of the latest developments in science and technology, while employing highly qualified experts—mechanics agronomists and zoologists.

The consumer cooperatives with more than 1,900,000 members represent a strong organisation with 29,000 shops and almost 15,000 catering establishments throughout the country. The cooperatives are engaged in wholesale and retail trade, in the catering services, in tourism and food production. This is continually growing and in competition with State trade shows a number of progressive elements, which is especially noticeable lately in places where the two systems are found side by side, i.e. in the big towns.

The handicraft cooperatives have only 140,000 members but through their work have made a name for themselves throughout Czechoslovakia and abroad. They produce various consumer goods in small series, they work to order and provide many vital services to the population. Important, too, is their social function of providing work opportunities for handicapped persons in special cooperatives. The housing cooperative movement which now numbers 400,000 members, more than half of whom live in modern cooperative houses, is also undergoing further development. In addition, new co-ops are being set up for the building of garages, as well as artists' co-ops and other specific organisations in accordance with various needs of a differentiated socialist society.

Czechoslovak cooperatives of all kinds account for about one tenth of the national income. This is not a striking figure but what is important is the spheres in which this is accomplished. They all directly affect the living

standards of the population, internal trade, where the share of the co-ops in retail turnover is almost 30 per cent. The co-ops are responsible for about three-quarters of all agricultural production. In the small-scale production of consumer goods and in services the producer co-ops play a leading role. And finally, in housing construction, which concerns the entire population, the share of the co-ops in the entire construction process throughout the country is one half.

The international contacts of the Czechoslovak cooperative movement represented by the Central Cooperative Council are not negligible either. The Central Cooperative Council has for many years been an active member of the International Cooperative Alliance and during the past few years especially has been strengthening its collaboration with this important world organisation. Proof of this is the participation of Czechoslovak representatives in the work of the committees and sub-committees of the International Cooperative Alliance. Important too are the mutual direct contacts between the Central Cooperative Council and its friends abroad, especially in the developing countries.

What conclusions may be drawn from the fifty years through which the Czechoslovak cooperative movement has passed?

First of all we may note that it shows the possibilities of the cooperative movement in a socialist country. Those possibilities are certainly favourable, for otherwise approximately half of the population would not be linked in some form or other with the cooperatives, and the co-ops could not be the prosperous organisations which they are today.

Then there is the fact that the cooperative movement becomes an impor-

tant factor in economic and social life when it places itself in the service of general progress. It thus goes beyond the limited boundaries of its activities and turns into a factor promoting the development of the whole of society, which inspired the famous Rochdale pioneers and such figures as Fourier, Lasalle, King, Schulze-Delitzsch and also what Lenin had in mind in his Cooperative Plan.

Another lesson which should not be missed is linked to the preceding conclusion. That is the relationship between the co-op and the State. The moment when mutual antagonism is replaced by collaboration, while the democratic principles of the cooperative movement are respected by the State and the complete independence of the co-op movement is preserved, which on the basis of its own conviction pledges itself to collaborate for mutual benefit, the cooperatives become an important factor promoting social progress and advance. The co-ops become an organisation which benefits the whole of society and which is protected for the future in the interest of the development of that whole society by a State which is not hostile, but friendly. This is an example of active cooperation of benefit to both sides.

As with the whole of Czechoslovakia, so the cooperative movement is at the present time undergoing a process of democratisation aimed at the maximum implementation of the rights of cooperative members. In the wake of the introduction of the new economic model the so-called rules of the economic game are changing, too. For the cooperatives this means even more favourable conditions of existence and also the hope that they will occupy an even more important position in the future.

AFFILIATED ORGANISATIONS

ALGERIA: Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 6 et 8, *rue du Cercle Militaire, Oran*; also at - 21, *rue Edgar Quinet, Algiers*, and 9, *rue Mathurin Régnier, 75 Paris 15*.

ARGENTINA: Federación Argentina de Cooperativas de Consumo, *Avda. Suárez 2034, Buenos Aires*.

Intercoop, Editora Cooperativa Limitada, *Florida 32. Oficina 42, Buenos Aires*.

Asociación Argentina de Cooperativas y Mutualidades de Seguros, *Belgrado 530, 5 Piso, Buenos Aires*.

✓ **AUSTRALIA:** Cooperative Federation of Australia, *c/o. CWS of Queensland Limited Buildings, 50-54 Ferry Street, South Brisbane, Queensland*.

AUSTRIA: "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften,

Theobaldgasse 19, Vienna VI.

Membership (1966): 467,800; turnover: consumers' societies: Sch. 3,624 millions; wholesale (G.O.C.): Sch. 1,728 millions; department stores: Sch. 637 millions; own production: consumer societies: Sch. 431 mill.; G.O.C. and subsidiaries: Sch. 419 millions.

Bank für Arbeit und Wirtschaft A/G, *Seitzergasse 2-4, Vienna I.*

Zentralkasse der Konsumgenossenschaften, *Theobaldgasse 19, Vienna VI.*

Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, *Bösendorferstrasse 7/11, Vienna I.*

1966: Affiliated organisations: 315 (comprising 203 societies and 112 associations); membership 122,941; dwellings administered 266,061 (comprising 116,232 societies and 149,829 associations); balance at 1965: 30.3 milliards Sch. (divided as to societies Sch. 14.1, associations Sch. 16.2).

Österreichischer Raiffeisenverband, *Seilergasse 16, Vienna I.*

BELGIUM: Société Générale Coopérative, *26-28 rue Haute, Brussels 1.*

Affiliated consumers' societies. 25; membership: 300,000; turnover (1963): Frs. 3,900 millions; shops: 1,400; Wholesale society turnover (1963): Frs. 959 millions.

Société Coopérative d'Assurances "La Prévoyance Sociale", *P.S. Building, 151, rue Royale, Brussels 3.*

Premiums (1966): Frs. 1,903 millions, reserves: Frs. 6 milliards; insurance funds, life: Frs. 20 milliards.

Fédération Nationale der Coopératives Chrétiennes, *129, rue de la Loi, Brussels 4.*

(1967): 1,250 shops; turnover: Frs. 1,430 millions; Savings Bank: 2,050 branches; 500,000 membres; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 millions; reserves: Frs. 1,300 millions.

L'Economie Populaire, *30, rue des Champs, Ciney (Namur).*

Branches (1965): 444; membership: 85,200; turnover: Frs. 890 millions; savings deposits: Frs. 511.5 millions; capital and reserves: Frs. 111.5 millions.

L'Institut Provincial de Coopération Agricole, *42, rue der Augustins, Liège.*

OPHACO (Office der Pharmacies Coopératives de Belgique), *602, Chaussée de Mons, Anderlecht Brussels.*

Union of 28 cooperative societies owning 360 pharmacies, 68 optical departments and counters, 7 drug stores, 14 wholesale depots. Turnover (1963): Frs. 1,250 millions. Surplus distributed to 400,000 members: Frs. 95 millions.

BRAZIL: Aliança Brasileira de Cooperativas (ABCOOP), *Av. Presidente Wilson 210, Salas 914/914 A, Rio de Janeiro, G.B.*

Uniao Nacional das Associações de Cooperativas (UNASCO), *Avenue Franklin Roosevelt, 126-Conj. 608, Rio de Janeiro.*

BULGARIA: Central Cooperative Union, *Rue Rakovski 103, Sofia.*

BURMA: National Cooperative Council, *290-300, Lewis Street (2nd Floor), Rangoon.*

CANADA: Cooperative Union of Canada, *111, Sparks Street, Ottawa 4, Ont.*

A federation of English-language cooperative organisations, organised in 1909.

Conseil Canadien de la Coopération, *353 rue Dalhousie, Suite 205, Ottawa 2, Ont.*

CEYLON: Cooperative Federation of Ceylon, *Cooperative House, 455, Galle Road, Colombo 3.*

CHILE: Federación Chilena de Cooperativas de Ahorro y Crédito, Ltda., *Dieciocho 246, Clasificador 760, Santiago de Chile.*

Cooperativa Sodimac Ltda., *Casilla 3110, Santiago de Chile.*

COLOMBIA: Cooperativa Familiar de Medellín, Ltda., *Calle 49, No. 52-49, Medellín.*

CYPRUS: Cooperative Central Bank Ltd., *P.O. Box 1447, Nicosia.*

Cyprus Turkish Cooperative Central Bank Ltd., *P.O. Box 791, Nicosia.*

Vine Products Cooperative Marketing Union Ltd., *P.O. Box 314, Limassol.*

CZECHOSLOVAKIA: Ustredni Rada Druzstev, *Tesnov 5, Prague I.*

DENMARK: De samvirkende danske Andelselskaber (Andelsudvalget), *H. C. Andersens Boulevard 42, Copenhagen V.*

Representing 30 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 750,000 individual members. Turnover (1966): D.Kr. 16,372 millions.

Det Kooperative Faellesforbund i Danmark, *Frederiksborggade 50, Copenhagen S.*

Affiliated societies (1963): 634; total sales: D.Kr. 1,582 millions; employees: 12,500; comprising: consumers',

workers', artisans', productive and housing societies etc.

Faellesforeningen for Danmarks Brugsforeninger (FDB), *Roskildevej 65, Albertslund.*

Affiliated societies (1965): 1,852; members: 716,000; turnover: 2,583 millions. D.Kr.; wholesale turnover: 1,463 millions D.Kr.; own production: 405 millions D.Kr.

DOMINICA: Dominica Credit Union League, *14, Turkey Lane, Roseau.*

EGYPT: Société Coopérative des Pétroles, *94, Kasr El — Eini Street, Cairo.*

EIRE: Irish Agricultural Organisation Society Ltd., *The Plunket House, 84 Merrion Square, Dublin 2.*

National Organising and Advisory Body for Agricultural Cooperatives. Affiliated societies: 339; membership: 121,000; turnover (1964): £106 mill.

Cooperative Development Society Ltd., *35 Lower Gardiner Street, Dublin.*

FINLAND: Suomen Osuuskauppojen Keskuskunta (S.O.K.), *Vilhonkatu 7, Helsinki 10.*

Affiliated societies (1967): 305; members: 535,136; wholesale turnover: Fmk. 1,259 millions; own production of SOK: Fmk. 254 millions.

Yleinen Osuuskauppojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki 10.*

Affiliated societies (1967): 305; members: 535,136; turnover of societies: Fmk. 2,324 millions; total production of the affiliated societies: Fmk. 44 millions.

Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki 10.*

Affiliated societies (1967): 88; members: 586,531; turnover: Fmk. 1,719 millions; own production: Fmk. 267 millions.

Osuustukkukauppa (O.T.K.), *P.O. Box 10120, Helsinki 10.*

Affiliated societies (1967): 88; turnover: Fmk. 986.0 millions; own production: Fmk. 310.3 millions.

Pellervo-Seura, Central Organisation of Farmers' Cooperatives, *Simonkatu 6, Helsinki K.*
Affiliated organisations (1963): 10 central organisations; 1,102 societies.

FRANCE: Fédération Nationale der Coopératives de Consommation, F.N.C.C., *89, rue la Boétie, 75 Paris VIII.*

Affiliated societies (1964): 475; membership: 3,460,000; shops: 9,900; turnover: NF. 3,600 millions.

Société Générale des Coopératives de Consommation, *61 rue Boissière, 75 Paris XVI.*

Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, *88, rue de Courcelles, 75 Paris VIII.*

Confédération Générale des Sociétés Coopératives Ouvrières de Production, *88, rue de Courcelles, 75 Paris VIII.*

Banque Coopérative des Sociétés Ouvrières de France, *88, rue de Courcelles, 75 Paris VIII.*

Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, *129, Bd. St. Germain, 75 Paris VI.*

Confédération Française de la Coopération Agricole, *18 Rue des Pyramides, 75 Paris 1er.*
Caisse Nationale de Crédit Agricole, *91-93, Boulevard Pasteur, 75 Paris XV.*

Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, *Foyer Coopératif, 17, rue Richelieu, 75 Paris 1er.*

Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", *31, ave. Pierre 1er de Serbie, 75 Paris XVI.*

Confédération des Organismes de Crédit Maritime Mutuel, *18 bis, Avenue Hoche, 75 Paris VIII.*

GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., *Besenbinderhof 52, (2) Hamburg 1.*

Affiliated societies (1964): 239; membership: 2,556,321; turnover: D.M. 3,540,742.4 million.

Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof 52, (2) Hamburg 1.*

Total turnover (1964): D.M. 1,900 millions; own production: D.M. 570 millions.

Gesamtverband gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4, (22c) Cologne.*

"Alte Volksfürsorge", *Gewerkschaftlich-Genossenschaftliche Lebensversicherung A.G., An der Alster, (2) Hamburg 1.*

Deutsche Sachversicherung "Eigenhilfe", *Steinstrasse 27, (2) Hamburg 1.*

GHANA: The Alliance of Ghana Cooperatives Ltd., *Post Office Box 2068, Accra.*

GREAT BRITAIN: Co-operative Union Ltd., *Hyloake House, Hanover Street, Manchester 4.*

Affiliated societies (1966): 680; membership: 13,065,402; retail societies' share capital: £237,599,848; retail sales: £1,107,930,027.

Co-operative Wholesale Society Ltd., New Century House, POB 53, Manchester 4.

Affiliated societies (1965): 746; sales: £487,859,688; Bank turnover: £9,764,603,821; reserve and insurance funds: £40,791,711; total assets: £300,463,985.

Co-operative Insurance Society, Ltd., *Miller Street, Manchester 4.*
Assets (1964): £369 millions.

Scottish Co-operative Wholesale Society Ltd., *100, Morrison Street, Glasgow C. 5.*

Affiliated societies (1964): 164; sales: £93,720,670; reserves and insurance funds: £417,093; total resources: £19,532,184.

Co-operative Permanent Building Society, *New Oxford House, High Holborn, London, W.C. 1.*

GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), *6, Othonos Street, Athens 118.*

GUYANA: Guyana Cooperative Union Ltd., *Ministerial Buildings, High Street and Brickdam, Georgetown.*

- HAITI (W.I.): Caisse Populaire Dominique Savio, 57, Rue Rigaud, Pétiou-Ville.
- HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikscoöperaties, „CO-OP Nederland”, Postbus 6008, Vierhavensstraat 40, Rotterdam 7.
Association of Enterprises on a Cooperative Basis, Bloemgracht 29, Amsterdam.
- HUNGARY: Federation of Hungarian Cooperative Societies, Szabadság 14, Budapest V.
- ICELAND: Samband Isl. Samvinnufélag, Reykjavik.
- INDIA: National Cooperative Union of India, 72 Jorbagh, New Delhi 3.
National Agricultural Cooperative Marketing Federation Ltd., No. E-11 Defence Colony (Ring Road), New Delhi 3.
- IRAN: Cherkate Taavoni Masrafe Artêche (Army Consumers' Cooperative Society), Avenue Sevvom Esfand, Rue Artêche, Teheran.
Credit and Housing Cooperative Society of Iran, 20-22 Shahabad Avenue, Teheran.
Central Organisation for Rural Cooperatives of Iran, 357 Pahlavi Avenue, Teheran.
- ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., P.O.B. 303, Tel-Aviv.
Affiliated societies and companies (1963): 1,855 in all branches.
"Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, 44, Rothschild Bd., P.O. Box 75, Tel-Aviv.
"Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, 8 Kaplan Street, P.O.B. 209, Tel-Aviv.
Bank Zerubavel, 44, Rothschild Bd., Tel-Aviv.
- ITALY: Lega Nazionale delle Cooperative e Mutue, Via Guattani 9, Rome.
Confederazione Cooperativa Italiana, Borgo Santo Spirito 78, Rome.
Associazione Generale delle Cooperative Italiane, Via Milano 42, Rome.
- IVORY COAST: Centre National de la Coopération et de la Mutualité Agricoles, B.P. 702, Abidjan.
- JAMAICA: Jamaica Cooperative Union, Ltd., 14-16 Barry Street, Kingston, W.I.
- JAPAN: Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Cooperative Union), Tanra-Kaikan, 9 Ichigaya-Kawada-cho, Shinkujuku, Tokyo.
Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Cooperatives), 5 1-chome Otemachi, Chiyoda-ku, Tokyo.
Zenkoku Gyogyo Kyodowumiai Rengokai (National Federation of Fisheries Cooperative Associations), Shinchiyoda Building no. 14-19 3-chome, Nishishinbashi, Minato-ku, Tokyo.
- JORDAN: Jordan Cooperative Central Union Ltd., P.O.B. 1343, Amman.
- KENYA: Kenya National Federation of Cooperatives Ltd., P.O.B. 9768, Nairobi.
- KOREA: National Agricultural Cooperative Federation, 75, 1st Street, Chung-Jong-Ro, Sodaemun-ku, Seoul.
- MALAYSIA: Cooperative Union of Malaysia Ltd., 8, Holland Road, Kuala Lumpur.
Sarawak Cooperative Central Bank Ltd., Kuching, Sarawak.
- MALTA: Farmers' Central Cooperative Society Ltd., New Building, Middleman Street, Marsa.
- MAURITIUS: Mauritius Cooperative Union, Cooperation House, Dumat Street, Port Louis.
- MEXICO: Confederación de Cooperativas de la República Mexicana, C.C.L., Av. Cuauhtemoc 60, 5 Piso, Mexico 7, D.F.
- NEW GUINEA: Federation of Native Associations Ltd., P.O.B. 152, Port Moresby, Papua.
- NEW ZEALAND: Hutt Valley Consumers' Cooperative Society Ltd., P.O.B. 5006, Naenae.
- NIGERIA: Cooperative Union of Eastern Nigeria Ltd., Cooperative Bank Buildings, Milverton Ave., Aba.
Cooperative Union of Western Nigeria Ltd., c/o Cooperative Buildings, New Court Rd., Ibadan.
Lagos Cooperative Union Ltd., Cooperative Office, 147, Broad Street, Lagos, W. Nigeria.
- NORWAY: Norges Kooperative Landsforening, Kirkegaten 4, Oslo.
Affiliated societies (1965): 904; membership: 347,208; turnover of local societies: Kr. 2,171 millions; of N.K.L.: Kr. 663 millions.
BBL A/L Norke Boligbyggelags Landsforbund, Trondheimsveien 84-86, Oslo.
- PAKISTAN: East Pakistan Cooperative Union, Ltd., 9/D-Motijheel Commercial Area, 8th floor, Dacca 2.
West Pakistan Cooperative Union, 5, Court Street, P.O.B. 905, Lahore 1.
Karachi Central Cooperative Bank Ltd., 14, Laxmi Building, Bunder Road, Karachi 2.
Karachi Central Cooperative Consumers' Union, Iqbal Market and Cold Storage, Soldier Bazar, Karachi.
Karachi Cooperative Housing Societies' Union, Shaheed-e-Millat Road, Karachi 5.
Karachi Cooperative Union Ltd., Cooperative House, Shaheed-e-Millat Road, Karachi 5.

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The S.C.W.S.
CENTENARY

A New Era of Scottish Cooperative Expansion

by Lord Taylor of Gryfe

President of the S.C.W.S.

Economic Environment

THE Scottish Cooperative Movement, comprising as it does a membership of 1,400,000 (2 out of every 3 households) and with an annual turnover exceeding £167,000,000, is naturally affected by general economic conditions.

1968, the Centenary Year of the S.C.W.S., is proving a most difficult one for the retail trade in general and the Cooperative Movement in particular. The experience of the S.C.W.S. in these matters is of course largely a reflection of conditions confronting retail societies. Economic conditions generally have been far from favourable. The Government's deflationary policies, the continued run-down of basic industries, particularly coal-mining, additional rating burdens and hire purchase restrictions, have all had an effect.

Retailing

The Cooperative Movement in Scotland, whose beginnings can be traced back many years before Rochdale, is justifiably proud of its record despite the set-backs of recent years. The degree of cooperative penetration in Scotland is much higher than that in the United Kingdom as a whole and average purchases per member per annum at £119 are far ahead of any other area or region. Nevertheless, the Cooperative Movement in Scotland is facing competition of unprecedented severity. The nature of this competition is constantly changing as are the methods employed by the Movement's traditional competitors. These competitors, particularly



the multiples, widely exploit modern merchandising techniques and derive the fullest advantage from economies arising from centralised buying and the handling of goods in bulk. These factors have without doubt contributed to the fact that, in recent years, the Cooperative Movement in Scotland has experienced static conditions in trade which, accompanied by higher costs, have led to a steady erosion in dividend rates.

Reorganisation

The factors accounting for the principal difficulties faced by the Scottish Movement are to a considerable extent prevalent in all European countries. The growth of multiple trading, the extension of supermarket development and the ever increasing integration in retailing and distribution, have all contributed to a serious situation. Perhaps of more importance is what is being done by the Movement to meet these developments and, in this respect, 1968 may well go down as an historic year.

Much is being done to stimulate, rationalise and improve the whole structure of cooperative distribution. This applies to manufacturing as well. The S.C.W.S. has constantly over the years pursued a policy of rationalising and re-grouping its productive facilities. Uneconomic units have been closed and much has been done to improve the profit potential of other factories through plant modernisation and the adoption of the latest methods and techniques, on occasion in conjunction with outside interests where it is considered that such joint association can reasonably be expected to bring benefits through diversification and extension of market potential. All these measures have met with varying degrees of success and the process will continue.

Scottish Cooperators, fully alive to the challenge facing the Movement, have accepted far-reaching reorganisation proposals sponsored by the Board of the Scottish C.W.S. At the centre of these proposals is the appointment of a General Manager with wide executive powers, leaving the Board free to concentrate on important policy issues. The management structure of the S.C.W.S. has also been reorganised to provide

strong central co-ordination, control and direction; effective and larger self-contained divisions; great concentration on financial planning and control and profit accountability and a general emphasis on flexibility and initiative.

Organisationally, the S.C.W.S. is in a position to make a major impact if it receives the backing of the retail societies. The main weakness at present is that each of the 132 retail societies which are widely varied in terms of membership, trade and managerial ability, make their own buying arrangements. Only 60 per cent of their supplies are bought through the S.C.W.S., although the latter has still to "sell" its products to the retail society buyers in competition with private manufacturers. At the same time, it markets only through cooperative shops. This is all in the process of change.

A system of contractual obligations has been established between retail societies and the Federation aimed at pooling purchasing power, with the consequent advantages of rationalisation and volume buying. A significant degree of success in this system of contractual obligations will undoubtedly go far to unifying the Cooperative Movement and arresting, if not eliminating, the fragmentation in buying that has been one of the weaknesses of the Movement. The S.C.W.S. is co-ordinating and expanding its advertising and merchandising functions and playing a more interventionist role. Old-fashioned sales methods are being replaced by merchandising teams and the number of brand lines reduced with a view to eventual concentration on one prestige brand name for cooperative products.

1968 may also prove an historic year in terms of Scottish Cooperative Retail

Services Ltd. This society, set up in 1966, could well prove to be the most important venture in the history of the Movement. Some retail societies, experiencing trading difficulties, and operating in areas where fusion possibilities are remote, are favourably inclined to support association with the larger and stronger central organisation. The constitution of S.C.R.S. provides for the affairs of the society to be governed by a National Board of eight directors, four appointed by the Board of the Scottish Cooperative Wholesale Society Ltd. and four elected by the individual members of the former retail societies. The chairman is a Director of the S.C.W.S. and has a casting vote. At annual general meetings of S.C.R.S., the individual members of the former retail societies have voting parity with the S.C.W.S.

S.C.R.S. has centralised management of the highest calibre and widest experience and the constitution of the society ensures that adequate provision is made for local participation and effective democratic control. Nine retail societies, including two large societies in the city of Glasgow, have joined S.C.R.S. and this could prove to be the nucleus of a nationwide retail cooperative trading organisation. With annual sales exceeding £10,000,000 and membership at 120,000, the society is well poised for further development and expansion.

Policy for the Future

The Government has prepared ambitious plans for the reshaping of the Scottish economy. Vast redevelopment schemes have been approved and are being implemented in the larger towns and cities and there are imaginative proposals for the creation of new towns

in various parts of Scotland. It is increasingly recognised throughout the Cooperative Movement that it is only through joint action at national level that it will be possible for the Movement to meet competition and improve its competitive position. The establishment of larger units is necessary to ensure the continued development of cooperative trading. The policy of the S.C.W.S. Board is to encourage, by all available means, neighbouring retail societies in a trade catchment area to merge. The Cooperative Union has prepared a regionalisation plan under which it is hoped to reduce the number of retail societies in England and Wales from approximately 600 to 50. While the situation in Scotland is too fluid to permit at this point in time the adoption of a precise regionalisation scheme, the trend towards greater centralisation is clearly recognised and by virtue of amalgamations and societies joining S.C.R.S., the Movement is beginning to organise more rationally.

The S.C.W.S. is doing a great deal in conjunction with retail societies in promoting specialist shops for the sale of footwear, fashion goods, etc. In addition, joint ventures have been undertaken in collaboration with retail societies for the operation of supermarkets. Apart from these aspects, the S.C.W.S. runs an extensive retail branches organisation based mainly in the remote and sparsely populated parts of the country. This organisation has annual sales approaching £9 million.

There is no simple answer to the problems that face the Cooperative Movement in Scotland but important changes are taking place and these changes, allied to the other steps being taken to improve efficiency in produc-

tion, wholesaling and retailing should enable the Movement to meet more effectively the type of competition that is prevalent.

This can be done by cutting out waste wherever it is apparent, encouraging investment in more modern and larger-scale shopping facilities, in giving greater attention to the requirements of societies and the retail customer, in declaring war on complacency, in avoiding ill-conceived advertising and marketing schemes and in placing the emphasis on the most efficient use of labour and machinery and co-ordination in buying procedures.

Today we cannot accept that tomorrow will be an extension of current circumstances. We are living in an age of rapid innovation. The whole industrial complex of Scotland is changing rapidly and the decline of the traditional industries is being offset to an

ever greater extent by the spectacular growth of newer science-based industries. All this has obvious implications in transport, housing, etc. It is the policy of the S.C.W.S., on the threshold of its second century, to promote growth, to revitalise the Cooperative Movement and to usher in a new era of expansion. A new sense of purpose and direction is now more evident than for many years past: the old hardened traditional attitudes are dissolving. The Movement has at its disposal the resources, the energy and the imagination to solve the problems facing it.

Success will not be calculated in material terms alone, significant though the annual rebate in dividend is, for in the social and economic conditions likely to obtain in the years ahead, there will be an ever greater need for the opportunities that the Movement offers its members for participation.



Past and Present of the Scottish Cooperative Movement

by Arthur W. Oakes

Editor, "Scottish Cooperator"

SCOTLAND was the first home of Cooperation in Britain. That fact can be pretty well established for we have authentic records extant showing that a dozen or two weavers started the first retail society in the tiny Ayrshire village of Fenwick in 1769. That was two years before the birth of Robert Owen, sometimes called the "Father of Cooperation" and whose bust adorns the main stairway of what was, until a few months back, the headquarters of the Scottish Cooperative Wholesale Society at 100 Morrison Street, Glasgow.

The cooperative store system had taken root in Scotland before the

twenty-eight pioneers of Rochdale opened the famous Toad Lane store and established the principle of dividend, or a patronage refund, to members on their purchases.

This small nation of (today) a little more than five million souls has always possessed a pioneering spirit. As its young men and women have gone to all parts of the Commonwealth and helped shape the nature and character of young developing lands, so the people at home in the late eighteenth and early nineteenth centuries established new organisations of social purpose. The Cooperative Movement, aiming at making

domestic life more bearable in a land beset with social ills and inequalities, was one of these which has lasted. It gained ground and multiplied in its forms and membership.

This year, 1968, we are concerned with a close look at the central organisation of cooperatives in Scotland—The Scottish Cooperative Wholesale Society Limited, which was celebrating its Centenary in mid-summer. The force in Scottish affairs that the cooperative movement was to become was slowly gathering momentum in that May of the year 1868 when the decision to set up the S.C.W.S. was put into effect. Whereas before there had been only isolated experiments in Cooperation, there was now a significant change. The emergence of the S.C.W.S. had a unifying effect. Its aim was to conduct bulk buying for the benefit of its members. But this was no cold business enterprise confining its affairs to counting houses of the land. The S.C.W.S., too, became a warm, "live" institution that for a hundred years now has dealt with the real and pressing problems of feeding, clothing and raising a family through ages of oppression, years of social and economic depression—we remember the long queues of unemployed in the 1920's and '30's—in war and peace, and in more halcyon days when most people were better off and when we all lived in what has been called "the affluent society".

In this brief review of a century of service by an organisation whose name is a household word in Scotland and its fame and steadfastness admitted and admired in international cooperative circles, only some of the highlights in the history of the S.C.W.S. can be touched upon.

In that first year of business, the turnover was £80,000. Today, the S.C.W.S. is one of the giants in Scotland's commercial world with an annual turnover just a pound or two short of £93,000,000. Throughout 100 years, it has given its member societies literally many millions in interest on shares and dividend on purchases—although the return today is heavily reduced. In addition, it has sustained the retail societies in Scotland to such an extent that all would admit they could not have penetrated so deeply into the life of the people were it not for the paternal operations of the Wholesale Society. Its high efficiency safeguarded the retail societies' finances put into its care.

As a supplying organisation, the S.C.W.S. has been the bulwark of the retail movement where sales are now in the region of three and a half million pounds per week.

In the first thirty years of its existence, the federation helped spread cooperation throughout the land. It fought the cooperative battles against boycotts by soap combines, meat traders, who tried to bar cooperative buyers from the cattle markets: and continuously contested the boycott of the Proprietary Articles Traders' Association which refused supplies to cooperative societies unless they signed an agreement not to pay dividend on sales of PATA goods. Where the fight was fiercest, the S.C.W.S. was in the midst of it.

Of course, not everything was successful in their commercial world. There were very dark clouds in 1872 when the Scottish Cooperative Ironworks Co. collapsed. The S.C.W.S. was the main shareholder and creditor. It was owed £10,427:11s.—more than the subscribed capital of the S.C.W.S. itself. Many a

less resolute firm would have gone down in the shambles. But not the S.C.W.S. The Scottish cooperator was, indeed still is, a stubborn and determined animal! The member societies agreed that one penny per £ of the dividend should be set aside till the loss was wiped out. The last sum was deducted for this purpose in 1879. To this day, 1968, the S.C.W.S. has never again been in such financial trouble, so the lesson of sanguine speculation was learnt.

The next milestone which the observer must record was reached at the beginning of the year 1881. Then the S.C.W.S. embarked upon its first productive enterprise—the manufacture of shirts (at the time of a truly sweated industry so poignantly exposed in a searing poem by Thomas Hood). Until today, manufacturing has been a key-stone of S.C.W.S. operations. There has been some stream-lining of operations in the past year or two, but there are cooperative factories, mills, warehouses and offices in every area of the country. There is the trading estate at Shieldhall—the dream of a past President, Sir William Maxwell—where a score of manufacturing trades are carried on from printing to jam making, tea packing to the production of tin-plate goods and modern self-service shop fittings.

Shieldhall was once called “the power house of the S.C.W.S.”. One would hesitate to apply that description today because cooperative production is so spread throughout the country that it is supplying part of the economic support to areas where new developments are sadly required. There is a gigantic new flour mill going up in Leith, there are clothing factories in Glasgow, soft drink factories in Edinburgh, Glasgow and elsewhere; a blanket mill at Galston;

furniture factory at Beith, creameries in the North, South and Central Scotland, fish curing stations in Aberdeen, and so on.

Across the seas, the S.C.W.S. has grain elevators and buying depots in the Prairies of Canada where their officials also act for other European national cooperative organisations in bulk buying affairs. Canadian salmon, specially packed under the “Pearl” brand label, is one of the exports which comes to Scotland from a land where Scots abound but retain the closest of ties with the folks back in the homeland.

The S.C.W.S. is more than just big business—the biggest in Scotland. It is part of a way of life and it helps serve 1,400,000 members in the retail societies and its own retail branches which cover the country from Annan, near the English Border, to the islands around the coast, including the northern Hebridean isles, which an over-enthusiastic geographer once described as being within sight of Norway!

How the S.C.W.S. brought Cooperation to the North of Scotland, the Shetlands and the Hebrides is one of the romantic stories of any age. Here they conquered not only the difficulty of selling goods economically on literally barren lands sparsely populated but also routed many a land baron who sought to deny them entry and forbade the tenantry to purchase at the Co-op. Indeed, many landlords, aided and abetted by private traders, would not allow the cooperatives to either buy or rent property to carry on business. On the Island of Arran, for example, a former Duke of Montrose imposed an entry barrier against the S.C.W.S. He lost that battle decisively. Where the people were thwarted, the S.C.W.S. sent in propa-



Old Head Office Building (built in 1893)
and new Building (Centenary House, opened April 1968) of S.C.W.S.

gandists. It provided funds. After a long and at times bitter struggle, it overcame the lairds and Cooperation came to remote places with romantic sounding names like Eigg, The Isle of Skye, Mull, and Lochranza (Isle of Arran).

During the war, the S.C.W.S. was recognised as one of the finest organisations for the distribution of consumer supplies. Many of its factories were turned over to the manufacture of goods for the armed forces and Lord Montgomery, victor in the Desert Campaign and leader of the British forces in the assault on Europe, came specially to Shieldhall just before D.Day to thank them for their efforts.

Just about a fifth of the S.C.W.S. history is concerned with the post Second World War years. These have, let us be frank, been difficult years for Cooperation in Scotland. Too many retail societies failed to read quickly enough the commercial trends. They did not regroup as they ought to have done and still must do. They also did not co-ordinate their commercial plans closely enough with their own Central Federation. To be honest in any appraisal of the S.C.W.S. in the past twenty years, we must admit that, while it remains a financial giant and is the bulwark of the movement, it has had to face enormous trading difficulties with a somewhat outmoded operating structure. A directorial and managerial set up which suited the first half of the nineteenth century was outmoded in the Elizabethan age. None have been more aware of this than the S.C.W.S. directors themselves. They persuaded their shareholding societies to accept board and management reorganisation proposals which reconstructed the business set-up of the organisation. It was a major but

necessary upheaval. There will eventually be only nine elected directors (including the President). They will concern themselves with major policy. A top management team under a General Manager—the first in the century-old history of the federation—is now getting into its stride. As one National Scottish Newspaper put it—"The slumbering giant stirs". The "giant" is a mighty strong financial body ingrained into the life of Scotland. It has a great future as it takes its first steps into its second century with every prospect of giving a new and acceptable direction to the Co-operative Movement.

At the helm will be the board of directors—dedicated men under the presidency of Lord Taylor who was created a Life Peer in the New Year's Honours List. This commentator would call him a practical idealist and revolutionary who has made cooperative business his life's study and work.

As he surveyed the achievements of a passing century and looked to the next, he wrote in the current employees magazine:

"'Cooperation means working together'. Let this be the slogan for the next century. It will be hard going if we are to mark up similar progress in the years ahead as we have to fight for our trade against highly organised businesses, many of them backed by international finance. But we are a different kind of business. Our purpose is to supply goods and services to the people and enable them to share in the benefits of cooperative trading... We are a great family. Let us be proud this day that we serve a great Scottish enterprise and be determined to ensure its continued success."

* * *

CO-OPS INTO EUROPE

by Walter Flügge

Permission was given to publish this article, which appeared originally in German in "Der Volkswirt" No. 50 (Beiheft), 15th December 1967.

INTERNATIONAL Cooperation—the maintenance of close economic and ideological relations between cooperatives in various countries—has its foundation in the origin and aim of cooperative self-help. In the age of the industrial revolution, the working class, fighting for its own existence and imbued with the idea of joint association, ventured into trading. The lesson of Rochdale not only served as an example in the British Isles, but also spread beyond its frontier. This powerful link brought about the establishment of the I.C.A. in 1895, whose main tasks have been, and still are, to represent cooperative ideals and promote cooperation throughout the world.*

New Impetus

Only 10 or 15 years ago, it was almost impossible to collaborate in the economic field due to political and economic crises, strict controls on exports and high tariff restrictions. It was only with the emergence in the 1950's of a framework for a large-scale European market

* The International Cooperative Alliance (I.C.A.), with its headquarters in London, today has an impressive figure of membership amounting to 575,000 cooperatives with 223 million members in all parts of the globe. The largest group of members are the consumer societies. Others are agricultural, workers' productive, artisanal, credit and fishermen's societies. The objects of the I.C.A. are in the main to represent international interests and to promote cooperation throughout the world—in the East and in the West. In recent years, aid to developing countries has increased with particular attention being paid to the training of cooperative experts to assist in promoting viable and efficient cooperatives in the developing countries (f.i. India, Pakistan, Tanzania, Kenya).

a decisive change took place as far as the Western European cooperatives were concerned.

New Thinking

Since then, cooperation, integration and concentration have been in the forefront of economic planning not only of the consumer cooperatives but also of other European business organisations.

Industry and trade are involved in a dynamic process of establishing large-scale markets, thus opening up new opportunities for buying, production and distribution. At the same time, increasing competition creates additional risks.

The establishment of the European Economic Community has brought about drastic changes in the economic and structural development of EEC countries. If agreement can be reached between EEC and EFTA countries, further changes can be expected. The progressive abolition of tariff restrictions compels business organisations geared in size to a "mainly protected" home market to change their attitude and to adjust themselves to a market of 175 million consumers or—after inclusion of EFTA—250 million. Industry is mainly concerned with ways and means of raising capital, joint production and marketing, establishing new branches and exchanging licences; but traders are seeking access to large-scale markets in other countries. It is interesting to note here that such collaboration is today not restricted to the six EEC countries but also embraces the EFTA countries and in this way anticipates European unity.

8,500 Consumer Cooperatives

Any form of economic collaboration will prove the more effective, the more efficient business associates in other countries are. Consumer societies and their central organisations as a group

can, in combination, claim the largest share of the market in Western Europe.

(1) At present, there are about 8,500 consumer cooperatives with a membership of 22 millions. This means that every third or fourth household in Europe shops at the "CO-OP".

(2) Cooperative retail outlets number 75,000 units. Amongst these are traditional food shops, supermarkets, shopping centres, departmental stores and specialist shops. The progress made in modernising retail outlets varies considerably from country to country, but the principle of self-service is gaining more and more ground (at the end of 1965, 20,000 out of the 75,000 units were self-service shops). Scandinavian cooperatives take first place, followed by Swiss and German societies, while in France, Belgium and Italy traditional food shops are still predominant.

(3) The total turnover of the 75,000 units amounted to about DM 35,000 million in 1965. The consumer societies in the UK, with a total turnover of DM 12,000 million, are far ahead of other countries. Second place is taken by the German consumer societies with DM 4,000 million, followed by Sweden with DM 3,900 million.

These figures, however, tell us little about the influence which cooperatives in individual European countries have on the market; this can only be ascertained by looking at their share of the whole of the retail trade. The Nordic consumer societies are particularly strong. In Finland, the cooperative share of the market is 37 per cent (this is about equally shared between OTK

and SOK), in Iceland 30 per cent, in Sweden 17 per cent, in Denmark and Norway each 9 per cent. Outside Scandinavia, Switzerland stands out with 10 per cent and Great Britain with 9.3 per cent. At the lowest end of the scale are France, Belgium and Italy.

(4) The central organisations of the Western European consumer societies have a total turnover of about DM 20,000 million, an amount not nearly reached by any other group of undertakings, and this opens up a great potential for closer economic collaboration. Leading again is the English CWS with DM 5,400 million; second place is taken by KF Stockholm with DM 2,900 million; and finally—number three—the GEG Hamburg, with DM 2,000 million.

The largest part of the turnover is in foodstuffs, but the non-food sector is gaining in importance through the establishment of chain stores (e.g. Domus in Sweden), shopping centres and supermarkets. Only in Germany has mail order trade expanded.

(5) The value of own production amounts on an average to one-third of the total turnover of cooperative wholesale societies—with variations from 10 to 45 per cent in different countries. The European wholesale societies own about 500 productive undertakings with 80,000 employees. Production comprises the full range from basic to luxury foodstuffs and a large section of other essential commodities. First place is taken by coffee roasting followed by chemical products, soap and soap powder, bread and confectionery,

chocolates and sweets, meat and flour milling.

The CWC

With a view to their large market potential and the development of a large-scale European market, the co-operative wholesale societies joined together in two international organisations—the Cooperative Wholesale Committee with its headquarters in Copenhagen and EURO-COOP with its headquarters in Brussels.

The CWC was set up in 1956—actually shortly before the official establishment of EEC—as an auxiliary committee of the I.C.A. to “foster, develop and promote trade and trading relations and common interests of Cooperative societies in all parts of the world”, as is laid down in the statutes. Affiliated to CWC are the 18 Western European co-operative wholesale societies including Israel with a total annual turnover of approx. DM 20,000 million.

A programme of work was unanimously agreed upon at the meeting of the Committee held in October 1964 in Belgrade. Priority was given to the following tasks:

- promoting joint purchasing by CWC members
- promoting mutual exchange of own-products
- continuing the activities of the expert (industry) groups
- intensifying the exchange of information between member organisations on new developments, particularly with respect to structural changes, financing problems and marketing questions.

Joint Purchasing

In recent years, the main efforts were clearly directed towards joint pur-

chasing on the world market. The basis for this was a resolution passed in 1965 by the members dealing with co-ordination of purchasing on an international scale. The basic principles are the use of individual members' overseas buying agencies by all CWC members and joint purchasing of certain types of goods. Because of their importance for practical collaboration, they can be regarded as outstanding examples of joint trading. We quote below the main points of the resolution:

- (1) All CWC members, or groups of members, having buying agencies, etc., in other countries declare that they are willing to extend the activities of such institutions for the benefit of all members of CWC and they cordially invite all member organisations to make use of these services.

These services will be at the disposal of all members to the same degree and on equal terms.

- (2) All members agree to make use of the offer made under item 1 provided average terms prove to be at least equal to those of other sources. If not, members should supply evidence to this effect.

Should a member choose to buy a commodity through another member's buying agency, the arrangement should cover all his requirements. Any exceptions should be specified and agreed upon.

- (3) The members agree that, with regard to the following groups of goods, special investigations are now to be made into the possibilities of the common utilisation of the various buying depots, etc., and joint purchasing, if appropriate—coffee, tea, canned fruit and vege-

tables, canned fish and non-food goods.

(4) These investigations into the respective ranges of goods are to be carried out by the expert groups and their aim shall be the adoption of practical measures for the common utilisation of foreign buying agencies and/or the carrying into effect of joint purchasing, and in this connection, if possible, also to co-ordinate the selling and marketing policies for the goods concerned of the participating members (common trade marks, uniform packing and equal quality of commodities).

(5) The members of CWC will work vigorously towards the implementation, within each organisation, of such measures as are recommended by the respective expert groups.

The results achieved since the passing of the resolution have been regarded as positive. They show quite clearly that common action beyond frontiers is possible and its advantage is increasingly recognised. Joint purchasing of food-stuffs is mainly centred on making common use of overseas buying agencies, as it would hardly be possible to obtain more favourable conditions by pooling orders. We refer particularly to the CWS agencies in Sydney and New York (canned fruit and vegetables, dried fruit) and the Scandinavian import agency NAF in San Francisco and Santos (canned goods and coffee). The advantage of the joint use of these agencies lies particularly in the local experts' intimate knowledge of the market. Assistance is also given in selection of, and constant check on, suppliers, the watching over the execution of orders and the settling of disputes between the partners to a contract, etc. Efforts are

also being made within the expert groups for the use of common trade marks and package designs (such as RAINBOW for imported canned fruit, CIRKEL for coffee and tea).

Non-Food Sector

In the non-food sector, the focal point lies in pooling of demand, as the size of orders substantially influences the conditions of purchase. At present, there are experts groups dealing with toys, camping and sports equipment, garden furniture and ladies and men's wear. An expansion into new commodity groups is at present under consideration. During the past year, joint orders to the value of over DM 40,000 were placed. The countries from which purchases were mainly made were the Far East, the German Federal Republic, Italy and Scandinavia. In this connection, the GEG Non-Food Centre in Kamen has taken on the important task of central co-ordinating agency for a number of groups of articles (toys, camping equipment, garden furniture).

The advantages of joint purchasing as proved by past experience are:

in more favourable purchase prices, which might mean a 20 per cent reduction for some members of the CWC. Savings will obviously be largest for the smaller organisations which could previously only place small orders, sometimes through local agents;

in producing special articles for the European cooperatives (e.g. toys and camping equipment). This is only possible if sufficiently large orders can be placed;

in checking and improving the goods offered for sale which means amongst other things special instructions to the suppliers. In the textile labora-

tories of KF, Sweden, and the English CWS, for example, all offers are thoroughly tested before they are accepted into the joint purchasing programme;

in the mutual exchange of experience. It is becoming more and more difficult even for highly qualified buyers to be aware of all markets and offers. And no one can afford the time to visit every country and all the trade fairs, especially as some of them take place simultaneously. Integrated collaboration within the groups offers the possibility of sharing the tasks and at the same time of obtaining full market information for all the participating countries.

The division of Europe into EEC and EFTA has affected collaboration only in some fields, since the purchasing centres concerned are mainly outside these areas or are concentrated in specific European countries. It is, however, certain that, when EEC and EFTA, join together there will be new opportunities for joint purchasing, for exchange of own products and for collaboration in production. This is true because the cooperative movements of Sweden and Great Britain are particularly strong and are the owners of productive enterprises which are capable of increasing their output.

Apart from commercial collaboration, great importance is attached to the exchange of information within the CWC, particularly within the expert groups and through the information bulletin published by the CWC Secretariat, especially as it is becoming more and more difficult to survey the growing large-scale markets which are undergoing continuous technical-economic changes.

EURO-COOP in the Framework of EEC

The Committee of European Cooperative Production and Wholesale Organisations (EURO-COOP) was established on the 27th March 1962, soon after the negotiations for Britain's entry into the European Economic Community had broken down, to ensure powerful representation of national consumer cooperative organisations within the EEC in respect of the organs of the Community. In detail, the objects of EURO-COOP, according to the minutes of the first meeting, are as follows:

- To represent officially the wholesale organisations of the various national consumer cooperative organisations within the EEC in respect of the organs of the Community.
- To maintain the necessary contacts with the European associations of agriculture, food, drink and tobacco, fishing industry, trade and consumers.
- To promote and to co-ordinate the common interests of the consumer cooperative production and wholesale organisations.
- To contribute constructively to the realisation of the European Economic Community according to the terms of the Treaty of Rome.

Founders of EURO-COOP were CO-OP Nederland—Rotterdam, GEG—Hamburg, SGC—Brussels, and SGCC—Paris. In 1964, AICC—Milan and BIEN-ETRE—Antwerp became members.

The Secretariat of EURO-COOP in Brussels, in accordance with the objectives outlined above, is carrying out its tasks within the framework of progressive expansion in the European Economic Community, as follows:

- (1) Collation and evaluation of information regarding legislation and development of the EEC, and the passing on of such information to members.
- (2) Preparation of comments on EEC policy and submission of these to the EEC organs. Strong criticism must be expressed of EEC agrarian policy which has not been able to establish a balanced relationship between the real interests of agriculture, commerce and the consumer.
- (3) Promotion of economic cooperation between the EEC wholesale organisations. In the field of joint purchasing of foodstuffs, EURO-COOP established working parties in 1964 which later, for reasons of expediency, joined the CWC working parties. Research has been undertaken and is continuing to establish how far it is possible and useful to collaborate in the field of production.

It has been possible to undertake joint production of biscuits. The biscuit factory of CO-OP Nederland in Utrecht has been expanded for this purpose. All the EEC wholesale organisations participate financially in this limited company under Dutch law. Sales to participating societies are increasing. Another project, the construction of a chocolate factory, is at present under consideration amongst the EURO-COOP partners. A decision about joint participation is most likely to be made in the course of this year.

The results of economic collaboration between European cooperatives are clearly proving to be profitable. Further considerable reserves could be mobilised if it should prove possible to overcome the split of Europe into EEC and EFTA. It is for this reason that cooperatives support all efforts which would lead to a united Europe and to a further liberalisation of world trade.

EDUCATION PROSPECTUS

The Cooperative Union Education Prospectus for 1968/69 contains much useful information on syllabuses and correspondence courses, group certificates and diplomas awarded by the Cooperative Union, and is a handy guide to cooperative students in social and technical subjects.

Time-tables for examinations and details of some other examining and awarding bodies are also included, as are details of the various diploma courses, textbooks, and provisions for help to local classes.

Price 6d., by post 11d.

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IMPORTANCE OF THE COOPERATIVE MOVEMENTS IN MEMBER COUNTRIES OF THE I.C.A. COMMITTEE FOR RETAIL DISTRIBUTION

by **G. Lindblad**
Secretary of CRD

In *Western Europe* in 1966, the cooperative movement in CRD member countries (Austria, Denmark, Finland, France, Germany, Great Britain, Iceland, Italy, Netherlands, Norway, Sweden and Switzerland) operated together 71,086 shops. More than 85 per cent of them were food shops.

Total cooperative sales amounted to almost 30,000 million Dutch Guilders, of which 75 per cent were food sales.

The cooperative share of the total market is highest in Finland (37 per cent) and lowest in Italy (1.5 per cent). The cooperative share of the retail food trade is higher than the cooperative share of the non-food trade in all countries.

The average cooperative food shop has an annual turnover of 350 thousand Dutch Guilders. Shops in countries with a comparatively high standard of living rank higher than average—and vice versa.

The number of members of retail societies varies from 3 per cent of the population (Netherlands) to 24 per cent (Finland and Great Britain).

In Eastern Europe, consumer cooperatives trade mostly in rural areas. The market share is very high—some 42 per cent in Bulgaria and 27 to 28 per cent in Czechoslovakia and Poland.

In Israel, the cooperative movement

is responsible for 20 per cent of the food trade.

* * *

The following survey is largely based upon information received from CRD liaison officers in Austria, Czechoslovakia, Denmark, Finland, France, Great Britain, Iceland, Netherlands, Norway, Poland, Sweden and Switzerland. Published sources were also used.

I. Western Europe **Cooperative Sales**

One way of getting an idea of the importance of the cooperative movement in a country is by studying total cooperative retail sales. The figures in the following table are, however, not altogether exact nor comparable. For example, they may or may not include sales tax, some amount of wholesaling (especially from retail societies), sales in restaurants, sales of shops closed down during the last year, sales of gasoline, fertilizers, fuel, mail order, etc. But on the whole these discrepancies are of little importance.

Total cooperative retail sales amount to 29,500 million Hfl (= £3,390 million), 33 per cent of it being effected by Great Britain. Unfortunately, there are no figures for the whole of Europe available for comparison. The bulk, i.e. 75 per cent, is done in the food trade.

COOPERATIVE SALES 1966

All figures in millions	Total Sales		Food Sales		Non-Food Sales		
	own currency	converted to Hfl.	own curr.	converted to Hfl.	own curr.	converted to Hfl.	
Austria	ÖS 4,291	599	3,150	440	1,141	159	
Denmark	Dkr 2,645	1,280	2,167	1,049	478	231	
Finland KK	Fmk 1,294	1,114	1,014	873	280	241	
Finland SOK'	Fmk 1,814	1,562	819	705	995	857	
France	NF 4,414	3,235	3,708	2,718	706	517	
Germany	DM 4,195	3,784	3,650	3,292	545	492	
Great Britain	£ 1,108	9,640	792	6,890	316	2,750	
Iceland	IKr 2,113	135	1,203	77	900	58	
Italy (1965)	Li 123,067	713	122,323	709	744	4	
Netherlands	Hfl 349	349	327	327	22	22	
Norway	Nkr 2,348	1,187	1,380	698	968	489	
Sweden	Skr 5,411	3,780	4,121	2,879	1,290	901	
Switzerland	Sfrs 2,540	2,109	1,880	1,561	660	548	
Total	—	—	29,487	—	22,218	—	7,269

The Cooperative Market Share

In most countries total retail sales can be estimated with the help of figures from the last census of distribution, the national budget calculation, household expenditures, etc. It is then possible to calculate cooperative sales as a percentage of total retail sales. Figures are, of course, not exact and should be considered as estimates only. So, for instance, sales of cars may be included in non-food sales in some cases, whereas they are not in other cases.

It should be noted that two cooperative movements are operating in Finland. This is probably the reason for the high share in the market arrived at in this country. It should also be mentioned that the German and Austrian movements were dissolved in the 'thirties and had to restart after World War II under difficult conditions.

Members

Membership registers always contain, of course, a certain number of non-purchasing members. If the register is not revised every year, this percentage will quickly increase. So the figures below may in some cases be maximum figures rather than actual figures.

COOPERATIVE SALES AS PERCENTAGE OF TOTAL SALES

	1966		
	Total sales	Food sales	Non-food sales
Finland	37	42	32
Iceland	(about 30)	n/a	n/a
Sweden	17	24	10
Denmark	11	15	6
Norway	10.5	12	8
Great Britain ..	9	15	6
Switzerland	9	17	4
Austria	5.5	7.5	3.5
Germany	3	8	1
France	2.5	4.5	1
Netherlands	1.5	3	0.1
Italy	1.5	3	0.1
Weighted average	5%	9%	3%

Membership practices may also be different. For example, in France and Sweden, normally only one member of the family is a member of the society. In Great Britain, very frequently both the husband and the wife are members and sometimes also the children, 16 or over. Again in Britain, quite a number of people are members of more than one society.

	thousand members	thousand inhabitants	% members
	1966	1966	
Finland	1,095	4,654	23.5
Iceland	31	197	15.7
Sweden	1,356	7,775	17.4
Denmark	743	4,792	15.5
Norway	359	3,748	9.6
Great Britain	13,065	55,000	23.8
Switzerland	844	6,070	13.9
Austria	466	7,300	6.4
Germany	2,460	59,650	4.1
France	3,552	49,550	7.2
Netherlands	402	12,450	3.2
Italy	2,090	52,275	4.0
Italy: Lega	1,109	—	2.1
Total/ average	27,572	263,461	10.0

The countries are listed in the membership table in the same order as in the table showing the cooperative market share. There seems to be a certain correlation between the percentage of members and the market share. However, it is not clear why Norway and the Netherlands have not more members.

Cooperative Shops

The following numbers of shops were reported:

	Total number of shops	Food shops	Non-food shops
Austria	1,548	1,520	28
Denmark	2,324	2,319	5
Finland KK	4,164	3,436	728
Finland SOK	5,042	4,207	835
France	10,930	10,765	165
Germany	7,189	7,149	40
Great Britain	26,436	20,933	5,503
Iceland	257	—	—
Italy (1965)	3,869	3,803	66
Netherlands	888	797	91
Norway	2,027	400*	1,627
Sweden	3,450	2,981	469
Switzerland	2,962	2,657	305
Total	71,086	60,967	9,862

* 90 — 100 per cent food

In practice, most food shops sell some non-foods, and many sell large quantities of non-foods. For example, in Norway in 1965, for the 2,065 shops, the percentage of food in turnover was as follows:

Percentage:	0-10	11-20	21-30	31-40	41-50
Shops:	196	32	85	201	246
Percentage:	51-60	61-70	71-80	81-90	91-100
Shops:	217	261	212	205	409

Clearly, it is difficult to state which is a food shop and which is a non-food shop. Therefore, the figures in the middle and right columns of the table on cooperative shops should be used cautiously.

In addition to the 71,086 shops reported by CRD member countries, there are some 3,300 cooperative shops in Belgium. Altogether, there were about 75,000 cooperative shops in Western Europe in 1966. According to figures obtained from other sources, there were 76,600 cooperative shops in 1955, 79,150 in 1960 and 75,200 in 1965.

In "Retailing in Europe", Jefferys and Knee estimate the *total* number of retail establishments in the above-mentioned countries at some 2,540,000 in 1955 (page 25). Thus, about 3 per cent of all shops appear to be cooperatively owned. In 1960, these shops achieved about 6.2 per cent of the total West-European retail trade. Thus on average, cooperative shops are larger than competitors' shops.

The British movement has a dominating position among the cooperative movements, not only with regard to the number of shops—it accounted for 40 per cent of the total number in 1961—but also with regard to the number of members and the total turnover. Thus, the European cooperative development—as far as it appears in statistics—is mainly influenced by what is going on in Great Britain.

Size of Food Shops

If cooperative food sales are divided by the number of food shops, the turn-

over of the average food shop is obtained. Calculations should, of course, be made in the same currency (here in Dutch Guilders) so figures will be comparable. In spite of this, difficulties will occur. The exchange rate does not always correspond to relative purchasing power. Sales in food shops include some non-food sales, as was shown earlier by the Norwegian example. Department stores and variety stores often sell food but are counted as non-food stores. For Great Britain, sales are reported for 1966, but the number of shops for 1961.

Average Turnover
in 1,000 Hfl.

Norway	(1,745)
Sweden	965
Switzerland	590
Germany	460
Denmark	450
Netherlands	410
Great Britain	(290)
Austria	290
Finland KK	255
France	250
Italy	190
Finland SOK	170

Weighted Average = 350

Probably there is a correlation between the shop size and the standard of living. It is unfortunately not possible to prove this, as it is impossible to list countries exactly according to their standard of living. If there is a correlation, this would indicate that the average shop size should increase when the standard of living increases in a country.

II. Eastern Europe

In the oldest communist country, the U.S.S.R., the state owns all city shops, whilst the cooperative movement operates in rural areas. Independent retailers do not exist, with a few unimportant exceptions.

This pattern has mainly been followed in all East European countries,

even though the winding up of all independent retail enterprises, of course, takes time. However, in the last few years, a certain liberalisation has taken place, increasing the possibilities of an exchange of experiences to the advantage of both sides.

In Bulgaria, the cooperative share of the retail market was slightly above 42 per cent in 1961, and the number of cooperative retail outlets was 6,880. In 1966, 14,831 cooperative shops and 8,167 restaurants were reported; of these, 5,201 were self-service shops. 4,316 shops sold only food, 5,408 sold exclusively non-food, and 5,107 sold both.

Membership in 1965 was 2,011,000 out of a population of 8.3 million.

In Czechoslovakia, it was decided in 1952 that consumer cooperatives should concentrate their activity on rural areas. In 1953, the cooperative retail turnover was 13,500 million Kcs, it increased to 25,885 million Kcs in 1966, two-thirds being food sales. The cooperative market share is 27 per cent; 35 per cent for food and 18 per cent for non-food.

The number of cooperative shops is some 27,000 or 34 per cent, which is much more than the share of the market. Comparatively small shops are quite natural, as the Czechoslovak movement is still mainly operating in rural areas.

Self-service was introduced in the cooperative movement in 1956. On the 1st January 1966, the number of self-service shops was as high as 6,844. Besides there were 1,570 shops operating the pre-selection system. Mobile shops were comparatively important. 779 mobile shops were in operation in 1966 and they achieved 3 per cent of cooperative retail sales.

The membership number was 1,885,000 in 1966.

In *Poland*, there are several cooperative organisations. The one affiliated to the CRD is the Union of "Peasant Self-Aid" Cooperatives operating in villages and cities. In 1965, "Peasant Self-Aid" had 28 per cent of the Polish retail market (the total cooperative share was 48 per cent) and was operating 58,500 shops in villages and 22,000 in towns. Half of the turnover was food. Large amounts of non-foods were sold in small department stores. The number of shops increased from 27,000 in 1950 to 56,400 in 1960 and was 80,400 in 1966 (including kiosks and mobile shops). The average shop size was 45 sq. m. in 1965.

The membership number was 6,691,000 out of a population of 32

million.

III. Israel

For Israel, unfortunately only figures referring to 1965 are available.

The cooperative movement of Israel is mainly working within the food trade. A total turnover of £180 million (= 190 million Hfl.) was achieved by 160 supermarkets and 90 grocery shops (the latter in small places). This means an average trade of almost 1 million Hfl, which is above most West European movements.

The cooperative market share is 20 per cent for food and 2 to 3 per cent for non-food.

200,000 members are affiliated to the movement. This corresponds to 750,000 persons or one-third of the total population of Israel.

THE HALF-YEARLY REPORT ON CHANGES
IN COOPERATIVE STRUCTURE WILL BE
PUBLISHED IN THE REVIEW NO. 6, 1968.

COOPERATION IN EAST AFRICA

by Hebe Spaul



UGANDA

EACH of the three countries of East Africa—Uganda, Kenya and Tanzania—have cooperative movements that are making great impacts on the economies of their respective countries. If we look at the smallest of the three, Uganda, we find that it claims to have over half a million members of primary societies in a population of seven and a half millions. This, it is estimated, means that about one-third of the population is served by cooperatives, which between them have an annual turnover of about £20 millions. Uganda's main commercial crop is cotton and in a single year over 67 per cent of the cotton crop was handled by cooperatives. As regards coffee, a newer enterprise, about 40 per cent of the country's total coffee crop is also handled by them.

The cooperative unions own ten coffee factories and forty-eight ginneries. These are encouraging records, but the movement has to try to overcome some formidable difficulties. Two of them, both concerned with these two basic industries, were brought to my attention during my visit to Uganda last summer. One was emphasised by a representative of the Ministry of Agriculture and Forestry and Cooperative Development. This concerns the staffs of the factories and ginneries. Following a Government decision to encourage the processing of coffee and cotton through cooperatives, many existing ginneries were taken over by the Unions, together with a number of the non-African technical staffs who were almost all Asians. These people

had no experience of, or interest in, the movement; thus they were not in a position to inculcate the knowledge or inspiration needed. Nor have they been found satisfactory as regards imparting technical knowledge. One way in which the Department is trying to meet this technical problem is by employing two cotton ginnery training experts from the United Kingdom. They conduct formal courses at ginneries by "on the job" training as well as organising and supervising a general fitters' course which lasts for ten months. This is conducted at a technical school for would-be ginnery fitters recruited straight from school. The experts also advise Unions on the proper use of labour and building and on engineering problems.

But the Unions are facing another problem of a different order. The manager of the Cooperative Union of Busoga, which has 146 member societies and owns eight ginneries, said they were no longer making a profit, not because they were incapable of doing so but because of the tendency of the Lint Marketing Board to absorb the profits that were formerly made by the ginneries. This engenders understandable discontent amongst the growers. A similar problem arose with coffee. The Union made a profit of £62,000 in 1966, but the societies were not able to enjoy this in the way they had hoped, as the Government, in view of this surplus, reduced the price of standard coffee to the value of £50,000. I visited the Namulasa coffee factory and there I learnt that the year 1967 had been a very unfavourable one for coffee as, because of drought, the berries had not matured.

One of the largest Unions in the country, which I also visited, is the Bunyoro Growers Cooperative Union.

It has a hundred societies affiliated to it, with a total membership of about 100,000. The Union markets cotton, coffee, tobacco and cattle for the societies as well as minor crops, such as maize, ground-nuts and millet. At the time of my visit, the Union was building a tobacco factory.

In spite of the problems to which reference has been made, some coffee and cotton societies have been able to make worth-while profits and to turn these to good account. I visited a cattle ranch at Nyakyana where the Bunyoro Cooperative Union had acquired nine hundred head of cattle. The cattle had all been purchased from profits made from the ginneries and the coffee factory operated by the Union. The manager came from the Veterinary Department and was assisted by eight herds-men. As the cattle is sold, a dividend will accrue to the members. Another successful enterprise is the Akoraneka Cooperative Dairy which supplies local schools and a hospital and sends the balance to Kampala. The dairy also produces a limited amount of butter from its surplus.

I visited a ranching society run by a primary society. In this case, each member, instead of subscribing a share in money, subscribed one cow. The idea of this society was that, under the care of an experienced herdsman, the cattle would be better looked after and it would be possible to do more intensive cattle breeding. The members receive a dividend when the cattle is marketed, based on the proportion they have subscribed, that is, on the value of their cows.

Another recent type of cooperative society is the Cooperative Group Farm. Such farms are developed with Government aid on land areas cleared by the

Government for cultivation. The Group Farm I visited was known as the Ruemigali Cooperative Farm Society which had been founded in 1964. There were sixty-one members, and each plot allocated to them was divided into three, so that up to ten farms could be ploughed at the same time. Apart from this farm land, intended both for cattle and crops, each farmer had two acres of land adjacent to his house where he could grow crops for his personal use. On the group farm, commercial crops—cotton, tobacco, maize and ground-nuts—were grown. The farm had its own bore hole and dam as well as facilities for central storage and a crop drying floor. Cattle breeding and grazing was a joint enterprise.

These new developments are very promising and indicate vitality in the movement. They, however, also help to emphasise the fact that member education is of the utmost importance, a fact which leaders with whom I talked were quick to point out. It is, therefore, particularly unfortunate that Uganda's apex body, the Uganda Cooperative Alliance, as a result of lack of proper management, became involved in difficulties which resulted in its activities being suspended during a period of complete reorganisation. This set-back, I was assured, was only likely to be temporary.

KENYA

In 1967, the movement in Kenya began to function under the impact of a new cooperative law which became operative in January of that year. The reason for this legislation was explained to me by Mr. G. S. K. Boit, Permanent Secretary to the Ministry for Cooperatives and Social Services. Some societies, he explained, had been formed

and registered, but their activities, it turned out, were sometimes quite outside cooperative practice. The new law gives the Government much wider powers to control the activities of societies, more particularly in regard to their finances. Mr. Boit stressed that there was no intention of continuing such control indefinitely; only until such times as the affairs of inefficient societies were straightened out. Mr. Musundi, the Secretary of the Kenya Federation of Cooperatives, expressed the belief that the new law had become necessary. It would, however, have an impact upon the way audits were carried out. Some big Unions employed Chartered Accountants, but the audits of primary societies were done by the staff of the Cooperative Department of the Ministry. The Federation was in favour of the formation of an Audit Union, but the Department felt that, because of the new Act, it was desirable to have all audits done by the Department and, consequently, it was increasing the staff of its Audit Section.

Another development of 1967 were plans for the formation of a Cooperative Bank. A proposal to that effect had been put forward by the Federation to the Ministry and it was hoped that the Bank would begin operations by the end of 1967. Moreover, it was also hoped that it would be able to operate from its own resources without outside aid. I had a talk about the Bank's prospects with the manager designate, Mr. Landells, who comes from the Standard Bank. He explained that they would have a modest beginning and start with only a head office in Nairobi, using the branches of commercial banks as agents.

The most impressive outside aid which the movement in Kenya is receiv-

ing at the present time comes from the Nordic Project. Under this Project, fifty Field Advisers from the Scandinavian countries are working in Kenya. Most of them are attached to a Union, of which there were thirty-four in 1967. This figure was expected to change before long as, on the one hand, there would be some reductions as the result of amalgamation into District Unions and, on the other, some new Unions were projected. Whilst some of the advisers are concentrating on education at District level, the bulk of them are concerned with proper business administration, and all are practical business men with cooperative experience. A few of them are working with the Ministry.

One of the recent educational activities carried out by the Federation is the issue of a Journal for Cooperatives, the first issue of which appeared in 1967. The Federation also sponsors some publicity over the radio, usually either weekly or fortnightly. The Federation, incidentally, is made up of Unions and certain country-wide organisations and, where there is no Union, individual societies may be admitted.

One of the nation-wide cooperative organisations affiliated to the Federation is the Kenya Planters Cooperative Union. Founded in 1933 by two cooperative unions for agricultural supplies, its membership for a considerable time was predominantly European, but it has had African members since 1935 and today its Board consists of six Europeans and six Africans. Although it is registered as a cooperative, it is also registered as a company. This, the Manager explained, was because its factory and services were the headquarters of Kenya's coffee industry and they were required to make their facilities available to all growers of coffee. Every

latest device was incorporated in the factory and the manager told me with pride that a recent delegation from Brazil's coffee industry informed him that it was ahead of anything in their country.

Another of these nation-wide organisations is the Kenya Farmers Association which has as members individual European, Asian and African farmers as well as Union and primary cooperative societies. They operate under rules amended in 1960. The Association buys agricultural requirements in bulk and has large and well equipped shops from which farmers can obtain everything they need.

A very lively District Cooperative Union is that of Nyeri to which are affiliated thirty-six societies. The Union employs a considerable number of technical instructors, six of them teach pyrethrum husbandry, nineteen are for coffee production and two are for pig breeding. The Union undertakes all accounting for its member societies. Two farms, one for coffee and the other for pigs, are operated by the Union. The latter has five to six hundred pigs. The Union holds seminars and conferences at local farmers' institutes, the Union paying for the accommodation of those attending.

One Union that has grown considerably since it was formed in 1959 is the Kiambu Coffee Growers Cooperative Union. From one society then, it now has ten, embracing 12,500 coffee growers. They have assets of a million pounds and employ thirty-eight field instructors to help the members. Book-keeping is done in a large measure by the Union for its societies. Recently, the Union's revenue has been greatly increased by reason of the fact that, in addition to coffee, dairy produce and

pyrethrum are now being produced by societies. It was decided that this additional income should be used to make it possible for the Union to take over all graded employees of primary societies. This will make it possible for employees to be transferred from one society to another.

TANZANIA

No visitor to Dar-es-Salaam can fail to notice the headquarters of the Cooperative Union for it dominates the skyline. It is the city's highest "skyscraper" and the approach to it is both pleasing and impressive. The building is an investment as well as a home for the movement, as part of it is let to a number of undertakings. The headquarters staff of the Union, under its Secretary-General, Mr. Kapinga, consists of twenty employees.

Since the Government's White Paper on the recommendation of a Special Presidential Committee of Enquiry into the Cooperative Movement and Marketing Boards, a great deal of interest and discussion has been aroused at all levels on the implications of the recommendations. It would be outside the scope of the present article to discuss the changes involved beyond saying that the one that has given rise to most interest and activity, because of its far-reaching implications, is that of a unified service for cooperative movement staff, limited in the first instance to Union staff only. There are throughout the country over 1,500 societies and five Unions which between them handle half a million tons of produce. The total membership is about one million.

That education receives top priority in Tanzania is due in no small measure to the assistance being provided by the Nordic Tanzania Consortium. The

educational work is centred in Moshi in close association with the Cooperative College. The Cooperative Education Centre, under the direction of Mr. Arne Homberg, was founded in 1964 and arose out of discussions between the Government, the Cooperative Union of Tanganyika and the Nordic Cooperatives. The task of the Centre is envisaged as primarily the education of 15,000 committee members and 3,600 employees as well as of the rank and file of the membership.

A beginning was made by holding what were called "Kwacha" or "Wake Up!" courses. It was impressed upon all those assisting in the organisation of such courses that they should not attempt to make up the programme at headquarters. The first step should be, by correspondence with the marketing Union and regional cooperative officer, to find out what were the local problems. Then the teacher who would conduct the course should go in advance to make final arrangements as to time-table and so on. This method has resulted in a considerable variety in the nature of the courses held, but perhaps just because they are geared to matters which the local farmers are already discussing amongst themselves, they have aroused lively interest. As an example of this it is told that participants will walk many miles to attend, one walking as much as thirty-five miles. As to where the gatherings are held, meeting places have been many and varied and have included the veranda of the local store and the precincts of a Hindu Club. Participants supply their own food and cook it on open fires.

Such a "Wake Up!" course is only a beginning. The participants are asked to go back and get their fellow commit-



Members
bringing Coffee
to Sokon II
Cooperative Society

Dispatching of
Correspondence Courses



Kilimanjaro
Native Cooperative
Union:
Main Building
in Moshi



Central Pulpery
for Arabica Coffee
in
Kirua Vunjo East

Radio Programmes
for Managers and Committee
Members of Ulanga
Cooperative Society



Consumer Shop
in Kibosho on the Slopes
of Mount Kilimanjaro

tee members to form discussion groups and material is sent to assist them. This, however, raises another problem, as in the more remote areas communications are difficult and it may be as much as twenty-five miles to the nearest Post Office: However, the Unions undertake to take care of correspondence for their primary societies enabling them to collect it when business takes them to their Union. This matter of education and communication has recently been stimulated by the appointment of education secretaries, all but three of the fifty-one Unions having made such appointments at the time of my visit. These education secretaries can arrange one-day courses for any of their affiliated societies. This relieves the pressure on headquarters, as such courses no longer have to be administered by them.

Perhaps the most far-reaching of the aids used in this intensive educational campaign is that of the radio. This is used to good effect in connection with discussion groups. Since January 1967, there has been a cooperative radio programme, lasting fifteen minutes, every Friday, with a repeat on Saturday. These broadcasts take the form of a discussion between Mr. Cooperator, backed by a young woman cooperatrix, and an old Farmer. The programme comes on the air with its own signature tune. Most of the programmes are prepared in Moshi in the Lutheran radio station which, it is said, has a very good studio. Two tapes are taken of each broadcast, one of which is sent Radio Tanzania. The Centre has two portable tape recorders and so it is possible for appropriate recordings to be used at meetings of farmers. Societies are not encouraged to purchase their own radios or transistors, as this might give

rise to numerous problems of use and maintenance, but members possessing sets are asked to invite fellow members to listen with them on Friday or Saturday to the broadcasts. Discussion groups to follow the broadcasts are recommended and a special Discussion Manual, distributed to primary societies prior to the broadcasts through their Unions, is used. Each week two questions are posed and these the groups are asked to answer and to send the answers to the Centre. The radio programmes, if followed by an hour's discussion, are timed so as to enable members to be back in their homes before darkness. During the first six months of 1967, three thousand answers to questions had been received at the Centre.

Another big education scheme in which the cooperative movement is directly involved is that which is being carried out by UNESCO in the Mwanza region. The project is one of five functional literacy campaigns which UNESCO is carrying out in different countries in various parts of the world. I had a talk with Mr. Bertelsen of Denmark, the project manager and chief technical adviser to UNESCO. About two million people in three regions are involved in the scheme in which the cooperative movement is participating. At the time of my visit, the organisers were concerned with training those who were to conduct the literacy campaign. Some of those at village level may themselves have had very little education. They will work under supervisors who will have undergone a two-months training course in District Training Centres. The plan is to teach basic reading, making use of words that are commonly used in agriculture and industry. The Cooperative Education Centre has prepared a reader to be used

as a literacy primer. This deals, in a very simple manner, with cooperative history. Two other readers had been prepared by members of the Centre when I was there and were being studied by language experts before being published.

* * *

These three East African countries are undoubtedly cooperative-conscious

at all levels. They are facing big problems, some of which go to the roots of generally accepted cooperative practice. There is very good reason to believe, however, that, aided by technical experts from numerous countries, the three movements will surmount their difficulties and will perhaps emerge the stronger for having to meet the present challenge.

THE COOPERATIVE MOVEMENT IN PAPUA AND NEW GUINEA



THE cooperative movement was introduced to our country in 1946. Before then, there were trading activities by many small groups of people, but they failed because of lack in business and management experience. Many people thus lost money. The Administration of Papua and New Guinea therefore decided to offer assistance to those who wanted to start new ventures, and it formed a Cooperatives Section, later known as the Registry of Cooperative Societies, in one of its Departments.

From 1946 to 1950, primary societies were formed at village level, usually multi-purpose ones to market copra and

by **Mahuru Rarua Rarua**

Secretary, Federation of Native Associations Ltd., Port Moresby, P.N.G.

retail goods. These cooperatives adopted the Rochdale Principles and were given advice and assistance by the Registry of Cooperatives, but all funds were subscribed by their members. In 1951, special legislation to suit local conditions, the Native Economic Development Ordinance, was drawn up and brought into effect in the following year. This Ordinance made it easier for our people to form and operate cooperatives than had been the case under the Cooperative Societies Ordinance 1950 which was based on Australian legislation.

In its early days, the Cooperative Movement consisted of individual societies

which dealt directly with local wholesalers and handled their own goods and produce transportation, depending upon ships and trucks owned by other business interests. Cooperatives often found their produce rotting in their sheds because transportation services were irregular and society stores rarely had sufficient stocks to satisfy their members' demands. They had no control over the prices of produce or consumer goods. To overcome these problems, societies joined together to form associations at district level. The associations bought goods in bulk, carrying sufficient stocks to meet the needs of their member societies and, where possible, bought and operated transport. This made regular movement of produce and supply of goods possible, leading to increases in societies' turnover. The first association was formed in 1951.

As societies grew, it became necessary to set up a tertiary cooperative to provide services beyond the capacity of the associations. Consequently, our Federation was established and registered on 25th November 1956. Its initial, subscribed share capital was \$4,966. Our membership now consists of seven associations, backed by 120 societies. Our share capital stands at \$130,400 and our annual turnover is \$605,600. Since we commenced business, we have been the sole importer and wholesale distributor of merchandise for our member associations. We also give other services to the associations, such as listing suggested retail selling prices on our invoices, receiving produce proceeds of societies and advancing cash to associations and societies. A major service has been coastal shipping in Papua by our two vessels.

On 1st July 1967, we opened a branch at Samarai, Papua, which, with our

headquarters at Port Moresby, provides two importation and distribution points for our members. Present indications are that our annual turnover will exceed \$1,000,000.

Because of the rapid growth of the Cooperative Movement on the other side of our island, in the U.N. Trust Territory of New Guinea, all cooperatives throughout Papua and New Guinea are looking into the possibility of co-ordinating their activities. As a start, our Federation has sold its two vessels to the recently formed Cooperative Shipping & Freezer Society Ltd. which now operates vessels throughout Papua and will, we hope, eventually control all cooperative shipping in the Territory.

Similarly, the insuring of vessels owned by cooperatives, previously undertaken by our Federation, is now the sole concern of the Cooperative Security Society Ltd. and our Federation, together with most of the cooperatives in our country, has just subscribed shares in the Cooperative Investment Society Ltd. which will receive monies on deposit from cooperatives and lend it to cooperatives for economic undertakings.

To-date, the entire share capital of our Federation and other cooperatives in our country has been subscribed by Papuans and New Guineans, but we hope that recent changes in legislation (the Native Economic Development Ordinance has been repealed and the Cooperative Societies Ordinance has been widened) will bring about multi-racial participation and, with it, an infusion of technical and management skills. Our greatest need at present are those skills, and we feel confident that the fast growing number of young Papuans and New Guineans with sound secondary and tertiary education will make good use of



Employees of Cooperatives throughout Papua and New Guinea attending a Course at Cooperative Education Centre, Konedobu, Papua



Coffee Factory at Kundrawa and Buildings owned by Chimbu Coffee Cooperative Ltd.

outside advice and assistance in technical and management matters, so that our Cooperative Movement will continue to grow as an independent, democratic body, making a valuable contribution to the material welfare of our people. The following statistics give but a rough idea of the present state of our Cooperative Movement. They do not, for instance, show the eleven vessels, with a depreciated value of \$410,000, owned and operated by cooperatives, nor do they indicate that over 1,000 persons have attended the Cooperative Education Centre which is wholly owned by the Cooperative Movement.

Twelve Months Ended 31st March 1967
Primary Cooperatives, Secondary
*Cooperatives**

Number		312
Membership		109,488
Subscribed Share Capital		\$2,063,221
Turnover—		
Copra	\$ 770,466	
Other Produce	\$2,213,778	
Goods	<u>\$2,012,897</u>	\$4,997,141
Net Surplus	\$	302,285
Bonus Share Issues	\$	183,102
Rebates Distributed	\$	120,226
Dividends Paid	\$	29,263
General Reserves	\$	725,274
Provisions for Depreciation	\$	441,161
Investments		\$1,000,264
Fixed Assets		\$1,035,005

* Investment by primary cooperatives in secondary cooperatives and turnover of secondary cooperatives *not* counted.

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SELF-ADMINISTRATION— A BASIC ORGANISATIONAL FEATURE OF CZECHOSLOVAK HOUSING COOPERATIVES

by **Jirina Sládková**

Central Cooperative Council

IN Czechoslovakia, the work of the housing cooperatives during the period 1959 to 1967 was concentrated above all on problems connected with the actual construction of housing. It has been found, however, that the main work of housing cooperatives after the completion of the construction consists of administration and maintenance of the individual dwelling units and, not least, in the social functioning of the cooperatives—that is, life in co-op houses and housing estates, and the direct participation of members in the management.

At the present time, with several housing co-ops on every big housing estate, there is still no established pattern of administrative organisation for purposeful and, above all, effective forms of managing the co-op houses.

New ways and means are therefore being sought to improve this. This was the main subject of the first seminar of housing cooperatives, which was held in October of last year with the participation of representatives of the bigger housing cooperatives, on the theme "Self-Administration—a Basic Organisational Feature of the Cooperatives". A smooth functioning self-administration best ensures the direct participation of members in running the housing cooperatives and it can also do much to promote social activities in these co-ops. With a system of self-administration, the presidium of a housing cooperative can also manage a larger number of units

situated in various parts of new housing estates. The house-building cooperative of the Comenius University in Bratislava (Slovakia), for example, is applying self-administration through its expert commissions (technical, legal, housing, etc.). Moreover, each presidium also discusses the problems of the co-ops and co-op houses with the chairmen of the self-administration groups.

The conclusions agreed at the housing cooperatives seminar may be summed up as follows:

To consider the present lack of co-ordination affecting the organisational structure of housing cooperatives in the big housing estates, and to recommend the establishment of units that would be better able to deal with the tasks that will arise after the completion of the construction of cooperative houses.

To recommend the setting up of one single building cooperative for the construction of new co-op projects.

In planning the cooperative housing construction of whole estates, to apply the knowledge gained through past experience and, when negotiating with the appropriate authorities, to insist on complex planning of these estates which would incorporate suitable shops, services, sports-grounds, cultural and health facilities. In promoting these requests, to collaborate with consumer and producer cooperatives that could accept full responsibility for providing some of the required services.

To recommend to the housing cooperatives that they should devote their main attention to the effective organisa-

tion of their internal structure, which must be based on a smooth functioning self-administration as an expression of cooperative democracy promoting active participation by members and officials.

The participants in the seminar recommended to the Central Cooperative Council, as the supreme organ of the Czechoslovak cooperative movement, that it should devote greater attention to sociological research into inter-personal relations on the housing estates, to questions connected with the cultural environment of the housing and cooperation with other nation-wide organisations, such as the Czechoslovak Union of Youth, the Czechoslovak Union of Women, etc. The principles regarding the application of self-administration are laid down in the organisational statutes of self-administrative groups. But only patient and regular work by the members and officials of the housing cooperatives, from the house-stewards to the presidium of the cooperative, will ensure that the good advice contained therein is put into practice. Without full cooperation—which makes great demands on time and requires as a prior condition good relationships between the people concerned—the experiences and consequent agreements emerging from the joint meetings would remain empty words.

The exchange of experiences, often gained under very hard conditions, and the putting into practice of the conclusions drawn will be the subject of further seminars concerning co-op life; these will deal with the problems of the housing cooperative movement and provide opportunities for the exchange of views on how to increase the number of members taking an active part in the life of the cooperatives.

BOOK REVIEW

Cooperative Law on an International Level

Vols. 1 and 2, written in German under the title "Genossenschaftsrecht auf internationaler Ebene" by Kurt Hanns Ebert and published by the Cooperative Institute of the Philipps-University, Marburg/Lahn.

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Edit.

1st Volume: Comparative Study of Cooperative Law

The present interest in cooperation on the international level is a logical and necessary consequence of general developments, especially economic trends, and runs parallel with studies of international cooperative law, which are being undertaken primarily for practical reasons. From experience we know that cooperative efforts for collaboration and integration on an international scale are closely linked with important questions relating to cooperative law. The activities of the Nordic Cooperative Alliance (NAF) provide a good example of the importance of the legal aspect, which has played a significant part in the international development of this organisation. But this is only one aspect. National and international developments have created the need for a fundamental review or adjustment of cooperative laws to realities on the one hand and the conception of a cooperative society as a social institution on the other.

In this context, the book by Kurt Hanns Ebert is of great importance for cooperators, not only from the practical and economic points of view—which are studied in the 2nd volume—but also for the future development and interpretation of cooperative law as outlined in the 1st volume. The author, on the basis of his expert knowledge and clear thinking, presents us with a painstaking and comprehensive study of cooperative facts and theory viewed from a great variety of aspects. It would, therefore, be justified to share in his main conclusions by means of a summary review on the one hand and try to arouse some interest for a thorough study and, possibly, a practical application on the other.

From National Legal Structures to an Autonomous Universal Type of Cooperative Society

This is the main theme of the 1st volume in which a universal conception of the legal aspect of a cooperative is sought and which would assist a legislative body in giving a cooperative society its "right" place in law. The author devotes a major part of his 1st volume to this aspect which is a formal and mainly legal one; but the way in which he tries to find a solution to the problems arising from the theme may also help cooperators towards a better self-understanding. The fact that the subject-matter is approached from a primarily legal point of view, will provide cooperators with a clear impression of what forms and functions a society, seen as a defined structure "to be", may or can take up.

However, this aspect has no direct bearing on the evolution of the author's thoughts; it is merely one aspect, designed to help cooperators with their present pre-occupation with self-understanding. Large parts of the book are devoted to the existing legal status of cooperatives and a comparative study of their legal position against an international background. The existing situation is seen from an empiric point of view as a complex structure of material and non-material including legal factors which cannot be destroyed without changing the substance. This in itself is an original approach, and basing his observation on this, the author says that "a cooperative has certain latent legal qualities". The next step would therefore be "to recognise these qualities and make them become more transparent in order to obtain a clear picture of the basic inherent legal qualities of a cooperative".

For this purpose, the author places the cooperative society against the various backgrounds of sociological and economic theories and concludes, among other things, that a communally-run enterprise is a typical cooperative characteristic—as opposed to the establishment of a corporate body. This is a matter of

opinion, even though one may refer to Paul Trappe and those who adhere to the school of empirical sociology and claim to possess the philosophers' stone—only to produce quick general views and interpretations when in doubt (which is especially relevant in the case of the highly fragmentary sociology of cooperatives). In the context of this book, Trappe's ideas of primary and secondary types of cooperatives and their comparison with the "modern cooperative" seem to have caused the author to become diversionary if not irrelevant. He was ill-advised to completely disregard the corporate body as represented by a cooperative, basing his views almost exclusively on Trappe's book "Sociological Aspects of Cooperation" (and not considering or not knowing of H. J. Seraphim's work on cooperative law). Fortunately, by referring to the theories of R. Henzler and G. Weisser, the author is able to re-establish a sound balance for further discussion, and the slightly artificial controversy is not carried too far. On the other hand, it cannot be disregarded completely as fundamental questions, such as the existence of cooperatives are at stake and are being studied from the legal point of view. But the author, by his method, continues to provide useful and important conclusions. The way in which he arranges international cooperative law in a systematical structure is particularly convincing.

Legal Spheres—Legislative Motives—Functional Spheres Help with the Establishment of a System

From the legal and socio-economic definition, Ebert proceeds to the structural elements of cooperative laws and cooperative rights and the comparison of their various national forms. By grouping cooperative rights under different legal spheres, i.e. the continental sphere, the Anglo-American sphere and the communist sphere, the author manages to establish a certain order. At any rate, the various laws and rights are dealt with within certain social surroundings which have, together with the historical developments, created a particular legal philosophy which in turn has influenced legislation and the administration of law. In this light, it becomes understandable that continental legislatures have been and still are eager to define and legally classify the essential structural elements of a cooperative society in order to establish a statutory law as complete as possible. Anglo-American legal thinking, on the other hand, is characterised by the "case" method. In the communist sphere, all legal standards are in strict conformity with historical developments there. Other criteria are the autonomy of cooperatives to lay down their own statutes and the tendency of some legislatures to anticipate cooperative statutes and influence them through legislation.

On this basis, we get an impression of the various national legal structures. They are characterised by the typical aspects of a cooperative society which can simply be derived from the cooperative principles and the normal functioning of a cooperative: corporate body, specifically cooperative purpose, the means needed to an end, and open membership. All these national legal structures seem to show the need to treat a cooperative society as an organisation apart from other corporate bodies—in the opinion of the author without giving sufficient valid explanations and definitions as to why. But the author wants just these, and his method requires that the particularities of existing laws must be integrated in some way into the desired final and universal definition.

As to the corporate body or the association of members as the first characteristic element in national legal structures, it seems that legislatures refer to it in a direct manner as much as in an indirect one. The Swiss OR defines a cooperative as "an unlimited number of persons associated as a corporate body". The same goes for Spain and other countries. In Austria and Sweden, the emphasis is on the association. In the Federal Republic, France, Italy and Belgium, the term "company" is used (*Gesellschaft*, *société*). Partly, this company, in order to be defined, has to be compared with a commercial or trading company, such as in Italy, Belgium and France. In Germany, however, the term "*Gesellschaft*" (company) not only comprises associations of persons with a corporate structure and organisation which show an increasing separation between the organisation and its members, but also companies in a more limited sense, whose existence depends principally on the individual members.

The major part of volume one is devoted to the comparative study of various cooperative spheres of function, i.e. "Establishment of a Society", "Cooperative Membership", "Finance", "Mergers", and "The Legal Development of Cooperative Associations". In this context, I should like to make particular mention of the chapter on cooperative membership, not just to point out the masterly presentation of the subject-matter by the author, but also for practical reasons. The author starts with the principle of voluntary membership as an essential characteristic of cooperative association which has developed from mutual self-help. He then goes on to describe the various national laws regarding open membership, and finally writes about "Cooperative Votes". He is justified in stating that the problem of voting strength involves a discussion on matters of principle (but it would have been useful, if the author had made some mention of the allocation of votes, i.e. the formal aspect of cooperative democracy). In any case, at this point, the

author touches on a highly topical question. From the legal aspect, the author has done well to consider the members' share in the business affairs, i.e. trading, as the essential criterion for the right to vote, and the strength of the vote. If this was applied, possibly democratic control by members could also be strengthened, provided that legal guarantees are given to maintain the character of the right to vote, that is, the fact that it is primarily a member's right. This is especially relevant in the case of primary societies and their principle of "one man—one vote". As is evident from the comparison of different national laws, secondary societies at any rate are able to choose a different voting system, as opposed to the "one man—one vote" principle. However, this does not solve all the problems, especially in the present situation where we are going through structural changes connected with our efforts to achieve integration and closer collaboration. This is also evidenced by discussions in many countries on the right distribution of votes on the various levels of organisations.

Within the chapters containing the comparative study of a cooperative's functional sphere, Ebert introduces ample and interesting evidence on the subject of votes which could have a beneficial effect on present discussions on this point.

The Cooperative Society as a Legal Structure of Universal Character and its Future Development in Legal Philosophy

The enormous amount of work completed in the first volume provides the author with a good basis on which to build (in the second volume, a basic structural system of cooperative law which, at the same time, classifies the various national legal structures. In defining and comparing the various structural types from the point of view of law, it is quite surprising to find that many of the structural elements are alike. "Legislative bodies in many countries have brought the typical characteristics of cooperatives into harmony with their legal conceptions in the same—or better—a similar way; they have tried to reconcile facts with theory. Therefore, a comprehensive universal legal structure can be derived from these elements without difficulty—as a basis for cooperative law in general." This model structure corresponds largely to the Swiss Cooperative Law as laid down in the OR.

The third part of the first volume is devoted to the development of the theory of a universal cooperative model structure and its functional importance. The author offers a great deal of information and guidance on the "right" legal structure of a cooperative society which could be of importance to future legislation, the administration of law, and science. In order to make Ebert's complicated way of thinking and

his highly specialised terminology a little easier to understand, the problem and his outlook could be outlined as follows: As in philosophy and theology, it seems to become more and more necessary also in legislation and the interpretation of law to base one's ideas on a historic and concrete instance as opposed to an abstract theory. Applied to the "right" cooperative law, this means: to see the cooperative with all its ideal and real aspects, and—taking into account certain premises such as the betterment of the members—establish it on a legal basis. There will be no easy solution to this problem, but it would be a gratifying task to try and seek it, particularly for scientists engaged in jurisprudence.

2nd Volume: The Cooperative Society in International Law—Structures and Model Structures of Today and Tomorrow

The second volume is concerned with the "International Cooperative" and its problems and unrivalled in the depth and comprehensiveness of the exposition of such problems. The term "International Cooperative" has been used more and more frequently of late, often without a clear understanding as to its exact meaning. The reason for this is partly that the term lacks a concrete legal definition which would have helped to put such an organisation in its right international place. With his book, Ebert bridges this gap, the magnitude of which is only realised when actually reading it. Certainly, this one book with its information and guidance will not suffice for a complete definition of the "International Cooperative"; but as in an unexplored landscape where any map is useful, the above term may become easier to define with the help of Ebert's second volume. As the author looks beyond the obvious and practical purposes of such a cooperative and tries to open new perspectives for legislation and the administration of law regarding International Cooperatives, his book might well contribute to the opening-up of new legal possibilities for concrete international cooperative collaboration. For, as long as the International Cooperative has to resort to orientating itself by the most favourable legal conditions of a country, instead of economic expediency generally speaking, its opportunities as a cooperative in the present sense will remain limited.

Designs for an International Cooperative and its Reality

In the preliminary definition, Ebert points out that an International Cooperative "is an integration of elements taken from the corporate forms of enterprise, and not a form of more or less casual collaboration which has existed for more than fifty years". Cooperatives or cooperative unions of different nationalities have to form a joint cooperative. In this context, the

"Exposé über die wirtschaftliche Zusammenarbeit der Grosseinkaufsgesellschaften in der EWG" (Memorandum on the Economic Collaboration of Wholesale Societies within the Common Market) describes one example. "The common objective of wholesale societies in Common Market countries is an immediate, intensive and systematic cooperation within their own production as well as in their trading with each other and third countries."

Ebert then describes several international pioneer cooperatives, referring to such authorities as the works of Max Gutzwiller, Henry Faucherre (60 Years International Cooperative Alliance), Thorsten Odhe, Mogens Efholt, Gustav Klusak, Margaret Digby and Anders Hedberg. Doubtless the most important International Cooperative today is the Nordic Cooperative Union, founded in 1918, and its subsidiaries and sister organisations with whom VSK has been associated since 1963. It may not be widely known that "Intercoop G.A." and its members represented by 16 central cooperatives comprising national agricultural cooperatives, with headquarters in Rotterdam, were established as long ago as 1929. Since 1947, the International Cooperative Petroleum Association with headquarters in New York has also been an International Cooperative. Further examples are "LUMA-Industrieverband", "Nordic Oil Consumers" and the International Cooperative Bank, Basle.

Basic Legal Factors concerning the International Cooperative and their Consequences

After having outlined the main economic and sociological reasons for the relatively small number of international cooperatives at the beginning of the second volume, the author presents us with the legal implications in some detail. From establishment to dissolution, these questions are of the utmost importance for the existence of an international cooperative, and it must be emphasised in this context that the International Cooperative is legally based on the country in which it has been set up. At present, there is no international cooperative law which is equally observed in every country. The author describes in detail how an international cooperative must acquire knowledge of the different national cooperative laws and establish itself in that country where conditions are most favourable as regards the registration, possibilities for the raising of capital, taxation, industrial and trade legislation, and the administrative headquarters.

As far as the legal questions regarding the establishment of an international cooperative are concerned, the author points to the "cooperative qualification" of the founder organisation. The scope allowed for the interpretation of what is "cooperative" is illustrated by the

statutes of the International Petroleum Association which demand, that is, they suggest rather than demand, that the organisation adopts a cooperative structure, if it does not wish to constitute itself as a proper cooperative in law. The author also describes how a joint-stock company can be organised as a cooperative: differentiation of voting rights (depending on capital and persons), prohibition of transfer of shares, prohibition of certain kinds of shares, identity of shareholders and business partners, distribution of surplus to shareholders or business partners in proportion to their turnover. This applies equally to the limited company (GmbH).

Organisation and Financing of the International Cooperative

Following the setting-up of an international cooperative, the organisation and financing represent two further important sectors which require for the International Cooperative again to orientate itself by the various national cooperative laws. The problems arising from the controversy of the interests of private enterprises against the cooperative principle of betterment also affect the International Cooperative. According to Ebert, only the "integrated application of laws and statutes can provide a basis for the solution of problems connected with managerial control and management itself". The solution of these problems for an international cooperative seems to be easier in any case because of its structure and its small membership, for the power and influence are clearly on the side of the members, and they can use this power at any stage, e.g., by the appointment or replacement of the managing director. Problems arising from voting rights can also be easily solved by relating them to share in capital and business transactions which is normally the case with organisations such as the Nordic Cooperative Union. LUMA, however, follows the British tradition with the one-man—one-vote principle.

The financing of the International Cooperative is based—as in any cooperative—on deposits and surplus. In this context, Ebert mentions the difficulties which could arise when the required share capital is to be divided into shares for founder members and members. He offers some theoretical possibilities which could be used as model solutions. But as to which method is the most useful should best be decided by past experience. At the beginning, the Nordic Cooperative Union considered the turnover of members in the previous year, and then made adjustments every two years thereafter. Intercoops makes these adjustments every year. The regulations regarding notice of withdrawal in the NAF are also interesting as far as their financial consequences are concerned. According to NAF statutes, the capital share of a member

—for which notice of withdrawal must be given twelve months previously—is repaid fully only if the member has joined at least five years previously. If the member leaves before this period, his claim is reduced to 20 per cent after one year, 40 per cent after two years, 60 per cent after three years and 80 per cent after four years. Similar regulations apply to the reserve fund.

Formation of an Internationally Valid Cooperative Law

Having dealt with the problems which could arise from a possible interference of the statutes of an international cooperative with the legislation of the country where the cooperative has its headquarters in the second part of volume II, the author turns to the question of the "formation of an internationally valid cooperative law". Naturally, this problem is part of a much bigger problem—that of a general law stretching beyond geographical and political boundaries, a problem which, according to Max Gutzwiller, is as old as Methuselah. The author mentions a series of developments, beginning with Roman Law to the partially international application of some national legal systems since the end of the 18th century, to today's discussion about common legal foundations of European countries. In the author's opinion, an integrated legislation must remain limited to "small areas and narrow ridges". Regional uniformity is subject to sociological limitations.

What then are the prospects for an international cooperative law? The author sees certain possibilities that cooperative legal principles may obtain international validity by way of common law. In this connection, he mentions the contract that VSK has with Dahomey and which could be of importance to a future international trade law. In general, cooperative law with its flexibility seems to be suited to an "informal standardisation of laws". Ebert also emphasises that the cooperative society, through its existence in many countries, has developed certain elements which could contribute to the desired standardisation and integration. He mentions international cooperative research meetings and the international cooperative research forum with its purpose to promote cooperation as an academic faculty and help it to develop into an international comparative science; which "if achieved, would lead to spontaneous legal 'rapprochement' and help to prepare for a planned integration of laws". The element of integration introduced by international cooperative solidarity opens up some important possibilities; but whether this solidarity would at present suffice to contribute greatly to the formation of international systems of law, is likely to be questioned by those who know best from experience. The "technical contacts" with the numerous establishments for

international cooperative collaboration, such as the I.C.A., the International Labour Office, FAO, etc., might prove more useful.

The International Cooperative and Supra-national Legislation

An international cooperative law could help to establish supra-national legislation of the type found in the Common Market. In the last chapters of his second volume, Ebert refers to the Common Market and states categorically that there was no such thing as legal uniformity and standardisation in the programme of the Common Market. However, certain legal adjustments will have to be made for reasons of competition, and legal regulations which cannot be reconciled with the objects of the Treaty should be avoided. "According to Art. 100 of the Treaty, new legal and administrative regulations

have to have a direct effect upon the establishment and functioning of the Common Market. This includes laws concerning cooperatives as well as company law." Although, as the author points out, cooperatives in the Common Market have gone far beyond the set limits and existing relations fixed by contract will soon have to be replaced by economic organisations with their own corporate status, it would be unfounded to expect an impulse from this sector to the creation of a uniform cooperative law. Reality makes for new law, to express it in a simple way. In any event, this would be along the line of the author's legal theories which he introduced at the beginning of his first volume: In seeking and choosing the "right" place for a social establishment, such as the cooperative society, social realities must be given first consideration. O. F.

A. GHANIE GHAUSSY

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AFFILIATED ORGANISATIONS

- ALGERIA:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 6 et 8, rue du Cercle Militaire, Oran; also at - 21, rue Edgar Quinet, Algiers, and 9, rue Mathurin Régnier, 75 Paris 15.
- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires.
Intercoop, Editora Cooperativa Limitada, Florida 32. Oficina 42, Buenos Aires.
Asociación Argentina de Cooperativas y Mutualidades de Seguros, Belgrano 530, 5 Piso, Buenos Aires.
- AUSTRALIA:** Cooperative Federation of Australia, c/o. CWS of Queensland Limited Buildings, 50-54 Ferry Street, South Brisbane, Queensland.
- AUSTRIA:** "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, Vienna VI.
Membership (1966): 467,800; turnover: consumers' societies: Sch. 3,624 millions; wholesale (G.O.C.): Sch. 1,728 millions; department stores: Sch. 637 millions; own production; consumer societies: Sch. 431 millions; G.O.C. and subsidiaries: Sch. 419 millions.
Bank für Arbeit und Wirtschaft A/G, Seitzergasse 2-4, Vienna I.
Zentralkasse der Konsumgenossenschaften, Theobaldgasse 19, Vienna VI.
Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösendorferstrasse 7/11, Vienna I.
1967: Affiliated organisations: 313 (comprising 201 societies and 112 associations); membership: 130,286; dwellings administered: 288,157 (comprising 127,954 societies and 160,203 associations); balance at 1966: 33.8 milliard Sch. (divided as to societies Sch. 15.7, associations Sch. 18.1).
Österreichischer Raiffeisenverband, Seilergasse 16, Vienna I.
- BELGIUM:** Société Générale Coopérative, 26-28 rue Haute, Brussels 1.
Affiliated consumers' societies: 25; membership: 300,000; turnover (1963): Frs. 3,900 millions; shops: 1,400; Wholesale society turnover (1963): Frs. 959 millions.
Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151, rue Royale, Brussels 3.
Prémiums (1966): Frs. 1,903 millions; reserves: Frs. 6 milliards; Insurance funds, life: Frs. 20 milliards.
Fédération Nationale des Coopératives Chrétiennes, 135, rue de la Loi, Brussels 4.
(1967): 1,250 shops; turnover: Frs. 1,430 millions; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 millions; reserves: Frs. 1,300 millions.
L'Economie Populaire, 30, rue des Champs, Ciney (Namur).
Branches (1967): 460; membership: 88,000; turnover: Frs. 1,001,300,000; savings deposits: Frs. 490 millions; capital and reserves: Frs. 162 millions.
- L'Institut Provincial de Coopération Agricole, 42, rue des Augustins, Liège.
- OPHACO** (Office des Pharmacies Coopératives de Belgique), 602, Chaussée de Mons, Anderlecht Brussels.
Union of 28 cooperative societies owning 360 pharmacies, 68 optical departments and counters, 7 drug stores, 14 wholesale depots. Turnover (1963): Frs. 1,250 millions. Surplus distributed to 400,000 members: Frs. 95 millions.
- BRAZIL:** Aliança Brasileira de Cooperativas (ABCOOP), Av. Presidente Wilson 210, Salas 914/914 A, Rio de Janeiro, G.B.
Uniao Nacional das Associações de Cooperativas (UNASCO), Avenue Franklin Roosevelt, 126-Conj. 608, Rio de Janeiro.
- BULGARIA:** Central Cooperative Union, Rue Rakovski 103, Sofia.
- BURMA:** National Cooperative Council, 290-300, Lewis Street (2nd Floor), Rangoon.
- CANADA:** Cooperative Union of Canada, 111, Sparks Street, Ottawa 4, Ont.
A federation of English-language cooperative organisations, organised in 1909.
Conseil Canadien de la Coopération, 353 rue Dalhousie, Suite 205, Ottawa 2, Ont.
- CEYLON:** Cooperative Federation of Ceylon, Cooperative House, 455, Galle Road, Colombo 3.
- CHILE:** Federación Chilena de Cooperativas de Ahorro y Crédito, Ltda., Dieciocho 246, Clasificador 760, Santiago de Chile.
Cooperativa Sodimac Ltda., Casilla 3110, Santiago de Chile.
- COLOMBIA:** Cooperativa Familiar de Medellín, Ltda., Calle 49, No. 52-49, Medellín.
- CYPRUS:** Cooperative Central Bank Ltd., P.O. Box 1447, Nicosia.
Cyprus Turkish Cooperative Central Bank Ltd., P.O. Box 791, Nicosia.
Vine Products Cooperative Marketing Union Ltd., P.O. Box 314, Limassol.
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, Tesnov 5, Prague I.
- DENMARK:** De samvirkende danske Andels-selskaber (Andelsudvalget), H. C. Andersens Boulevard 42, Copenhagen V.
Representing 30 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 750,000 individual members. Turnover (1966): D.Kr. 16,372 millions.
Det Kooperative Faellesforbund i Danmark, Linnegade 14, 1. sal, 1361 Copenhagen K.
Affiliated societies (1963): 634; total sales: D.Kr. 1,582 millions; employees: 12,500; comprising: consumers',

- workers', artisans', productive and housing societies etc.
- Faellesforeningen for Danmarks Brugsforeninger (FDB), *Roskildevej 65, Albertslund*.
Affiliated societies (1965): 1,852; members: 716,000; turnover: 2,583 millions. D.Kr.; wholesale turnover: 1,453 millions D.Kr.; own production: 405 millions D.Kr.
- DOMINICA:** Dominica Credit Union League, *14, Turkey Lane, Roseau*.
- EGYPT:** Société Coopérative des Pétroles, *94, Kasr El — Eini Street, Cairo*.
- EIRE:** Irish Agricultural Organisation Society Ltd., *The Plunket House, 84 Merrion Square, Dublin 2*.
National Organising and Advisory Body for Agricultural Cooperatives. Affiliated societies: 339; membership: 121,000; turnover (1964): £106 mill.
Cooperative Development Society Ltd., *35 Lower Gardiner Street, Dublin*.
- FINLAND:** Suomen Osuuskappojen Keskuskunta (S.O.K.), *Vilhonkatu 7, Helsinki 10*.
Affiliated societies (1967): 305; members: 535,136; wholesale turnover: Fmk. 1,259 millions; own production of SOK: Fmk. 254 millions.
Yleinen Osuuskappojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki 10*.
Affiliated societies (1967): 305; members: 535,136; turnover of societies: Fmk. 2,324 millions; total production of the affiliated societies: Fmk. 44 millions.
Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki 10*.
Affiliated societies (1967): 88; members: 586,531; turnover: Fmk. 1,719 millions; own production: Fmk. 267 millions.
Osuustukkukauppa (O.T.K.), *P.O. Box 10120, Helsinki 10*.
Affiliated societies (1967): 88; turnover: Fmk. 986,0 millions; own production: Fmk. 310.3 millions.
Pellervo-Seura, Central Organisation of Farmers' Cooperatives, *Simonkatu 6, Helsinki K*.
Affiliated organisations (1963): 10 central organisations; 1,102 societies.
- FRANCE:** Fédération Nationale des Coopératives de Consommation, F.N.C.C., *89, rue la Boétie, 75 Paris VIII*.
Affiliated societies (1964): 475; membership: 3,460,000; shops: 9,900; turnover: NF. 3,600 millions.
Société Générale des Coopératives de Consommation, *61 rue Boissière, 75 Paris XVI*.
Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, *88, rue de Courcelles, 75 Paris VIII*.
Confédération Générale des Sociétés Coopératives Ouvrières de Production, *88, rue de Courcelles, 75 Paris VIII*.
Banque Coopérative des Sociétés Ouvrières de France, *88, rue de Courcelles, 75 Paris VIII*.
Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, *129, Bd. St. Germain, 75 Paris VI*.
- Confédération Française de la Coopération Agricole**, *18 Rue des Pyramides, 75 Paris 1er*.
Caisse Nationale de Crédit Agricole, *91-93, Boulevard Pasteur, 75 Paris XV*.
Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, *Foyer Coopératif, 17, rue Richelieu, 75 Paris 1er*.
Confédération des Coopératives de Construction et d'Habitation,, "L'Habitation", *31, ave. Pierre 1er de Serbie, 75 Paris XVI*.
Confédération des Organismes de Crédit Maritime Mutuel, *18 bis, Avenue Hoche, 75 Paris VIII*.
- GERMANY:** Zentralverband deutscher Konsumgenossenschaften e.V., *Besenbinderhof 52, (2) Hamburg 1*.
Affiliated societies (1964): 239; membership: 2,556,321; turnover: D.M. 3,540,742.4 million.
Grossenkauf-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof 52, (2) Hamburg 1*.
Total turnover (1964): D.M. 1,900 millions; own production: D.M. 570 millions.
Gesamtverband gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4, (22c) Cologne*.
"Alte Volksfürsorge", *Gewerkschaftlich-Genossenschaftliche Lebensversicherung A.G., An der Alster, (2) Hamburg 1*.
Deutsche Sachversicherung "Eigenhilfe", *Steinstrasse 27, (2) Hamburg 1*.
- GHANA:** The Alliance of Ghana Cooperatives Ltd., *Post Office Box 2068, Accra*.
- GREAT BRITAIN:** Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester 4*.
Affiliated societies (1966): 680; membership: 13,065,402; retail societies' share capital: £237,599,848; retail sales: £1,107,930,027.
Co-operative Wholesale Society Ltd., New Century House, POB 53, Manchester 4.
Affiliated societies (1965): 746; sales: £487,859,688; Bank turnover: £9,764,603,821; reserve and insurance funds: £40,791,711; total assets: £300,463,985.
Co-operative Insurance Society, Ltd., *Miller Street, Manchester 4*.
Assets (1964): £369 millions.
Scottish Co-operative Wholesale Society Ltd., *100, Morrison Street, Glasgow C. 5*.
Affiliated societies (1968): 153; sales: £89,008,059; reserves and insurance funds: £9,474,291; total resources: £23,139,384.
Co-operative Permanent Building Society, *New Oxford House, High Holborn, London, W.C. 1*.
- GREECE:** Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), *6, Othonos Street, Athens 118*.
- GUYANA:** Guyana Cooperative Union Ltd., *Ministerial Buildings, High Street and Brickdam, Georgetown*.

- HAITI (W.I.): Caisse Populaire Dominique Savio, 57, Rue Rigaud, Pétion-Ville.
- HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikscoöperaties, „CO-OP Nederland“, Postbus 6008, Vierhavensstraat 40, Rotterdam 7.
Association of Enterprises on a Cooperative Basis, Bloemgracht 29, Amsterdam.
- HUNGARY: Federation of Hungarian Cooperative Societies, Szabadság 14, Budapest V.
- ICELAND: Samband Isl. Samvinnufélaga, Reykjavík.
- INDIA: National Cooperative Union of India, 72 Jorbagh, New Delhi 3.
National Agricultural Cooperative Marketing Federation Ltd., No. E-11 Defence Colony (Ring Road), New Delhi 3.
- IRAN: Cherkate Taavoni Masrafe Artêche (Army Consumers' Cooperative Society), Avenue Sevvmof Esfand, Rue Artêche, Teheran.
Credit and Housing Cooperative Society of Iran, 20-22 Shahabad Avenue, Teheran.
Central Organisation for Rural Cooperatives of Iran, 357 Pahlavi Avenue, Teheran .
- ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., P.O.B. 303, Tel-Aviv.
Affiliated societies and companies (1963): 1,855 in all branches.
"Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, 44, Rothschild Bd., P.O. Box 75, Tel-Aviv.
"Halkar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, 8 Kaplan Street, P.O.B. 209, Tel-Aviv.
Bank Zerubavel, 44, Rothschild Bd., Tel-Aviv.
- ITALY: Lega Nazionale delle Cooperative e Mutue, Via Guattani 9, Rome.
Confederazione Cooperativa Italiana, Borgo Santo Spirito 78, Rome.
Associazione Generale delle Cooperative Italiane, Via Milano 42, Rome.
- IVORY COAST: Centre National de la Coopération et de la Mutualité Agricoles, B.P. 702, Abidjan.
- JAMAICA: Jamaica Cooperative Union, Ltd., 14-16 Barry Street, Kingston, W.I.
- JAPAN: Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Coöperative Union), Tanra-Kaikan, 9 Ichigaya-Kawada-cho, Shinkjuku, Tokyo.
Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Cooperatives), 5 1-chome Otemachi, Chiyoda-ku, Tokyo.
Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Cooperative Associations), Shinchiyoda Building no. 14-19 3-chome, Nishishinbashi, Minato-ku, Tokyo.
- JORDAN: Jordan Cooperative Central Union Ltd., P.O.B. 1343, Amman.
- KENYA: Kenya National Federation of Cooperatives Ltd., P.O.B. 9768, Nairobi.
- KOREA: National Agricultural Cooperative Federation, 75, 1st Street, Chung-Jong-Ro, So-daemun-ku, Seoul.
- MALAYSIA: Cooperative Union of Malaysia Ltd., 8, Holland Road, Kuala Lumpur.
Sarawak Cooperative Central Bank Ltd., Kuching, Sarawak.
- MALTA: Farmers' Central Cooperative Society Ltd., New Building, Middleman Street, Marsa.
- MAURITIUS: Mauritius Cooperative Union, Cooperation House, Dumat Street, Port Louis.
- MEXICO: Confederación de Cooperativas de la República Mexicana, C.C.L., Av. Cuauhtemoc 60, 5 Piso, Mexico 7, D.F.
- NEW GUINEA: Federation of Native Associations Ltd., P.O.B. 152, Port Moresby, Papua.
- NIGERIA: Cooperative Union of Eastern Nigeria Ltd., Cooperative Bank Buildings, Milverton Ave., Aba.
Cooperative Union of Western Nigeria Ltd., c/o Cooperative Buildings, New Court. Rd., Ibadan.
Lagos Cooperative Union Ltd., Cooperative Office, 147, Broad Street, Lagos, W. Nigeria.
- NORWAY: Norges Kooperative Landsforening, Kirkegaten 4, Oslo.
Affiliated societies (1967): 823; membership: 366,750; turnover of local societies: Kr. 2,559 mill.; of N.K.L.: Kr. 830 mill.
BBL A/L Norke Boligbyggelags Landsforbund, Trondheimsveien 84-86, Oslo.
- PAKISTAN: East Pakistan Cooperative Union, Ltd., 9/D-Motijheel Commercial Area, 8th floor, Dacca 2.
West Pakistan Cooperative Union, 5, Court Street, P.O.B. 905, Lahore 1.
Karachi Central Cooperative Bank Ltd., 14, Laxmi Building, Bunder Road, Karachi 2.
Karachi Central Cooperative Consumers' Union, Iqbal Market and Cold Storage, Soldier Bazar, Karachi.
Karachi Cooperative Housing Societies' Union, Shaheed-e-Millat Road, Karachi 5.
Karachi Cooperative Union Ltd., Cooperative House, Shaheed-e-Millat Road, Karachi 5.

Review of INTERNATIONAL COOPERATION

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The I.C.A. is not responsible for the opinions in signed articles

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I.C.A. CENTRAL COMMITTEE MEETING IN GLASGOW, 5TH—7TH SEPTEMBER 1968

THE Central Committee of the I.C.A. held its 1968 meeting in Glasgow, Scotland, from the 5th to 7th September at the invitation of the Scottish Cooperative Wholesale Society Ltd. on the occasion of its Centenary Year. Prior to this meeting, the I.C.A. Auxiliary Committees and the Executive Committee and its Sub-Committees also held their meetings in Glasgow.

The Central Committee was attended by 105 delegates from 31 countries and three international members, and was presided over by the I.C.A. President, Dr. Mauritz Bonow (Sweden).

Tribute was paid to distinguished national and international cooperators who had died since the last Central Committee meeting in September 1967. In this connection, the President mentioned the names of Professor D. G. Karve (India), J. Laakso (Finland), Dr. E. Bodien (German Federal Republic), Albin Johansson and Carl Albert Anderson (Sweden).

Admission of New Members

Four new members had been admitted since the last meeting of the Central Committee. One of these was admitted in Glasgow, namely: Mid-Western Nigerian Cooperative Federation Ltd., Benin City.

Finance

The Balance Sheet, Accounts and Auditor's Report for 1967 were received and accepted.

I.C.A. Office for East and Central Africa

The Central Committee approved the establishment of an Office for East and Central Africa at Moshi, Tanzania, and appointed Mr. Arne Holmberg (Sweden) as I.C.A. Officer for East and Central Africa.

The Structure of the I.C.A.

The Central Committee discussed a Memorandum on the Structure of the I.C.A., prepared by its Director, W. Gemmel Alexander, who, in his Paper, touched on the Objects of the Alliance; the Authorities of the Alliance; the International Scene as a Whole and by Regions; the International Scene and the Various Types of Cooperatives; and Cooperation, Collaboration, Concentration and Integration. A Report will be prepared by the Secretariat, taking into account the points raised with the Secretariat and the comments and suggestions made at Glasgow in the Central Committee, where a very full discussion took place. The Executive will be responsible for the follow-up action on the Paper

and will submit its suggestions to the Central Committee.

Resolutions of the Central Committee

Human Rights

The Central Committee of the International Cooperative Alliance declares its belief in the inviolability of the

“Just rights” and “clear infringements” may not always be easily agreed. But, in this context, it must be stressed that in Cooperative Societies, where democratic processes are always active, and the rights and duties of the members well defined, there is an assurance that considerations of community welfare will prevail.

Therefore, the Central Committee of



rights which every individual should have as a human person. How these may be attained and preserved, is for the Government of each country to determine, in full conformity with the Universal Declaration of Human Rights, always provided there is a system of justice to which an individual can effectively appeal whenever he feels his just rights have been clearly infringed.

the International Cooperative Alliance, on behalf of our 224 million individual members, speaks in support of Human Rights Year. All good Cooperators may be expected to carry out their rightful duties towards their societies and always to uphold the rights of humanity as defined in the Declaration of the United Nations.

In making this solemn declaration,

the Central Committee of the International Cooperative Alliance acts in full support of the United Nations and its Agencies with which it has maintained close collaboration in a constant search for the best ways to advance the economic and social welfare of all mankind especially those suffering famine and distress in the developing countries.

Czechoslovakia

This Meeting of the Central Committee of the International Cooperative Alliance utterly condemns the unwarranted and treacherous invasion of Czechoslovakia by the armed forces of the USSR, Bulgaria, Hungary, Poland and East Germany as a crime against humanity, in violation of the integrity of a sovereign state and of the United Nations Charter.

The Government of the aggressor countries stand condemned in the eyes of the world. The Central Committee is deeply distressed at this blatant use of military power to impose the will of one nation upon another, which frustrates the hopes of mankind for peace based on human rights and dignity.

The sympathies of the Central Committee go out to the people of Czechoslovakia in their sufferings at the hands of the invaders, with the hope that, with wise leadership and fortitude, these dark days will pass into a brighter future of freedom from oppression and the full enjoyment of basic human rights.

We send greetings to the Cooperators of Czechoslovakia and express our support for their efforts to build free democratic institutions in which the Co-operative Movement plays a notable part.

We demand the right of the Czechoslovak people to work out their future in freedom and independence and call

for the withdrawal of foreign troops from Czechoslovak soil.

Vietnam

The Central Committee of the I.C.A. deplores the continuation of the Vietnam war with its dreadful suffering of innocent people. This war represents a constant threat to world peace. Accordingly, it greets with satisfaction the talks which are taking place in Paris and calls on the U.S. Government to observe a halt in bombing with corresponding restraints on the part of North Vietnam and its allies so that the Paris talks may reach a peaceful conclusion. It calls on all parties associated with this conflict to make determined efforts in the name of humanity to end this slaughter now.

Peace

The I.C.A. Central Committee, on behalf of its 224 million members:

APPEALS to Cooperators to strengthen their efforts in the struggle for peace in all the world.

APPEALS to Cooperators in European countries to continue their struggle for lasting peace in Europe, to pursue mutually advantageous collaboration between states with different social systems based on the principles of peaceful coexistence.

ACKNOWLEDGES the importance of the United Nations and, together with other progressive Non-Governmental Organisations, the I.C.A. will strive to increase the effectiveness of UN as a body of international collaboration in the interests of safe-guarding peace and the rights of all peoples.

WELCOMES initiative in the development of urgent measures to stop the arms race and bring about disarmament. The achievement of such measures will

make a valuable contribution to peace in the world.

CENSURES the flight of bombers beyond their national boundaries when carrying nuclear weapons on board. These flights contravene all generally accepted principles and international legal regulations.

Next Meeting

The Central Committee decided to hold its next meeting from the 17th to 19th April 1969. A decision at the January 1969 Executive Committee meeting will be made as to venue.



I.C.A. DIRECTOR'S FAREWELL AT CENTRAL COMMITTEE IN GLASGOW

7TH SEPTEMBER 1968

MR. W. G. Alexander, Director of the I.C.A. for the last 5 years, bid farewell to the President of the Alliance and the members of the Central Committee on the occasion of the meetings held in Glasgow, Scotland, in September. In his speech, Mr. Alexander raised the following four points:

"Firstly, for those who do not know me and who are not close to me, I must state quite clearly that, during 1967, I had to face up to the situation that I could not balance the essential travelling work that the Director of the I.C.A. must do with my own personal family commitments, and thus I had to make the decision to leave the I.C.A. All of us cooperators are used to working long hours, weekends and so on, but I do assure you that it is a very different thing if one has four boys between the ages of 13 and 21 and one is always in Tokyo or Washington or Moscow when problems arise. I have not felt able to continue but I hope that I have carried out my



full duty right up to the last minute of leaving.

"Secondly, if I must leave, why not take another cooperative post?"

"In 22 years of cooperative work, I have only served for $3\frac{1}{4}$ years in my own home British cooperative movement. My other service has been in cooperatives of other countries, and at over 50 years of age, I have not wanted to be unemployed for too long by resigning and then waiting and looking for a job. I could not see a cooperative job of national importance for which I was qualified, firstly, and secondly, which could wait for one year for me to hand over properly in the I.C.A.

"Another national post in an important national Society with a budget of three-quarters of a million pounds a year in the field of safety in the community, having problems of committees and staff structure very similar to ours in the cooperative movement, asked me to take over their direction, and even when I said I could not come for one year and they wanted someone in two months, they considered my qualifications sufficiently important that they were willing to wait one year rather than take the other candidates. So I have accepted that, but I am very pleased that I am still a Trustee of the I.C.A. Your President and the new Director know that they may have my resignation at any time if it is required. One is appointed for life or until asked to vacate the post by the Central Committee, and I hope that, unless somebody else is needed for this position, I may continue to serve as Trustee, because matters concerning buildings and accommodation in London and so on are ones on which I may be able to be of assistance. I continue to be a Trustee of the Plunkett Foundation for Cooperative Studies and a mem-

ber of the ILO Panel of Cooperative Experts. More important than those, I continue to be a member of my local Society! I am not, I assure you, leaving the Cooperative Movement, and if there were a need for my services again at a later date—though one should not be optimistic in these matters at over 50 years!—I of course am always ready to answer any call that I may receive.

"Thirdly, in leaving the I.C.A., I have said: 'What little gift could I leave as something of significance?', and I have got an artist preparing a wall decoration in the form of the new statement of the Cooperative Principles, in the four official languages, which I shall present to the Director of the I.C.A. I hope that it will be tastefully done and be suitable to hang in a public part of the headquarters building, because the staff especially, and even some of the visitors, need to be reminded of what it is all about. I think that the present description of the Principles by the Principles Commission will be acceptable for that purpose, though I appreciate that the next meeting of the Central Committee will probably change it slightly for purposes of the rules, because I have in mind that Professor Lambert and others may become persuaded by our American friends to leave the words 'or savings', but to put the word 'current' in for the business operations, making it clear that it is the *current* business operations, and probably a small clause at the end saying that 'Nothing in this section should be taken to refer to the reserve funds of the societies'. I am sure that a formula will be found, but the present description would be adequate for my purpose.

"Lastly, and far the most important thing, I want to express—I am not an emotional person—my very deep thanks to you, Mr. President, and to members

of this Committee for the privilege that I have had to serve the International Cooperative Alliance in its senior executive post. I think I have been extremely fortunate. I have enjoyed every minute of it. Dr. Saxena is a good friend of mine and I am very happy to be handing over to him. If he is as lucky as I have been in finding all round the world what a wonderful reputation the I.C.A. has, and how much goodwill throughout the world the Director of the I.C.A. can have to do his work for our international body, he will realise, as I have done, what a fortunate man the Director of the I.C.A. is."

Dr. Mauritz Bonow, President of the I.C.A., paid his tribute to the service given by Mr. W. G. Alexander with the following words:

"I am sure you would like me to extend thanks to our Director. When Mr. Alexander applied for a post as the Director of the I.C.A., he had very impressive merits to show. He had valuable administrative experience from governmental promotional activities in the cooperative field, and he had won these merits under rather difficult working conditions in different parts of what is now called 'the Third World'. But he had also gained very valuable administrative experience within the world's largest cooperative enterprise, the Cooperative Wholesale Society in England. When applying for the post of Director, he had the responsibility within the CWS for its Agricultural Division, and the results that he and his collaborators in this section of the CWS had been able to achieve spoke a lot for his capacity as an organiser and administrator and for his talents to lead successfully a team of workers in that important commercial cooperative field. During the usual procedure of inter-

viewing the candidates for the post, Mr. Alexander also became known to us as a very fine personality.

"We now have had the privilege of the service of Mr. Alexander as Director for a period of five years. The great hopes we attached to his appointment as Director have indeed been fulfilled. You who are present here are all aware of the fact that the words I have just used are, if anything, a British way of expressing our appreciation, by a definite understatement. In fact, if we look at the achievements which the Director, as the leader of a team of fine collaborators, has accomplished, one fact is abundantly clear to all of us, and that is that we owe Mr. Alexander our most sincere and heartfelt thanks for the time he has been with us. In this context, I have been quite specifically asked by the representatives of all the I.C.A. employees, both at Headquarters and at the Regional Office in Asia, to express their most sincere thanks for the inspiring way in which the Director has accomplished his tasks and his wish to create a perfect teamwork.

"Looking back over the period in which we have been privileged to have Mr. Alexander with us, I think we all agree that the organisation of all the I.C.A. activities, not least the work at Headquarters, has been carried out in a most efficient way. Furthermore, Mr. Alexander and his team of colleagues have done everything possible in order to economise in the use of the restricted financial resources available to the I.C.A. His endeavour has been to see to it that the activities give full value to the last pound for the money spent by member organisations. But in addition to the efficiency that Mr. Alexander has shown in his activity in streamlining the work at Headquarters, I think it should

be quite specifically underlined that he has rendered the I.C.A. a still more valuable service in the way he has executed the policy decisions taken by the proper I.C.A. authorities. When I refer to 'executing', this may give the impression that the role of our Director has been simply to take note of and carry out our policy decisions, without serving the authorities of the I.C.A. with practical suggestions as to how to solve various problems within the framework of the general policy of the I.C.A. as decided by Congress and Central Committee. This, however, would be a misinterpretation. On the contrary, Mr. Alexander, as he has grown more and more conversant with the I.C.A. problems, has worked actively and with good judgement to assist the I.C.A. authorities to find viable solutions which could mobilise a maximum of agreement between the member organisations working within different economic and social systems in all the various parts of the world.

"Mr. Alexander has been a very hard-working Director, travelling very extensively, and he has been able, in the relatively short period of his Directorship, to form personal contacts with a vast number of cooperative leaders within the national movements which constitute our membership in various parts of the world. If anything, his ambitions have been too great in this respect, and we have just heard about the family reasons which have caused him to leave a work to which he is so deeply attached. Fortunately, the new employer of Mr. Alexander's services agreed to the firm condition that Mr. Alexander stipulated about the timing of his new appointment, and this has given the authorities of the I.C.A. the possibility to solve the difficult problem of appointing a new Director in a way which we all in the

circumstances find to be a very satisfactory one.

"May I, in concluding my speech of thanks to Mr. Alexander, just add a few personal words. As President of the I.C.A., I have had an exceedingly valuable assistance from Mr. Alexander. This statement holds good not only in respect of the preparation for meetings of the authorities of the I.C.A. on various levels, but also in respect of the very close collaboration and division of tasks between us which has characterised our joint I.C.A. missions in various parts of the world. This very close collaboration, cemented by a personal friendship, has made my work very easy, and I wish to add this personal word of sincere appreciation to your general vote of thanks.

"I have suggested to the members of the Executive, and have their whole-hearted support, that we invite Mr. and Mrs. Alexander to be our guests at the forthcoming Congress in Hamburg, and I would hope that this contact will certainly not be the only one which we shall have with him in the future. He will have his new place of work close to the Head Office of the I.C.A. and we shall always be very pleased to see him in this context.

"May I just ask to have the opportunity first of all to thank Mr. Alexander for the surprise which he gave us all in mentioning his very fine gesture of arranging for a plaque with the Cooperative Principles at Headquarters, and next to ask Mr. Alexander to receive, on behalf of all of us present here, a small vase. Knowing your cooperative interests, it should, of course, be a cooperative vase! It is from a cooperative factory in Sweden. The flowers in it signify our deep affection and thanks to the Director."

WELCOME
TO DR.
SUREN K.
SAXENA



The Authorities of the International Cooperative Alliance appointed Dr. S. K. Saxena, formerly I.C.A. Regional Officer for South-East Asia, as Director of the I.C.A. in succession to Mr. W. G. Alexander, M.A., M.B.E. Dr. Saxena is an internationally-known cooperator and has been associated with the I.C.A. Regional Office and Education Centre for South-East Asia in New Delhi since 1959. His successor at our Regional Office is Mr. Palitha E. Weeraman, a cooperative official in many capacities for twenty-two years, for the past five of which he has been Head of the Department of Cooperative Societies in the Government of Ceylon.

Dr. Saxena, in the service of international cooperation, has already travelled extensively in the region formerly under his direction; he has been able to establish close contacts with a large number of cooperative leaders and has been responsible for the development of the policies of the Alliance as they affect the South-East Asian region of the world. We welcome Dr. Saxena to the I.C.A. Headquarters in London, where, under his leadership and guidance, the world cooperative movement will take another step forward.

Dr. Saxena has a brilliant academic record in Economics and Social Science and has a Doctor's Degree in Economics. He is 42, married to a Swede and has two children.

WORKERS' CONTROL IN THE FRENCH COOPERATIVE SOCIETIES

by **Antoine Antoni**

THE question of who is to control industry and commerce is one that has occupied the minds of many people for many years. It has indeed, and it will do so for a long time. The answer one is able to give to such a question in a short paper is bound to be a very general and, accordingly, useless one. But it may be helpful to know who actually controls a certain group of industrial firms and how effectively the control works. This is the main theme, but in order to understand it properly, we must take a few preliminary steps in our field of investigation.

I. In France, as in Great Britain, the workers' productive societies appear at the very roots of early cooperation. In France, as in Great Britain, the people who, on the eve of cooperation, advocated the union of consumers also advocated at the same time the union of producers for industrial democracy. They just could not imagine that cooperation would progress in the distributive field without equal progress in the productive field.

II. For some historical reasons, the links between the two movements in France were merely those of an ideological association and of a personal friendship among their leaders, but they never came to the point of an economic partnership. The productive societies

happen to sell the goods they produce or the services they provide to the distributive societies as often as it seems convenient to the latter to buy them, but they never do it as the result of a conscious common policy.

III. The Trade Unions in France have for the last fifty years been split into various and often opposing groups. On the contrary, all the workers' productive cooperatives in the country have belonged since 1890 to the same Federation. Under these conditions, if they want to keep a friendly relationship with all the branches of trade unionism, the productive cooperatives as a whole cannot establish any kind of co-partnership with a separate group of Trade Unions.

IV. No partnership being in sight with the distributive movement or with the Trade Unions, the workers' productive societies had no other choice left than to go it alone. The control had consequently to remain and did actually remain in the hands of the people working in the cooperatives.

V. Right or wrong, the idea has worked during the last twenty years with reasonable success.

The five hundred (500) workers' productive cooperatives operating in France during the year 1966 have reached a consolidated turnover exceeding

one milliard francs (new ones of course); their rate of growth during the last ten years has been far superior to the national rate with an average of 9 per cent per annum against an average of about 5 per cent for the national industrial product;

the rate of investment of our cooperatives in various tools, machines, equipment, industrial and administrative buildings, engineering and so on, is generally more than that prevailing in the privately-owned firms of similar size and trade.

This is the way our business goes. We may now come to the point of "who controls" it.

A. Who controls the Workers' Productive Cooperatives in France?

The plain and simple answer is: they are run by the people who are working for them.

The law provides that two-thirds at least of the Board's members in the productive cooperatives must be effectively working in the society. But the practice of the societies goes very far beyond that rule, and the presence of non-working members on the Board is quite exceptional.

Of course, the general meetings are held according to the traditional cooperative rule "one man, one vote" and the shareholders, being all employees in the cooperative, normally choose their leaders from among themselves.

Such is the normal situation. In some limited cases (38 societies out of 500), the workers' productive federation, one or more Trade Unions, or the consumers' cooperative federation, are members of the productive cooperatives. The membership of Trade Unions or of Consumers' Cooperatives is symbolical.

The presence of the Productive Federation has a more precise meaning. It happens on occasions when sympathetic help is required from outside in exceptional situations: internal crisis, special financial needs, new programmes of organisation and so on. In these last cases, the federation may have one seat on the Board. Obviously, the working members are running the show. But that is not a complete answer; two more questions must be raised:

Are all the working people entitled to membership?

How many of them do actually become members?

(a) Who may become a Member?

The rule is the cooperative one: free entrance and free exit. But for a long time it has suffered some limitations.

The traditional productive cooperatives were comprised of highly skilled craftsmen. These people cared very much for the safeguard of the professional ability which was their real wealth and accordingly they had a taste for remaining among themselves. They felt this to be quite democratic because they remained equals. Under those prevailing prejudices, many societies would never grant membership to a woman, to an unskilled worker or to a university trained engineer or management assistant.

Before the war, our Federation did not care very much about such policies, the reason being that, obviously a skilled worker cannot be wrong. But after the war, the matter became one of life or death.

A productive cooperative must, of course, be open to all the people who work in it, not only to a special group of them, or it is no more a cooperative. But besides this strong moral reason, we

also had to face new economic and technological factors. The skill of workers is still an important factor of production, but no longer is it by any means the most important. Efficiency requires that the engineers and the people who work in the commercial and administrative branches become members of the cooperative. And justice requires that the unskilled people who work honestly for the group become members likewise.

This was a very long and difficult argument inside our Federation, but it belongs to the past. Everyone now knows and admits that all the professional groups play their part in the success of the cooperative and must be entitled to the same rights.

For sentimental and traditional reasons, we proudly keep the historical name of "Workers' Productive Cooperatives", but actually we are "Cooperatives of Working People". A productive cooperative is no more a group of skilled craftsmen, but a combat team including people of various training and activities.

(b) *Is Everyone a Member?*

Every person working in the cooperative may become a member, but that does not mean that everybody will actually do so. The limitations may come from natural reasons, from the will of the worker himself, or from the restrictive policy of the society.

Among the people who are not members for what we call "natural reasons", are the very young workers (less than twenty years old), or the people who do not work regularly for the cooperative (that happens chiefly in the building trade or in the cooperatives of dockers or stevedores). Some other reasons of that kind exist and will always exist.

A second group of non-members is

made up of people who sell to the cooperative their professional ability, who are quite ready to share in the profits or advantages which the cooperative provides for every worker, but do not mean to share in the cooperative responsibilities or to bring their personal savings to the cooperative capital. There has been a great argument inside our movement about the fact of keeping in the cooperative as an employee a man who refuses to become a cooperator, but the point is largely a theoretical one. In fact, the people who refuse membership are very few and, according to French law, such a refusal cannot be considered as grounds for dismissal from their job.

A more practical problem is the one of the restrictive membership policy prevailing in some of our societies. It must be clearly stated that such a policy when it exists does not rely upon the will of the existing members to keep for themselves all the returns of the cooperatives. French law provides that, except for the limited interest on capital and the reserves, all the surpluses are divided between all the working people, members or non-members. So the members have no personal interest in a restrictive policy.

But it has been a tradition in some of our cooperatives to consider membership as a reward for the best people in the teamwork and as an acknowledgment of professional and moral value. The position as a philosophical one may be taken into consideration and it sometimes has the effect of an incentive for some people.

But as a whole, it is a dangerous mistake. This policy leads generally towards a situation where a small aristocratic group is supposed to know what is the best for everyone and to act accordingly. This may work successfully for some

time, but in no case can this be called cooperation. Cooperation, as we see it, is not an aristocratic selection of the well-to-do but a way for everyone to reach a higher level of knowledge, responsibility and mastery of the facts of industrial and economic life. To refuse membership to the people who wish to have it on the grounds that they have not yet reached the high level which is supposedly required of a true cooperator is just like refusing a man access to the staircase on the grounds that he does not know what is happening on the upper floors.

The broad and liberal opening of the cooperative to every man who has honestly worked in it for a reasonable time is for us the only sound and equitable policy.

This is why our Federation has for the last twenty years deliberately fought against the restrictive and aristocratic trend in the productive cooperatives. Consequently, the restrictive practices are regularly decreasing. But we have not yet won the war because the idea will always remain in every small group of men who have by themselves reached some high level that the other people who have not matched the same challenge do not quite deserve to join the club.

And it is true that there is a real lack of balance between the skilled co-operators who have successfully gone through the tempests of industrial co-partnership, and the "green members" whose cooperative knowledge does not yet go further than "nice guys over there" and "you sometimes get a bonus . . .". There is no citizen without a right of vote, but the right of vote by itself does not make the citizen. The cooperative is threatened by the lack of new members, but is equally endangered by a majority of

members deprived of some knowledge of the economic facts as a whole and of the life and problems of their own cooperative.

B. How does the Control work?

In a workers' productive cooperative, the general meeting is the supreme authority. Approving or rejecting the balance sheet and the yearly report of the Board and of the management, electing the Board on the classical rule "one man, one vote", the working people are legally the judges of the past, the masters of the future. But, in the cooperative societies, as in any human group, the decision does not really belong to the largest group of people but to the ones who hold some definite superiority. In cooperative matters, when the rule is "one man, one vote", that superiority consists in a better knowledge of cooperation, of economic life and of the specific problems of the cooperative. Consequently, the value of the cooperative as a productive unit as well as a democratic body largely depends on the quality of the information which the members can get and on the value of the cooperative, economic and technical training which they may be able to get.

I. Information

The information which, according to the law and rules, must be given to the members consists of the balance sheet and of a report from the Board of Management read once per year in a general meeting which is supposed to vote for or against.

This step is of course necessary. But it can be considered like a mere faking if the people who are entitled to vote do not precisely know what the figures mean, and what lies behind the statements. There are many ways to spread

real information among the members:

(a) Informal meetings—at least once per year and preferably more often. Informal meetings of the members and non-members must be called.

Two types of meetings may be held: meetings for general information; meetings for the study of special matters.

These meetings are not concluded by voting. They are held more freely than the annual general meeting. Everybody comes in, including non-members. The information is given them in a less formal but more practical way and everybody is expected to, speak frankly his mind, which is always easier there than in the annual general assembly.

(b) Visual displays of facts and figures, diagrams and drawings, posters and blackboards play a great part in this information work. We take for granted that the same worker who does not ever “hear” the balance sheet read by an accountant “sees” perfectly a drawing showing the curves of turnover, returns and investments in the last five years and knows what to think and eventually what to say about it.

(c) Branch meetings — When the number of members exceeds a hundred, it becomes difficult for obvious reasons to hold general meetings more than twice or thrice a year. It is then commendable to hold branch meetings on special or general purposes. The special branch meetings are generally held on technical matters which are not of interest to all the members, but only certain groups. The branch meetings on general matters are not different from the general information meetings but, with a smaller audience, they allow a better opportunity for understanding and discussion.

(d) Periodically written information —

We feel it commendable in every society employing more than fifty people to issue regularly and possibly every month an information bulletin about the life of the cooperative. The basis of the information about production, sales, financial matters and so on is provided by the management, but every member is entitled to contribute written statements, questions or remarks. Of course, part is given over to the social life of the members and of their families.

II. *Educational Work*

Every member is not ready to understand the information, even when it is clearly given and even less to use it efficiently enough to somehow share in the management, without a special training about cooperative and economic matters.

(a) Cooperative education — When the cooperative is equal to its educational duties, the cooperative education of a new worker begins on the very day of the entrance into the cooperative with an interview on cooperative matters related to the story of the firm and a short comment about a welcome booklet which is handed to the worker. The permanent worker who is interested in co-partnership receives a special training in the shape of lectures or discussions in the cooperative or at the level of the regional cooperative union to prepare him for membership. A little more complex training is provided for the new members. At that level, selection begins among the new members to choose those who will some day be called upon to serve on the management board. The latter are invited to national sessions organised by the Federation.

(b) Economic and technical training — There is no real understanding of the cooperative problems and ability to con-

trol and help the management and, moreover, share in it without a certain training in economic, financial, administrative and commercial matters. Of course, the level to be reached is not the same for everyone. But the majority of cooperators must have wide opportunities to really understand what is going on. This training is given by the national Federation in regional or national sessions. When required, cooperators can be given a very high level of training at external sessions or schools selected by the national Federation.

In the same way, technical training intended to give the members a higher skill or new technical abilities is organised inside some of the cooperatives or at regional cooperative level. Outside courses and schools are frequently used. Informed and educated people are actually able to control the cooperative, but the control would not be complete without a real share in the management.

(c) Promotion and sharing in the management — For this reason, all the informative and educational work in the cooperatives is aimed towards the promotion of the members for a higher grade of responsibility in their cooperative.

The effective control by the members will be carried out better if their chance to play some part in the management is greater. It is a rule for a productive cooperative to give everybody a fair opportunity to get the largest part of power decision he can afford. That rule is enforced by a systematic policy of decentralisation of the decisions which enables the largest number of people to have some direct action in the life of the society and by a methodical selection of the future leaders among the members. Nevertheless, it must be made clear that this policy of promotion does not prevent the cooperatives from hiring people

coming from the universities or technical schools when required. These people are submitted to the same cooperative training provided for the young members in order to be called into membership as soon as possible. But the largest number of the working people will never get a real power of personal decision. Is it possible, in spite of that fact, to have them really take part in the most important decisions and feel personally concerned by them? That goal can be reached if a large part of the information and of the meetings is dedicated to the study of the prospects of the cooperative and to the preparations for its future.

Experience teaches us that the average cooperator is far more interested in the planning of the future than in comments about the past. Such a natural trend has to be used for the benefit of all and as an incentive for democratic life inside the cooperative.

III. *The Cooperative Balance Sheet*

Information, education, promotional training are the three principles upon which rest the policies aimed at real control of the cooperatives by the working people. But, human nature being what it is, it can be expected, and it actually happens that, under the strong pressure of daily practical problems, long-range policies and cooperative duties are sometimes forgotten.

For a long time, the members had no real way of being regularly kept informed of what was being done in that field and of following the progress made. The ordinary balance sheet, which is circulated among them and provides only economic and financial figures, is by no means able to give that kind of information. For that reason, our national Congress in June 1965 decided that a pat-

tern of cooperative balance sheet would be established by the Federation and used, after a certain experimental period, by all the cooperatives. The figures in the cooperative balance sheet are chiefly: number, ages and position of all the members, proportion of the members among the working people, distribution of the shares among various age groups, number of hours spent in educational activities, promotion of members to higher qualifications, rates of permanence in the cooperative and of absenteeism, social welfare activities in the cooperative and so on. The cooperative balance sheet must be supplemented by a report of the board commenting on the progress and explaining the failures.

A member of another cooperative or a delegate from the Federation is elected by the general meeting as auditor for the cooperative balance sheet. His duty is to inform the general meeting about the verity of the cooperative balance sheet. In the year 1966, twenty of our cooperatives have experimented with this scheme. From their experience, a national commission has drawn up two types of cooperative balance sheet; a complete one for the societies with a hundred members or more and an abbreviated one for the smaller cooperatives. The two are being used experimentally during the current year by 40 societies. Our goal is to have the cooperative balance sheet in general use in our 500 cooperatives around the year 1970.

Conclusion

Is it possible to draw from these plain facts some definite conclusions about "who is to control industry?"

Such an appreciation must be left to the conference, but it may be useful to point out some additional remarks:

I. The real economic progress of the French productive cooperatives started around 1950 at the same time that a methodical policy of education among the members began to be carried out.

II. The most successful cooperatives in the economic field are also the ones where the control by the working members is the best organised.

III. It must be fairly admitted that the regular growth of our cooperatives during recent years has been contemporaneous with a general economic progress in the whole country. But for the time being, the cooperative rate of progress is much higher than the national average.

IV. During the month of August 1967, two important laws have been made in order to help all the working people share more than they do at present in the management and prosperity of all industrial and commercial French firms. As may be expected, the matter is highly controversial, but, as far as productive cooperatives are concerned, it must be stated that a special law will draw some particular features for the cooperatives and we are entitled to hope that the consequences of these new regulations will somehow help us:

a) in a stronger policy of opening up cooperative membership;

b) in a better use of the saving ability of the members.

V. Our experience in recent years has taught us that a separate cooperative, even when very strong, is unable to carry on all the educational duties that go with real control by the members if left alone with its own means. Accordingly, the part played by the Federation inside the cooperatives in the successful organisation of information and educational programmes is bound to widen and strengthen every year. This

goes hand in hand with the permanent and ever-increasing work of economic, commercial and management assistance.

The more the cooperatives are linked with the Federation the greater is the actual control of the working people over their activities.

Our belief in industrial democracy is

today stronger than ever. It relies on practical as well as theoretical reasons. But a real democratic life inside the cooperatives requires a strong collective organisation and a serious will in each cooperative to behave as part of a co-ordinated movement and not as a single introverted unit.

INDUSTRIAL COOPERATIVE EXHIBITION — INDIA 1968 — NEW DELHI

by **K. C. Jain**

Secretary,

*National Federation of Industrial
Cooperatives Ltd.*

“**E**XCELLENT”. This was the spontaneous reaction of Dr. Mauritz Bonow after going around the Industrial Cooperative Exhibition — India, 1968, held at Connaught Circus, New Delhi, the heart of the shopping centre in the Capital of India. Dr. Bonow was accompanied by Mrs. Bonow and Mr. W. G. Alexander, Director of the International Cooperative Alliance, London Office.

Industrial Cooperative Exhibition — India, 1968 was the first Exhibition of its type organised anywhere, in which the participation was open exclusively to Industrial Cooperative Societies (popularly known as producers' cooperative societies in Europe) and was inaugurated by the Union Minister for Industrial Development and Company Affairs, Shri Fakhruddin Ali Ahmed. This Exhibition was organised by the National Federation of Industrial Cooperatives

Ltd., New Delhi, which is the apex level body of the Federations and Associations of Industrial Cooperative Societies in the country. In India, there are nearly 50,000 Industrial Cooperative Societies with a membership exceeding three million workers. These societies mostly consist of traditional craftsmen who possess cumulative experience in their respective crafts passed from generations to generation. These societies mostly produce cotton, silk and woollen handlooms, knitwear, wooden and metalware pieces of handicrafts. Lately, an encouraging trend to switch to the production of more utility goods is noticeable, but mostly these societies are still small in size with workers employing the traditional methods and equipment. Nevertheless, the societies are determined to orient their production to satisfy the requirements of the value-conscious consumer with whatever they have and

whatever they can acquire by way of machinery and equipment. However, their long working experience, backed by the desire among the workers to carve a place for themselves and to adjust themselves to the changing circumstances, is a guarantee for the quality of the goods produced by these cooperatives, the value of which exceeds Rs. 1300 million (Rs. 18.00 = £1 sterling) annually.

The major problem encountered by these cooperatives was marketing. This question had been engaging the attention of the members for a very long time and efforts made in this direction, such as the organisation of State- and District-level Federations of Industrial Cooperative Societies, had been helpful, even if only in a limited way. The Central and State Governments have also been running sales depots and emporia to market the products of small-scale units, including cooperative societies, but the overall effect had been a consolation rather than satisfaction. No doubt that in the past efforts had been made to organise the marketing of the products of the Industrial Cooperative Societies both by the cooperatives themselves and the Central and State Governments, but the cooperative societies were obliged to sell a large percentage of their products through private traders. Needless to say that in a situation where the producers do not have their own marketing channels, they are at the mercy of the traders who invariably make the best of such a situation to their own advantage. In addition to receiving a very low price for their products, the societies also received the payment on a deferred basis. The efforts of various agencies to improve the conditions of these societies by providing the necessary financial assistance were to a great extent set aside by the lack of marketing facilities. The need

for an all-India level institution to coordinate the activities of State and District institutions to assist the streamlining of the marketing structure as well as to explore the possibilities of developing the export market had been felt all along. To reach this objective, the National Federation of Industrial Cooperatives was organised in 1966 with a membership of 8 institutions and a share capital of less than Rs. 10,000/-. Its membership since then has been gradually going up and stands at present at 34, with a paid-up share capital of Rs. 5,34,000/-. These figures, by any stretch of imagination, are not very impressive, but it augurs well that this institution is on its way to accomplish the gigantic task before it. This Federation is arranging for the wholesale and retail sale of the products of the Industrial Cooperative Societies. Negotiations are afoot with many foreign buyers for the export of a vast range of products. The Federation is in a position to export handwoven clothes, silks, handicrafts, knitwear, leather goods including shoes and travel accessories, pile carpets, as well as gold and silver brocades and articles made thereof.

Among other steps taken to promote the marketing of the products of the Industrial Cooperative Societies, the Federation organised the Industrial Cooperative Exhibition—India, 1968. In the Exhibition, more than 90 Industrial Cooperative Societies participated and put up about 150 well decorated and well stocked stalls. Despite the fact that the time for the organisation of this Exhibition was very short, societies from 16 States of India participated in it. The Exhibition had been a very interesting example of “unity in diversity” because there were representatives there from the tiny eastern State of Manipur border-



The Indian Prime Minister visiting the Exhibition



Members of the Foreign Relations Department of Centrosoyus examine a delicate piece of knitwear exhibited

ing Burma to the northern-most State of Jammu and Kashmir; from the southern State of Madras to the Western States of Gujarat and Maharashtra; from the colourful State of Rajasthan, famous for its traditional handicrafts, to the newly developing State of Himachal Pradesh. Other States included Punjab, Delhi, Haryana, West Bengal, Madhya Pradesh, Andhra Pradesh, Mysore, Orissa and Uttar Pradesh. The Exhibition offered to the discriminate buyers the products of deft fingers combining superb craftsmanship with elaborate designs and choicest colours.

In the handloom section, one could have handwoven printed textiles in colours brilliant and bold, designs traditional or modern, and textures, subtle and appealing. Because of easy adaptability of the material, they offered immense scope for informal day wear or colourful and dignified dresses for special occasions. Another attraction was a rich variety of sarees from all parts of India, bleeding Madras, pure raw silk, shawls, scarves and stoles as well as bed-spreads, curtain cloth, luncheon sets and fine floor coverings like druggets and carpets. Known for the beauty of their design and deft workmanship, handwoven woollen pile carpets of Kashmir made an attractive show and look good either on one's drawing room or office floor. India's famous handicrafts lent a distinctive touch of colour and beauty to the Exhibition. One could buy a rich selection in ivory carvings, fine specimens of human and animal figurines, chessmen, paper cutters, caskets, bracelets, necklaces and table lamps—some inexpensive, others quite costly. The snow-white silver jewellery from Orissa could indeed be a source of delight to the wearer as well as the beholder. Then, there were life-like dolls

in festive costumes representing India's picturesque and diverse life, gaily painted wooden toys, artistic embroideries, wood carvings, paper mâché, rugs and fur coats, blue glazed pottery, paintings on silk screens and batik rag bulls, gold and silver thread embroidery and brass and copper art wares.

The leatherware section offered elegant footwear, both modern and traditional, for ladies and gentlemen; sandals, slippers, shoes in a variety of designs and descriptions. India is known for the export of footwear and some of the participating cooperatives did specialise in export items. Here one could also buy fancy travel bags, attractive portfolios and suitcases made of pure leather or laminated plastic.

For the lover of precious and semi-precious stones—topazes, amethysts, garnets—there was a stall where one could purchase these with full confidence and also watch the gem cutters from Jaipur, the famed pink city, at work.

We are not out to exhaust our inventory, although we may make a mention of the fine yarn for handloom and powerloom weavers, high quality Indian musical instruments, attractive woollen knitwear and some light engineering products, like stainless steel utensils and cutlery, laminated sheets, grinding wheels and other abrasives. All these fine things are produced by our industrial cooperatives which is more than a guarantee for the best value of one's money.

This Exhibition was visited by nearly four lakhs (400,000) persons, including many Delegates to the UNCTAD II Conference, Ministers of the Central and State Governments and Delegates to the I.C.A. Education Conference, held in Delhi in February 1968. The Exhibition had been of specially great interest to

cooperators from abroad, who were pleasantly surprised to find it such a large cooperative effort assembled under one roof.

The Exhibition provided an opportunity to the cooperatives, on the one hand, to sell their products directly to the consumers, in other words, at attractive prices acceptable both to the producing societies and the consumer and, on the other hand, it enabled the consumers to find out the general level of prices which would operate in case the long chain of middlemen is eliminated who fleece the producer and fatten at the expense of the consumers. This was probably the first time when many of these societies came into direct contact with the consumers and came to know about their preferences and likings. It is expected that this Exhibition will go a long way in helping the societies to orient their production with a view to increase the marketability of their products. In an economy where the taste of the consumers is fast changing, it is absolutely necessary that the producers should keep in touch with the consumers to know their tastes and preferences, and no effort in this direction could have been more useful than an

Exhibition, as a result of which many societies had been able to secure export orders and others have made their products known to the prospective buyers in India and abroad. The promoters of the Exhibition felt satisfied as to the effectiveness of the Exhibition when they received repeated requests from the participating cooperative societies for organising such exhibitions annually not only in Delhi but in other parts of the country. The educational value of this Exhibition had its own importance. Cooperators with more economic than social bias, who advocated that small-scale industry had no scope, have begun to feel that, given a chance and proper marketing facilities, these societies can work well and help India by providing employment to a large number of people and increasing as well production and export.

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Cooperators interested in purchasing goods from the Workers' Productive should get in touch direct with the Secretary, National Federation of Industrial Cooperatives Ltd., A-26, N.D.S.E. (Part II), New Delhi 16, India.

President of the I.C.A. and Mrs. Bonow inspecting cooperatively produced carpet at the Exhibition



THEY WORK FOR US

by Aage Büchert

A large-scale Scandinavian jubilee-campaign conducted by 18,000 cooperative stores was the principal event on the fiftieth anniversary of the Scandinavian Cooperative Wholesale Society (NAF) at the end of June 1968. This is a story about men and activities behind this impressive organisation whose jubilee-motto is: Scandinavia stands together for better goods at the right prices.

SAFETY in buying is the Alpha and Omega of the consumers of our day. This feeling of safety is created within the cooperative Movement through daily cooperation between all links in the commodity chain from the raw material source to the shelf in the shop. Indeed, most customers content themselves with finding that safety in buying is a reality in their shops and are not interested in listening to long tales about *how* exactly this safety is ensured. But one wonders all the same if the work done for the Scandinavian society members through the overseas branch offices of NAF should not be of interest to the readers of the REVIEW OF INTERNATIONAL COOPERATION.

In short: *why* has it been found necessary for the Scandinavian Cooperatives to be represented by their own "man on the spot" in Spain, South America, California, Italy, etc.?

Our Man in Santos

The main stress was laid on coffee in the jubilee-campaign from 24th June to 6th July 1968, and on the campaign posters in all the Scandinavian languages could be read "NAF is Europe's biggest coffee buyer". 95 per cent of the coffee imports to the Scandinavian Consumers' Cooperatives is effected through NAF, and to this comes that the Santos office has, during the last years, begun effecting purchases for the cooperatives also in a number of other European countries: Germany, Holland, France, Switzerland and Italy. However, no nations can compare with the Scandinavians as far as coffee-drinking is concerned. Each Scandinavian is said to drink as much coffee a year as is drunk by eight other Europeans combined.

"Our man in Santos" is the Dane *John Wolthers*, who is assisted by *David O'Cock*. Their office is located right in front of the Santos coffee exchange, and



Coffee tasting in NAF's head office, Copenhagen

they maintain daily contacts with some 25 of the largest Brazilian coffee exporters. Their most important tool is the teleprinter, through which daily reports are sent home on everything that might influence price and quality offers—from climate and harvest prospects to political interventions and the exchange situation. Bulk purchases are often effected in a matter of minutes through the teleprinter connections with the Scandinavian Cooperatives' coffee buyers. Samples of the offered coffee lots are currently shipped home for judging and organoleptic testing and our Santos men supervise the coffee shipments at the port.

The greater part of the coffee buying is effected during the afternoon hours. Without a man on the spot, the Scandinavian coffee buyers would not, owing to the difference of time, be able to

“jump at bargains” at the right moment when the price is most favourable.

Only by being on the spot is it possible to obtain reliable information about the financial standing and reputation for fair trading of the exporters. The information must often be amplified by travels to the other shipping ports and to the coffee districts in the interior of the country. The great thing is to be on the move all the time if one is responsible for negotiating purchases of 45 million kilos coffee each year. It is, however, a great asset to have — like John Wolthers — 13 years' experience on the spot.

Our Man in San Francisco

260, California Street, San Francisco, is occupied by the Americans Jack and Robert Gomperts with three employees, who look after the interests of the Scan-

dinavian Cooperative Societies in purchases of Californian fruits, among other things. The day is mostly started by going through the daily teleprinter communication from NAF's Copenhagen headquarters, containing inquiries, buying orders (and occasional complaints) from the Scandinavian buyers. At the approach of closing time, a combined message is teleprinted to the Scandinavian "customers" with offers and any other information collected in the course of the day. Besides making inquiries prior to effecting purchases, the San Francisco staff exert themselves to control the separate consignments and their shipment, and to watch the fruit harvest "in the field". In 1967, the purchases effected through the *Scandinavian Cooperative Wholesale California Inc.*, as is the name of the branch office, totalled 42 mill. dkr. comprising, among other things, raisins, fresh strawberries, apples, grapes and pears, almond, walnut, salmon and crabs, and a lot of other frozen fresh, dried or tinned delicacies.

Our Man in Valencia

"The trade in fresh fruits is an intricate business", says the manager of NAF's Valencia office, the Dane *Ole Andresen*, who has been in the Spanish fruit trade for 13 years. He is assisted by the Finn *Heikki Koskela* from SOK's fruit department. The man on the spot can always provide the fruit buyers of the Scandinavian Cooperatives with reliable information about productions, prices, qualities, the way the suppliers operate and a lot of other details which cannot easily be followed closely at a distance of several thousand kilometres.

The location in Valencia was chosen because the chief article, citrus fruits — above all oranges and lemons — are grown mainly in Valencia and the



Picking grapes in California, destined for the Scandinavian cooperative market

neighbouring Castellon-province. About 20,000 tons of citrus fruit are bought each year for the Scandinavian cooperative organisations, and to this come large quantities of tomatoes, grapes, etc. During the last few years, the hitherto used means of transport have been supplemented by charter planes for transport of strawberries and tomatoes.

Our Man in London

In the heart of the City of London, the Swede *Leif Westerberg* and his British staff are housed in NAF's new branch office overlooking the famous Tower of London and the waters of the Thames. A year after the founding of the Scandinavian Cooperative Wholesale Society in 1918, NAF was ready to make a start in London, which was then the centre of the world trade in most of the

chief groceries. For many years, the London office was of particular importance as a buying agency of raw materials for the factories operated by the Scandinavian Consumers' Cooperatives. Our London staff had been given extensive powers to act quickly because of the rapidly changing conditions on the international raw material markets.

Even though the key position of London in international trade is declining following the disintegration of the Commonwealth, NAF's British branch continues to effect large purchases of a lot of different raw materials: copra from the Philippines and Indonesia, and groundnut oil from Nigeria and Argentina for the margarine industry; cocoa beans from Ghana and Brazil for the cooperative chocolate factories in Oslo, Helsingfors, Kalmar and Kolding; sisal hemp from Tanzania for FDB's rope mill in Denmark; rubber from Malaysia for KF's factory, Gislaved. To this come other tropical products, such as spices from India and Jamaica, and tea from Ceylon, India, Kenya and South America. The blending of teas is normally done in London where it is subjected to organoleptic testing using water from all the Scandinavian countries.

A great many consumer articles in the non-food sector are likewise bought through the London office whose total annual turnover is about 100 mill. dkr.

Our Man in Bologna

The increasing needs to maintain the flow of fresh fruits and vegetables to the cooperative supermarkets in Scandinavia were the background for establishing the new branch in Bologna, North Italy, in 1966. Under the management of the Swede *Roland Matz* and his Swiss assistant, a turnover of dkr. 22 mill. was

reached already in the first year of operation, and NAF has become known as one of the biggest individual buyers of fresh fruits and vegetables in Italy, resulting in a favourable position in the price quotations. The purchases have recently been extended to include fresh flowers, such as Carnations, which are carried home by air.

The consumer benefits of having a man on the spot make it possible for the cooperative buyers to be kept provided with reliable first-hand information about harvest prospects and other conditions that influence prices and qualities, and to avoid the price-increasing intermediary link through private agents.

Another remarkable aspect of the efforts of the Bologna branch is the close cooperation that has been established with the Italian producer cooperatives in the fruit and vegetable field.

Our Man in Buenos Aires

During the January-May season each year, *Rune Petterson*, of Swedish birth, sends some 40 refrigerator ships with cargoes of apples, pears and grapes from the Argentine to Scandinavian cooperators. These cargoes represent in all about 550,000 crates of fruit, each of 20 kilos net, corresponding roughly to 3 kg apples and pears per member family. Besides handling the purchases and shipments of fruits, Rune Petterson is the manager of KF's subsidiary company, Luma S.A., in Buenos Aires. In the fruit season, he is assisted by a fruit expert from one of the member organisations—last year, a Norwegian and this year, a young Finn.

Rune Petterson's experience and personal contacts gained through 30 years' residence in the Argentine are of inestimable importance to the purchasing and the quality control conducted for the



Mr. Lars Lundin, Managing Director, NAF

benefit of the Scandinavian consumers.

Where the Threads are gathered

The six purchasing offices maintain daily teleprinter connection with NAF's headquarters in the centre of Copenhagen, where the threads from the export countries of all continents are gathered. From here, the entire activities are directed under the management of NAF's Swedish Director, *Lars Lundin*, comprising an annual turnover of 500 mill. dkr.

Answering the question whether plans are being contemplated for establishing purchasing offices also in other parts of the world, Lars Lundin says that no additional offices are required at the present time. It may be a matter for surprise that NAF has no representative either in Asia or in Africa. However, the present volume of trade with these continents can still be handled from the head office, from where coffee, for

example, is bought from Africa and tinned products from Formosa. A new situation may arise in future which might require representation in several developing countries, as the big commodity exchanges in London lose ground to sales direct from the producing countries.

The Scandinavian Cooperative Wholesale Society maintains close cooperation with the cooperative producer and sales organisations in several countries. It is quite conceivable that such trade relations could be built up elsewhere for the benefit both of the cooperators in the exporting country and the Scandinavian cooperative consumers.

New Avenues

The pioneers behind the Scandinavian Cooperative Wholesale Society, *Albin Johansson*, KF, and *Frederik Nielsen*, FDB, were men of boldness and foresight when, at the age of 33 and 37 respectively, they formulated the Rules and the working plan of NAF, but one wonders whether they had imagined an expansion of this magnitude? And the perspectives of the idea underlying NAF are far from being exhausted with what has so far been realised. The joint purchasing is being extended to embrace the whole of Western Europe. The cooperative wholesale organisations outside Scandinavia are increasingly making use of NAF's purchasing offices, and conversely, the Scandinavian cooperative societies have started to transact purchases through the British organisations' purchasing offices in Australia.

The development of international cooperative trade marks is spreading to more and more fields, and another task has been taken up in that NAF has set up a working committee for the purpose of furthering division of production and

large-scale operations by way of cooperation between the Scandinavian cooperative industries.

At the jubilee on 26th June 1968, the Board of the Scandinavian Cooperative Wholesale Society was composed of the following top executives of the consumer cooperatives in the Scandinavian countries:

Ebbe Groes, FDB (Chairman); Lars P. Jensen, FDB; Harry Hjalmarson, KF (Vice-Chairman); John Gillberg, KF; John Sallborg, KF; Peder Sjøiland, NKL; Knut Moe, NKL; Eero Salovaara, OTK; Lauri Hietanen, SOK; Erlendur Einarsson, SIS.

Honorary life member of the Board: Albin Johansson, KF.

NOTES ON STRUCTURAL CHANGES IN COOPERATIVES*

Canada

THE Committee on Structure of Consumer Cooperatives of the Cooperative Union of Canada issued an interim report in March 1968. The report originated from the Senior Officers Conference of March 1967 which recommended that a committee be appointed by the Cooperative Union of Canada to study the general structure of consumer cooperatives. The CUC Board of Directors selected a committee of eleven to undertake the study.

The interim report is regarded as a study paper for discussion rather than a programme for implementation. The Committee recommends that it should be distributed for study and discussion, and that a smaller committee of perhaps five persons should be named to co-ordinate this discussion phase. It also

proposes that another Senior Officers' Conference should be called before the end of 1968 to push forward with the recommendations in the report and others that may develop in the meantime.

Recommendations:

The Committee agreed on the following points:

It does not think that a single national system is feasible.

It believes that the wholesale-retail levels should be merged into a single-unit system. The idea of numerous independent local units under a wholesale should be replaced by that of an integrated organisation with direct membership for the individual consumer. For example, a family on the Prairies would join one consumer cooperative and would be a member anywhere on the Prairies; Federated, which is now a wholesale, would become "the core of a total service to consumers".

It proposes that there should be just five consumer cooperatives in Canada

* For earlier reports, see this Review, Vol. 60, No. 5, 1967, p. 204 and Vol. 61, No. 2, 1968, p. 74.

and eventually only four. These would be for the economic regions of Atlantic (New Brunswick, New Foundland, Nova Scotia, Prince Edward Island), Quebec, Ontario, Prairies (Alberta, Manitoba, Saskatchewan) and British Columbia, with the latter two merging at a later date.

Rather than having locals amalgamate haphazardly, it is proposed that they should be merged with the regional by groups on a planned basis. Amalgamation at the local level should be discouraged in favour of wholesale-retail merger.

A special effort will have to be made to develop the urban component of the consumer cooperative movement, using trained personnel, modern techniques of organisation and a vigorous educational programme for city consumers.

Integration will mean the formation of a single organisation to replace a large number of individual locals, in some cases, several hundred. This need not result in a weakening of member involvement, democratic participation and educational activities. Indeed, if the required effort on the larger scale is made and the services provided, the integrated organisation can result in greater participation by members and increased educational activities of all kinds. The objective is to combine centralised management, i.e., control of operations, with decentralised policy-making and member involvement. The Committee feels that member participation can be encouraged by means of local councils, district assemblies and a variety of educational activities in the field of consumer affairs.

Unsettled Issues:

The Committee recognised the necessity for various services required by the five regions to be provided at the na-

tional level; these include manufacturing, import and export, procurement and supplies, trade marks, advertising and market research, educational services, broadcasting, social research, recruitment and training of personnel, information, public relations and development planning. But it is not yet clear as to how these services should be organised, and what the relationship should be between the five regionals and the national organisations. In addition, the relationship of the national organisations to each other has not yet been determined, but the Committee believes that the possibility of horizontal integration at the national level should be looked into. At present, the national organisations are: Interprovincial Cooperatives Limited, Cooperative Union of Canada, Cooperative Insurance Services, Canadian Cooperative Credit Society and Western Cooperative College.

Denmark

The FDB continues to make rapid strides in the rationalisation campaign which was initiated a decade ago. This progress was summarised by Mr. Ebbe Groes at the INTERCOOP 1968 Food Conference held by the Committee for Retail Distribution in the Hague in May 1968. Of the 1800 existing societies, 80 per cent have now joined the *voluntary chain* by agreeing: to accept FDB recommendations on shop assortment; to buy through the FDB; to use FDB accountancy services; and to adopt the national plan for rationalisation and development of the shop network.

The seven new *regional warehouses*, which were planned in 1957 to replace 15 older units, were completed in 1966. The rationalised ordering and transport systems associated with these warehouses have resulted in a doubling of volume

passing through the warehouses during the period 1958 to 1966, a decrease in numbers of employees working with orders from 1,421 to 1,089, and a 150 per cent increase in the amount of goods dispatched per employee.

The rationalisation of regional warehouses is still in process. As a result of work simplification and improved internal transport, the physical stocking capacity is expected to increase by 50 to 100 per cent in the existing buildings. Each regional warehouse will be equipped with combitainers (special standardised pallets on wheels) making it possible to transport goods from the manufacturer to the shop gondolas without re-loading. There will also be a change-over to night deliveries so that sales assistants can refill shelves at the start of work in the morning when they have more time, and also to eliminate the need for stock rooms in the shops.

Distribution is also being speeded up through *computerised ordering*. Special punched cards are fed continuously throughout the day into the computer at the head office which is connected by telex with the regional warehouses, and the orders are processed during the night. Each day, the societies order 150,000 lines of goods. These orders are processed during the night and dispatched the following morning with the help of invoices listing commodities in the same order as they are arranged in the warehouse. The invoices are communicated to the regional warehouses via the electronic brain at a speed of 25,000 lines per hour. The same night, lorries loaded with the goods in combitainers drive to the shops and place them in the night boxes for placing on shelves the next morning.

Rationalisation of the shop network has been preceded by careful analysis of

migration, sales possibilities in the trading area, buying habits and required investments. Altogether, 220 cities and shopping centres in Denmark have been listed and recommended to societies as suitable sites for a self-service shop or supermarket. Today, these have either been built or planned for 80 per cent of the recommended sites.

Norway

A resolution approved at the 1965 NKL Congress recommended that, over the period between 1965 and 1968, a prognosis should be made of likely developments in the years immediately ahead with a view to drawing up guidelines for cooperative changes designed to meet the modern needs of members and consumers. A Committee of 12 members was appointed for this purpose in February 1966, and it has now submitted a report for presentation to the 1968 NKL Congress.

A major recommendation of the report is that the policy of concentration of societies should be accelerated; this policy was first decided upon at the 1960 Congress. It was also proposed that the societies and NKL should work together through collaboration agreements to achieve larger and more uniform shops and assortments, systematic centralised purchasing through the 12 NKL regional warehouses, and a rationalised system of ordering. The agreements would also cover advisory services, accounting, investments, and a new cost-plus and rebate system. An attempt should be made to augment share capital; one proposal is for a permanent increase of the retail societies' share deposits in NKL. There should also be improvements in training and educational facilities both for employees and elected members of supervisory boards, and in-

tensified communication with members.

In order to achieve greater uniformity in the size, assortment and appearance of shops, it is proposed that the future shop network should concentrate on only four types of shops.

Type 1. Self-service shops, 150 to 300 square metres and a turnover up to 3 million nkr. A standard assortment will be worked out for food and non-food goods to cover about 80 per cent of the turnover, with the remaining 20 per cent adapted to suit local tastes.

Type 2. Self-service shops, 300 to 600 square metres and turnover of 3 to 6 million nkr. This kind of shop will offer a full assortment of foods and other items of daily need, again with about 80 per cent of turnover devoted to the standard assortment.

Type 3. Supermarkets, 600 to 1000 square metres and turnover of 6 to 10 million nkr. A significant part of the turnover will be in non-foods.

Type 4. Large department stores dealing in most lines, preferably with cafeteria or restaurant.

To ensure broader representation for rural areas, it is proposed to increase the size of the Board of Representatives from 25 to 30, with 28 members chosen by District Societies and 2 from NKL staff. It is also proposed that the Board of Directors should consist of 7 members, of which the President and the Head of the Department of Organisation are to be employed full-time. The Managing Director is to be appointed by the Board.

Switzerland

At the General Assembly of the VSK held in Geneva in the last week of June, Mr. Werner Gnaedinger, Chairman of the Executive, discussed structural changes as the major issue facing the

Movement.

He pointed out that VSK is presently working on a plan for amalgamation of smaller and medium-sized societies into larger units with a view to achieving within a few years a completely new organisational structure based upon 30 to 40 regional societies. Thus, *planning* is of crucial importance. Already there is successful planning of finances, investments and sales, and this must now be extended to assortment and brand policies and to quality of management.

Another urgent requirement is expansion of cooperative production in order to make possible an independent product and pricing policy. In the future, cooperative products will constitute the backbone of the assortment. Factories are to be modernised and efforts will be made to achieve an effective own-brand policy which matches the quality and marketing of well-known brand articles and, at the same time, offers consumers genuine and significant price advantages. Cooperatives will, however, continue to sell private brands, since the plan is to be selective in their own production and manufacture only those items in which they can compete effectively in terms of price.

A new development was the appearance at the end of 1967 of the food discount store. Despite its limited assortment, this type of shop seems to meet a felt need on the part of a wide sector of the population, presumably because of the low prices offered. By the middle of 1968, there were 14 cooperative discount stores, and more are on the way.

Germany, Fed. Rep.

At the first ordinary Congress of the Bund deutscher Konsumgenossenschaften in Stuttgart on the 24th and 25th of June, three major structural develop-

ments were discussed: regional warehousing, rationalisation of shopping facilities, and a new approach to management.

The 110 warehouses now in existence are to be replaced within seven years by 29 regional warehouses. A number of central productive enterprises and a computer centre will be associated with each regional warehouse, and each will be administered by a separate "CO-OP Warehousing and Production Society Ltd." with two managers, one chosen by the GEG and one by the individual societies. Although purchasing decisions will still be made by individual societies, it is hoped that concentration of demand through the regional warehouses will make possible more favourable buying terms.

The rationalisation of the shop network will emphasise large supermarkets and shopping centres, self-service depart-

ment stores, restaurants and recreational centres. The chain of furniture stores will be expanded. The Bund is recommending that no new shops of less than 250 square metres should be opened. The GEG has set up a branch known as PLAZA to provide advisory services in connection with new self-service department stores.

The new *approach to management* is coupled with a plan for the training and promotion of staff. It is planned to supplement the existing programme for top level and middle-level management with special training in decision-taking. Promotion prospects are to be improved and retirement from the Executive will be facilitated. Plans also include new training facilities for all employees and staff from the shop assistant to the Managing Director and Chairman of the Board.

L. S.

CORRECTION

In an article "Competing for Capital" by Paul Derrick, which appeared in the "Review of International Cooperation", Vol. 61, No. 3, 1968, it was erroneously stated that "Australian cooperative shares are quoted on the stock exchanges".

This is not the case, as such quotations would preclude societies from qualification as cooperatives under the Commonwealth of Australia Taxation Legislation.

Edit.

REPORT ON INTERNATIONAL CONFERENCE ON COOPERATIVE EDUCATION

*Organised by the I.C.A. with the
assistance of UNESCO and NCUI
New Delhi, India
February 16-23, 1968*

THE International Conference on Cooperative Education was held from the 16th to 23rd February 1968 in the new buildings of the International Cooperative Alliance Regional Office and Education Centre for South-East Asia in New Delhi. This Conference of the International Cooperative Alliance was assisted by UNESCO and the National Cooperative Union of India. The objects of the Conference were to bring together the cooperative educational specialists of the countries in the Region having cooperative organisations affiliated to the I.C.A. and the various cooperative training centres outside the Region which regularly receive students from the Region. By calling together these authorities on cooperative education for South-East Asia, it was hoped to assist in the present and future communication of information about cooperative education and training programmes and the needs of cooperative training abroad for the movements in the South-East Asian Region and the adaptation of programmes of the training centres elsewhere for students from South-East Asia, and to assist in ensuring that these programmes will always be relevant and co-ordinated to the necessary extent.

The Conference was attended by 43 delegates and observers. Countries which participated from South-East Asia were: Ceylon, India, Japan, Republic of Korea, Malaysia, Philippines and Thailand. Countries represented from outside the Region were: Canada, Czechoslovakia, Denmark, Israel, Sweden, United Kingdom, U.S.A. and the U.S.S.R. Of International Organisations, the Afro-Asian Rural Reconstruction Organisation, Food and Agricultural Organisation of the UN, International Confederation of Free Trade Unions, International Labour Organisation and UNESCO were represented by observers. An expert of the Cooperative League of the USA working in Thailand also observed the proceedings of the Conference.

The President, Dr. Mauritz Bonow, and the Director, Mr. W. G. Alexander, of the International Cooperative Alliance attended the Conference along with the staff of the I.C.A. Regional

Office and Education Centre for South-East Asia.

The Conference was directed by Mr. W. G. Alexander, who was assisted by Mr. Alf Carlsson, Director of the I.C.A. Education Centre, New Delhi.

The Conference as well as the new buildings for the I.C.A. RO&EC was inaugurated by Dr. Mauritz Bonow on the 16th February 1968. The Hon. Mr. Jagjivan Ram, Minister for Food, Agriculture, Community Development and Cooperation, Government of India, presided over the inaugural function. The Conference recorded its appreciation for the cooperation extended by the authorities of the Indian Government. The Conference also recorded its thankfulness to the President of the Republic of India, Dr. Zakir Hussain, for receiving the delegates.

Terminology

In the context of training cooperators from developing movements in the developed or advanced movements, the Conference accepted the definitions of the following terms:

"Offering country": The term offering country is used to signify the industrialised country whose movement offers facilities for training cooperators from a developing or "deputing country".

"Deputing country": The term deputing country is used to refer to the developing country which sends out its cooperators to the "offering country" for education.

"International Cooperative Training Centre": The term International Cooperative Training Centre refers to two kinds of institutions which train cooperators from deputing countries;

a) An institution owned and operated by a national movement and/or

b) An institution owned and operated by an international organisation.

"Education": the term education includes cooperative training as well.

Considerations for Technical Assistance in the Field of Cooperative Education

The Conference accepted the following four as important considerations. First, technical assistance should be inserted at such a critical point that it has a possibility of a multiplier effect. Second, technical assistance projects must be in line with the overall objectives of the policies of the country's government and of its cooperative movement. This should not, however, preclude the possibility of experimental and methodological projects. Third, co-ordination should be achieved to lend mutual support to the various projects of the technical assistance. Finally, the need for a foreign expert in a project on cooperative education should be self-liquidating.

The formulation of the project based on a careful assessment of the needs of the movement and a detailed analysis of the impact of the project should be carefully done. In any technical assistance programme on cooperative education care should be taken to see that the experiences of a national movement are adapted rather than transplanted to suit the different conditions prevailing in the "deputing countries". The aid-receiving countries, generally speaking, have no specialised central co-ordinating machinery for projects relating to cooperative projects and there was thus a need for having such a set-up.

The second aspect of the orientation of the expert before and on his arrival and his relationship with the project was also important. The shortage of suitably qualified personnel, and where counterparts are provided, their pre-occupation with their normal tasks had prevented the proper development of counterparts who could logically take over when the

expert left. An additional problem related to the shortage of funds at the local level.

The Conference noted the extreme importance of an on-going evaluation of a project of technical assistance as also a need of an end of the project evaluation.

On his return, the expert should keep in touch with the International Cooperative Training Centre in his country and, as far as possible, make available to the Centre his experiences about the deputing movement to which he was attached. This would assist the offering country in making its training programmes more meaningful for the deputing country.

Locating Areas of Cooperative Training Requirements in South-East Asia

Domestic training facilities available within the country should be taken into account when deciding about sending people for training abroad, otherwise it involved misutilisation of resources in the field of training which were very scarce in the international cooperative movement.

In order to do this, it was essential that there was:

- an assessment of domestic training facilities;
- an assessment of the needs of foreign training;
- an assessment of training facilities available in other countries; and
- a satisfactory flow of information with regard to the last two points above.

In assessing the training requirements in the recipient countries, it was necessary that information was available on the cooperative structure, objectives and strategies for cooperative development. With regard to the cooperative background in the recipient countries, the following points may be kept in view:

The pace of cooperative development is very fast.

The cooperative movement was being diversified from the mere credit movement into more complex business activity, such as marketing, processing, distribution of consumer articles.

In most developing countries, plans and policies of governments are a determining factor in the speed and scope of the planning of cooperative development.

The movement in the developing countries needs special skills in business management as well as training in the process of social change and planning, especially with regard to the cooperative development.

In order to assess the training needs, it was important to know the number and various categories of members, office-bearers and employees at different levels and to know their job descriptions. The requirements of personnel, keeping the above factors in view, in different sectors, like the agricultural credit, agricultural marketing, consumer cooperatives, etc., should then be worked out.

Where personnel is categorised, the basis for such categorisation should be made known. Also the deputing countries should make information available about what job the candidate was performing, his potential and what he would do on his return.

As criteria for selecting candidates, the Conference suggested that candidates, who had the potential to develop and who would produce multiplier effect, would be the most deserving persons for training abroad. In this connection, teachers of Cooperative Training Centres in the deputing countries should be given special attention.

One of the problems was to bridge the communication gap between the offering and the deputing institutions in the field of training. For this purpose, the following suggestions were made:

The agency or agencies to be contacted in the deputing and offering countries should be identified.

Informative material about training facili-

ties should be made available by offering countries in as specific and comprehensive a manner as possible and in sufficient time, preferably a year in advance.

A coherent plan should be worked out both in the recipient and the offering countries about the training needs and facilities which could be offered respectively.

There should be a proper follow-up process, and proper feed-back about the effects of training given should be communicated by the developing countries to the international training centres. The communication process should be a two-way flow.

The Conference stressed that "Cooperative Education" should be regarded as a continuous process and that there is a need for an integrated and comprehensive programme of development.

The Cooperative Movements in the developing countries were also undergoing change. Information about these changing conditions and requirements should also be collected and supplied to the training centres in order to keep them up-to-date. It was suggested that International Cooperative Training Centres should be closely associated with the trading side of the cooperative movements in their own countries.

With regard to the usefulness of training, it was felt that training which was built into an economic project had special chances of being immediately put to practical use, where domestic training facilities were not available.

It was also stated that many development projects were launched without working out training implications or formulating coherent personnel policies which would take into account the increased capacities acquired by the trainees and their aspirations.

Communication of Programmes of International Training Centres

The present practice of International Training Centres communicating their offers of training programmes and receiving participants may be broadly categorised as follows. The Conference

emphasised the need for having movements' personnel included in training programmes, irrespective of whatever practice is followed in communication of offers for training purposes.

Most of the offers are made on a government to government basis.

In the case of the Swedish Cooperative Centre, offers of training programmes are made to governments and cooperative movements through the I.C.A. Regional Office and Education Centre.

Some centres supplement the government to government offers by receiving trainees on an individual basis or trainees sponsored by voluntary organisations, provided they have found financial support through other channels.

The I.C.A. Education Centre offers its programmes to cooperative movements and to governments.

Some offers are made on a movement to movement basis.

Offers are also made by United Nations Agencies to Governments.

Offers are made to member-organisations by the AARRO and the Afro-Asian Institute for Labour Studies and Cooperation, Israel.

Problems

Three problems were mentioned with regard to the communication of offers:

The communication from the Ministry, which originally receives offers in the deputed countries, to the cooperation ministry may be speeded up.

Usually in such cases, government officers are sent for training abroad. In this connection, the Conference suggested that, where offers were made through government basis, the I.C.A. might be kept informed through its local member-organisations in that country, as already happens in the case of Canada and Japan and is under consideration in some other countries.

Thirdly, where the offers were made directly to the movements, problems in proper selections arose on account of the Cooperative Unions not having a comprehensive coverage.

It was also mentioned that the I.C.A. prepares annually a calendar of technical assistance wherein all offers of technical assistance in the field of cooperative education from all sources, governmental and non-governmental, are listed for the year.

Selection

Selection of suitable candidates is vital for conducting an effective programme of cooperative education. An effective procedure of selection (see Orientation of Participants below) will avoid wastage of funds and frustrations on both sides. It was pointed out that the training programmes conducted in offering countries were very expensive and that there were limited opportunities available for such training. In this connection, it was suggested that the government should consult and, if possible, associate the movement in selecting candidates for foreign training.

The offering countries should make their offer of scholarship well in advance, preferably one year in advance, and fix a time limit for receiving responses to their offers. Whenever it is possible, they should communicate the intention of organising or repeating training courses in the offering countries.

The invitation memorandum from the offering country should indicate the objectives and the contents of the courses as well as spell out as precisely as possible the educational background and professional experiences required by the participants. The offering movement may also ask the deputed movement to suggest a few alternative candidates so that there is no vacancy left unutilised.

It was noted that the process of selection of candidates was assisted when some demands were made on the deputed countries for a small financial contribution towards the training of their candidates.

Orientation of Participants

General orientation of the trainees going abroad should take place in the deputed countries before they leave for

their training in the offering country. This orientation may be done by the deputing organisation with the help of the national training centres, the local embassies and other local officers of the offering countries. However, orientation about the specific cooperative activities in which the candidates are to be trained is difficult to achieve in the deputing countries.

The I.C.A. has brought out a handbook, "Cooperation in the European Market Economies", which highlights the special developments taking place in different European countries. This book may be used for orienting the candidates going to Western Europe before their departure from the deputing countries. There has been a good demand for this first handbook, and if it is proved useful, similar handbooks will be prepared for other regions.

In the future, some correspondence courses on cooperative development in different countries may be prepared and used for orienting the trainees going abroad. Completing a correspondence course may increasingly be made in suitable cases a prerequisite for selection of a candidate to be sent to offering countries concerned.

The International Cooperative Training Centres may supply the relevant documents and material to the participants in advance so that they would be better equipped to gain maximum advantage from the course.

Types of Teaching Programmes and Teaching Methods

The Conference has made clear that each offering movement is studying its strong points and is endeavouring to give training in the fields for which it can provide the necessary relevant experience in which it has been most

successful. By relating the training offered to the needs as defined by the developing countries, rationalisation is evolving over a period. The I.C.A. keeps track of these developments and gives advice which will facilitate continued rationalisation in future.

A proper balance should be struck between theoretical and practical training, keeping in mind the increasing business orientation of the cooperative movements in the South-East Asian Region.

As the training programmes are to be closely linked with the cooperative development taking place in the field, teachers at the international cooperative training centres should have practical experience.

It was necessary that teachers at International Training Centres had some orientation about the cooperative situation in the developing countries. In this connection, it was mentioned that the Afro-Asian Institute for Labour Studies and Cooperation in Israel and the ILO, FAO Seminars had the practice of inviting some teachers from developing countries for short-term teaching assignments at their international training courses. The Conference stressed that there should be an exchange of teachers between deputing and offering countries.

It was pointed out that the Cooperative College at Loughborough, UK, has started receiving Fellows from the deputing countries who conduct research on cooperative subjects as well as undertake teaching work in the College.

Some of the teaching techniques used at International Training Centres were role-playing, emphasis on group discussions among the participants themselves, and planned study visits to cooperative institutions.

Despite the difficulty in organising

practical on-the-job training for participants from developing countries, the importance of this type of training was stressed.

It was suggested that one of the subjects in the training programmes may be teaching of member education techniques, and techniques of leadership development.

The Conference emphasised the usefulness of sending out teachers for training abroad in view of the consideration of multiplier effect mentioned earlier in the Report.

The Conference recognised the usefulness of carrying out research programmes and case studies of historical development for use at international training programmes.

Follow-up

The Conference emphasised the importance of follow-up of the trainees after they have gone through a course in the International Cooperative Training Centre. Such follow-up could be initiated during and after the courses. The ILO-FAO have organised such courses. An example of the Swedish Cooperative Centre was mentioned where a part of the seminar would in future be located at the I.C.A. Regional Office and Education Centre to discuss with the trainees the adaptation of their learning to their home countries at the regional level. In this connection, it was mentioned that the I.C.A. would be willing to assist the International Cooperative Training Centres in conducting such follow-up courses in the Region.

Arrangements for follow-up of the trainees may also be made at the national level. The assistance of the national cooperative training centres and, if possible, of the International Cooperative Training Centres concerned should be taken in this process.

In some countries, the returnees are asked to submit reports on the training undertaken by them to the sponsoring organisations. Such reports should be made available as early as possible to

the International Cooperative Training Centres.

Assessment reports regarding the training should be sent to the deputing organisation with a copy marked to the trainee. This would help the deputing organisation to find the particular field where the participant can make the best contribution.

It was mentioned that the evaluation of the training programmes in offering countries is generally done only by establishing contacts with the former trainees. In India, a Committee has been set up by the National Movement for evaluating the usefulness of training programmes of the offering countries to the Indian Cooperative Movement. The I.C.A. Regional Office and Education Centre is represented on this Committee. Attempts should be made to approach the superiors of the trainees to get their opinion about the usefulness of the participants' learning. In this connection, it was mentioned that former trainees might be helpful in selecting candidates for the training courses organised by the International Cooperative Training Centres.

To follow-up trainees, a national register of cooperative personnel trained abroad may be kept in the deputing countries.

When government servants are trained and return to their countries, they are likely to be transferred to other departments not connected with the cooperative movement and thereby the movement loses their services. The personnel from the cooperative movement trained abroad often leaves to other jobs because of job frustrations. In this connection, the need to rationalise personnel policies for proper utilisation of persons trained abroad was stressed. It was also mentioned that, if the Cooperative

Movement is dynamic and offers attractive salaries and service conditions, the best men will not leave the movement, and even if they leave, equally good men will take their place.

The main advantage of training abroad was widening the outlook of the participant and developing his analytical faculties as well as providing him with skills to tackle problems even in a different situation.

Visitors

The visitors to foreign countries who desire to get assistance from the I.C.A. must approach it through member-organisations. It was only then that a suitable programme could be arranged for them. The inconvenience caused to visitors, the host cooperatives and the I.C.A. in the past clearly necessitates the use for planning studies which may be particularly useful to senior personnel.

Some of the advanced movements have made one single competent agency or person responsible for arranging proper study visits for individual cooperators. Such an arrangement saves both time and money on the part of the offering movements.

Collaborative Arrangement

The International Cooperative Training Centres and the national cooperative training centres could with advantage exchange literature including recommended reading material on a regular basis. With regard to direct collaboration between the international organisations as well as collaboration between the I.C.A. and the offering movements, better results would be obtained if collaboration was initiated right from the planning stage.

Role of the International Cooperative Alliance

The I.C.A. had been serving as a clearing-house of information with regard to international training for the movements both in the deputing and offering countries. Collaboration has also been developed in the field of training with UNESCO, FAO, ILO and IFAP.

The I.C.A., with the financial support provided by the Swedish Cooperative Movement, is operating an educational centre for the movements in South-East Asia. The I.C.A. also organises "International Seminars" intended to train potential young leaders. The need for a co-operative international training institute at the apex for the training of teachers on a more permanent basis was suggested during the Conference. This question is followed closely from the I.C.A. headquarters in London.

It was suggested by the delegates from developing countries that the I.C.A. may help the member-movements in the Region in the following fields:

- in developing study circle techniques;
- in disseminating techniques of writing textbooks;
- advising in the formulation of syllabi especially for foreign trainees at domestic training centres;
- in disseminating techniques of producing relatively inexpensive visual aids; and
- in evaluation of international training programmes with the help of deputing and offering countries.

The I.C.A. Regional Office and Education Centre could serve as a suitable organ to co-ordinate on a regional basis the needs of the developing movements in South-East Asia.

It was pointed out to the Conference that the I.C.A. will welcome the attachment of experts from deputing and offering countries at the Regional Office and Education Centre for servicing the member-movements in South-East Asia.

CARL ALBERT ANDERSON IS DEAD



ON the 20th July 1968, Carl Albert Anderson, for many years a leading figure in the Swedish and the International Cooperative Movements, as well as in Swedish public life, passed away at the age of 69 years.

The news of his death was received with sincere and deep grief not only in Sweden but also in other countries where he had made many friends.

Carl Albert Anderson made important contributions in a variety of fields. He was, for example, Chairman of the Stockholm City Council for the 26 years preceding his death—a much longer period than any of his predecessors—and held a central place in the city's and country's municipal life. He was also a Member of the First Chamber of the Swedish Parliament. His highly diversified range of interests which included literature and the arts and his genius as a leader caused him to be called upon to undertake a large number of other tasks. Thus, he was Chairman of the Swedish Gymnastic Association and of the Swedish Corporation Sports Associa-

tion, and he was a Member of the Board of Directors of the Stockholm University College for a period of 13 years.

Spokesmen of different political opinions have given evidence of the brilliant way in which he accomplished his duties both when acting as chairman and when officially representing the City of Stockholm or the cooperative movement.

For us as cooperators, it is natural that we should first remember his work within our own movement.

Carl Albert Anderson began his cooperative career as a Shop Assistant with the Cooperative Society of Stockholm. As time passed by, he was given more and more important positions in this Society, until finally, in 1937, he became a Director and a Member of its Board. Eight years later, he became the Society's Chairman and continued in this position until his retirement in 1965. He was, furthermore, a Member of Kooperativa Förbundet's Administrative Council between the years 1946 and 1957 and, when Albin Johansson retired in 1957, he became Chairman of Koop-

erativa Förbundet's Board of Directors where he also remained until his retirement.

Under Carl Albert Anderson's leadership, the Cooperative Society of Stockholm went through a period of exceptional development. A thorough transformation as regards the structure of cooperative retailing in Stockholm was initiated by him and his colleagues. In this connection, the two department stores Obs. should perhaps particularly be mentioned. They are today by far the largest cooperative department stores of this type in the world with an aggregate annual turnover of about 200 million kronor. Working with very low costs, they are able to apply very competitive prices which, together with their wide range of goods, have secured their success. Carl Albert Anderson's eminent leadership was above all characterised by his striking capacity for taking initiatives and for organisation. He demanded much of his fellow-workers, but still more of himself.

It was also of great value to Kooperativa Förbundet that, during the current structural changes taking place within our Movement, which are characterised by efforts to seek a closer relationship between the local societies and the Central Organisation, he was there to lead

the work carried out by its Board.

Within the International Cooperative Movement, he was well known as a Member of the Central Committee of the International Cooperative Alliance from 1948 on and as Chairman of the Retail Committee of the I.C.A. For many years, he was Chairman of the Board of Directors of Nordisk Andelsförbund (the Scandinavian Cooperative Wholesale Society).

From my own collaboration with Carl Albert Anderson within and outside KF's Board during several years, which I know were for him most burdened with work, I can testify that he never appeared to be worried. In his everyday work as well as when face to face with a visit by a Head of State and with other important official functions, he was always relaxed.

The popular movements of Sweden have lost one of their most prominent representatives, an outstanding, intellectually gifted personality. Carl Albert Anderson is greatly missed by us. He will long be remembered as a good cooperator and as an energetic and idealistic business leader and able spokesman on behalf of the Consumers' Cooperative Movement both as an idea and as a reality.

Dr. Mauritz Bonow

COOPERATIVE STATISTICS REVIEW 1967

Summarising, in a new format, the 1967 statistics of British cooperative societies.

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AFFILIATED ORGANISATIONS

- ALGERIA:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 6 et 8, rue du Cercle Militaire, Oran; also at - 21, rue Edgar Quinet, Algiers, and 9, rue Mathurin Régnier, 75 Paris 15.
- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires.
Intercoop, Editora Cooperativa Limitada, Rivadavia 4426 (1er piso), Buenos Aires.
Asociación Argentina de Cooperativas y Mutualidades de Seguros, Belgrano 530, 5 Piso, Buenos Aires.
- AUSTRALIA:** Cooperative Federation of Australia, c/o. CWS of Queensland Limited Buildings, 50-54 Ferry Street, South Brisbane, Queensland.
- AUSTRIA:** "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, Vienna VI.
Membership (1967): 476,200; turnover: consumers' societies: Sch. 3,895 millions; wholesale (G.O.C.): Sch. 1,821 millions; department stores: Sch. 713 millions; own production: consumer societies: Sch. 472 millions; G.O.C. and subsidiaries: Sch. 415 millions.
Bank für Arbeit und Wirtschaft A/G, Seitzergasse 2-4, Vienna I.
Zentralkasse der Konsumgenossenschaften, Theobaldgasse 19, Vienna VI.
Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösendorferstrasse 7/11, Vienna I.
1967: Affiliated organisations: 313 (comprising 201 societies and 112 associations); membership: 130,286; dwellings administered: 288,157 (comprising 127,954 societies and 160,203 associations); balance at 1966: 33.8 milliard Sch. (divided as to societies Sch. 15.7, associations Sch. 18.1).
Österreichischer Raiffeisenverband, Seilergasse 16, Vienna I.
- BELGIUM:** Société Générale Coopérative, 26-28 rue Haute, Brussels 1.
Affiliated consumers' societies: 25; membership: 300,000; turnover (1963): Frs. 3,900 millions; shops: 1,400; Wholesale society turnover (1963): Frs. 959 millions.
Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151, rue Royale, Brussels 3.
Premiums (1966): Frs. 1,903 millions; reserves: Frs. 6 milliards; Insurance funds, life: Frs. 20 milliards.
Fédération Nationale des Coopératives Chrétiennes, 135, rue de la Loi, Brussels 4.
(1967): 1,250 shops; turnover: Frs. 1,430 millions; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 millions; reserves: Frs. 1,300 millions.
L'Economie Populaire, 30, rue des Champs, Ciney (Namur).
Branches (1967): 460; membership: 88,000; turnover: Frs. 1,001,300,000; savings deposits: Frs. 490 millions; capital and reserves: Frs. 162 millions.
- L'Institut Provincial de Coopération Agricole, 42, rue des Augustins, Liège.
- OPHACO** (Office des Pharmacies Coopératives de Belgique), 602, Chaussée de Mons, Anderlecht Brussels.
Union of 28 cooperative societies owning 360 pharmacies, 68 optical departments and counters, 7 drug stores, 14 wholesale depots. Turnover (1963): Frs. 1,250 millions. Surplus distributed to 400,000 members: Frs. 95 millions.
- BRAZIL:** Aliança Brasileira de Cooperativas (ABCOOP), Av. Presidente Wilson 210, Salas 914/914 A, Rio de Janeiro, G.B.
Uniao Nacional das Associações de Cooperativas (UNASCO), Avenue Franklin Roosevelt, 126-Conj. 608, Rio de Janeiro.
- BULGARIA:** Central Cooperative Union, Rue Rakovski 103, Sofia.
- BURMA:** National Cooperative Council, 290-300, Lewis Street (2nd Floor), Rangoon.
- CANADA:** Cooperative Union of Canada, 111, Sparks Street, Ottawa 4, Ont.
A federation of English-language cooperative organisations, organised in 1909.
Conseil Canadien de la Coopération, 353 rue Dalhousie, Suite 205, Ottawa 2, Ont.
- CEYLON:** Cooperative Federation of Ceylon, Cooperative House, 455, Galle Road, Colombo 3.
- CHILE:** Federación Chilena de Cooperativas de Ahorro y Credito, Ltda., Dieciocho 246, Clasificador 760, Santiago de Chile.
Cooperativa Sodimac Ltda., Casilla 3110, Santiago de Chile.
- COLOMBIA:** Cooperativa Familiar de Medellin, Ltda., Calle 49, No. 52-49, Medellin.
- CYPRUS:** Cooperative Central Bank Ltd., P.O. Box 1447, Nicosia.
Cyprus Turkish Cooperative Central Bank Ltd., P.O. Box 791, Nicosia.
Vine Products Cooperative Marketing Union Ltd., P.O. Box 314, Limassol.
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, Tesnov 5, Prague I.
- DENMARK:** De samvirkende danske Andelselskaber (Andelsudvalget), H. C. Andersens Boulevard 42, Copenhagen V.
Representing 30 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 750,000 individual members. Turnover (1967/68): D.Kr. 15,273 millions.
Det Kooperative Faellesforbund i Danmark, Linnegade 14, 1. sal, 1361 Copenhagen K.
Affiliated societies (1963): 634; total sales: D.Kr. 1,582 millions; employees: 12,500; comprising: consumers'

workers', artisans', productive and housing societies etc.

Faellesforeningen for Danmarks Brugsforeninger (FDB), *Roskildevej 65, Albertslund*.
Affiliated societies (1965): 1,852; members: 716,000; turnover: 2,583 millions D.Kr.; wholesale turnover: 1,453 millions D.Kr.; own production: 405 millions D.Kr.

DOMINICA: Dominica Credit Union League, *14, Turkey Lane, Roseau*.

EGYPT: Société Coopérative des Pétroles, *94, Kasr El-Eini Street, Cairo*.

EIRE: Irish Agricultural Organisation Society Ltd., *The Plunkett House, 84 Merrion Square, Dublin 2*.

National Organising and Advisory Body for Agricultural Cooperatives. Affiliated societies: 339; membership: 121,000; turnover (1964): £106 millions.

Cooperative Development Society Ltd., *35 Lower Gardiner Street, Dublin*.

FINLAND: Suomen Osuuskauppojen Keskuskunta (S.O.K.), *Vilhonkatu 7, Helsinki 10*.

Affiliated societies (1967): 305; members: 535,136; wholesale turnover: Fmk. 1,259 millions; own production of SOK: Fmk. 254 millions.

Yleinen Osuuskauppojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki 10*.

Affiliated societies (1967): 305; members: 535,136; turnover of societies: Fmk. 2,324 millions; total production of the affiliated societies: Fmk. 44 millions.

Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki 10*.

Affiliated societies (1967): 88; members: 586,531; turnover: Fmk. 1,719 millions; own production: Fmk. 267 millions.

Osustukkukauppa (O.T.K.), *P.O. Box 10120, Helsinki 10*.

Affiliated societies (1967): 88; turnover: Fmk. 986.0 millions; own production: Fmk. 310.3 millions.

Pellervo-Seura, Central Organisation of Farmers' Cooperatives, *Simonkatu 6, Helsinki K*.
Affiliated organisations (1963): 10 central organisations; 1,102 societies.

FRANCE: Fédération Nationale des Coopératives de Consommation, F.N.C.C., *89, rue la Boétie, 75 Paris VIII*.

Affiliated societies (1964): 475; membership: 3,460,000; shops: 9,900; turnover: NF. 3,600 millions.

Société Générale des Coopératives de Consommation, *61 rue Boissière, 75 Paris XVI*.

Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, *88, rue de Courcelles, 75 Paris VIII*.

Confédération Générale des Sociétés Coopératives Ouvrières de Production, *88, rue de Courcelles, 75 Paris VIII*.

Banque Coopérative des Sociétés Ouvrières de France, *88, rue de Courcelles, 75 Paris VIII*.

Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, *129, Bd. St. Germain, 75 Paris VI*.

Confédération Française de la Coopération Agricole, *18 Rue des Pyramides, 75 Paris 1er*.

Caisse Nationale de Crédit Agricole, *91-93, Boulevard Pasteur, 75 Paris XV*.

Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, *Foyer Coopératif, 17, rue Richelieu, 75 Paris 1er*.

Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", *3, ave. du Coq, 75 Paris 9e*.

Confédération des Organismes de Crédit Maritime Mutuel, *18 bis, Avenue Hoche, 75 Paris VIII*.

GERMANY: Bund deutscher Konsumgenossenschaften G.m.b.H., *Besenbinderhof 43, (2) Hamburg 1*.

Affiliated societies (June 1968): 124; membership (1967): 2,379,114; turnover (1967): D.M. 4,321,596,200 (thereof D.M. 78,862,700 for West-Berlin).

Revisionsverband deutscher Konsumgenossenschaften e.V., *Besenbinderhof 43, (2) Hamburg 1*.

Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof 43-52, (2) Hamburg 1*.

Total turnover incl. subsidiaries (1967): D.M. 2,195,524,900.

Gesamtverband gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4, (22c) Cologne*.

Volksfürsorge Lebensversicherung Aktiengesellschaft, *An der Alster, (2) Hamburg 1*.

Volksfürsorge Deutsche Sachversicherung Aktiengesellschaft, *Steinstrasse 27, (2) Hamburg 1*.

GHANA: The Alliance of Ghana Cooperatives Ltd., *Post Office Box 2068, Accra*.

GREAT BRITAIN: Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester M60 0AS*.

Affiliated retail societies (1967): 625; membership: 12,955,706; share capital: £221,143,738; retail sales: £1,083,595,483.

Co-operative Wholesale Society Ltd., *P.O.B. 53, New Century House, Manchester M60 4ES*.

Affiliated societies (1965): 746; sales: £487,859,688; Bank turnover: £9,764,603,821; reserve and insurance funds: £40,791,711; total assets: £300,463,985.

Co-operative Insurance Society, Ltd., *Miller Street, Manchester 4*.
Assets (1964): £369 millions.

Scottish Co-operative Wholesale Society Ltd., *Centenary House, 100, Morrison Street, Glasgow C. 5*.

Affiliated societies (1968): 153; sales: £89,008,059; reserves and insurance funds: £3,474,291; total resources: £23,139,384.

Co-operative Permanent Building Society, *New Oxford House, High Holborn, London, W.C. 1*.

GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), 6, *Othonos Street, Athens 118.*

GUYANA: Guyana Cooperative Union Ltd., *Ministerial Buildings, High Street and Brickdam, Georgetown.*

HAITI (W.I.): Caisse Populaire Dominique Savio, 57, *Rue Rigaud, Pétiion-Ville.*

HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikcoöperaties, "CO-OP Nederland", *Postbus 6008, Vierhavensstraat 40, Rotterdam 7.*

Association of Enterprises on a Cooperative Basis, *Bloemgracht 29, Amsterdam.*

HUNGARY: Federation of Hungarian Cooperative Societies, *Szabadság 14, Budapest V.*

National Federation of Producers' Cooperatives (OKISZ), *Pesti Barnabás 6, Budapest V.*

ICELAND: Samband Isl. Samvinnufélaga, *Reykjavik.*

INDIA: National Cooperative Union of India, 72 *Jorbagh, New Delhi 3.*

National Agricultural Cooperative Marketing Federation Ltd., No. E-11 *Defence Colony (Ring Road), New Delhi 3.*

IRAN: Cherkate Taavoni Masrafe Artèche (Army Consumers' Cooperative Society), *Avenue Sevvom Esfand, Rue Artèche, Teheran.*

Credit and Housing Cooperative Society of Iran, 20-22 *Shahabad Avenue, Teheran.*

Central Organisation for Rural Cooperatives of Iran, 357 *Pahlavi Avenue, Teheran.*

ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., P.O.B. 303, *Tel-Aviv.*

Affiliated societies and companies (1963): 1,855 in all branches.

"Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, 44, *Rothschild Bd., P.O. Box 75, Tel-Aviv.*

"Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, 8 *Kaplan Street, P.O.B. 209, Tel-Aviv.*

Bank Zerubavel, 44, *Rothschild Bd., Tel-Aviv.*

ITALY: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome.*

Confederazione Cooperative Italiane, *Borgo Santo Spirito 78, Rome.*

Associazione Generale delle Cooperative Italiane, *Via Milano 42, Rome.*

IVORY COAST: Centre National de la Coopération et de la Mutualité Agricoles, B.P. 702, *Abidjan.*

JAMAICA: Jamaica Cooperative Union, Ltd., 14-16 *Barry Street, Kingston, W.I.*

JAPAN: Nippon Seikatsu Kyodokumiai Reikai (Japanese Consumers' Cooperative Union) 1-13, 4-chome, *Sendagaya, Shibuya-ku, kyō.*

Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Cooperatives), 5 1-chome *Otemachi, Chiyoda-ku, Tokyo.*

Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Cooperative Associations), *Shinchiyoda Building no. 14-19 3-chome, Nishishinbashi, Minato-ku, Tokyo.*

JORDAN: Jordan Cooperative Central Union Ltd., P.O.B. 1343, *Amman.*

KENYA: Kenya National Federation of Cooperatives Ltd., P.O.B. 9768, *Nairobi.*

KOREA: National Agricultural Cooperative Federation, 75, 1st Street, *Chung-Jong-Ro, Songnam-ku, Seoul.*

MALAYSIA: Cooperative Union of Malaysia Ltd., ~~8, Holland Road~~, *Kuala Lumpur.*

Sarawak Cooperative Central Bank Ltd., *Kuching, Sarawak.*

MALTA: Farmers' Central Cooperative Society Ltd., *New Building, Middleman Street, Marsa*

MAURITIUS: Mauritius Cooperative Union, *Cooperation House, Dumat Street, Port Louis*

MEXICO: Confederación de Cooperativas de la República Mexicana, C.C.L., *Av. Cuauhtémoc 60, 5 Piso, Mexico 7, D.F.*

NEW GUINEA: Federation of Native Associations Ltd., P.O.B. 152, *Port Moresby, Papua.*

NIGERIA: Cooperative Union of Eastern Nigeria Ltd., *Cooperative Bank Buildings, Milverton Ave., Aba.*

Cooperative Union of Western Nigeria Ltd, *c/o Cooperative Buildings, New Court Rd, Ibadan.*

Lagos Cooperative Union Ltd., *Cooperative Office, 147, Broad Street, Lagos, W. Nigeria.*

Mid-Western Nigeria Cooperative Federation Ltd., *c/o Ministry of Cooperative and Rural Development, Cooperative Societies Division, P.O.B. Benin City.*

NORWAY: Norges Kooperatve Landsforening, *Kirkegaten 4, Oslo.*

Affiliated societies (1967): 823; membership: 366,750; turnover of local societies: Kr. 2,559 millions; of N.K.L.: Kr. 830 millions.

BBL A/L Norske Boligbyggelags Landsforbund, *Trondheimsveien 84-86, Oslo.*

PAKISTAN: East Pakistan Cooperative Union Ltd., 9/D-Motijheel Commercial Area, 8th floor, *Dacca 2.*

West Pakistan Cooperative Union, 5, *Court Street, P.O.B. 905, Lahore 1.*