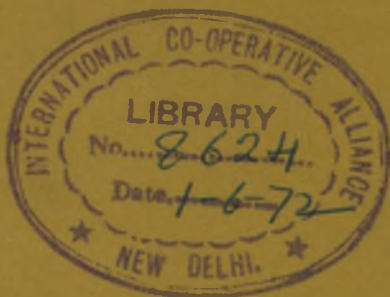


INTERNATIONAL COOPERATIVE ALLIANCE

REVIEW OF INTERNATIONAL COOPERATION



VOL. 60 No. 1... JANUARY 1967

REVISED BI-MONTHLY

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.

INDEX 1967

I.C.A. AND ITS ACTIVITIES

	Page
Twenty-third Congress of the International Cooperative Alliance:	
Congress in Brief	5
World Food Programme: Talks with Dr. B. R. Sen, W.G.A.	102
Recent South-East Asian Seminars and Conferences	103
Margery Hill, J.H.O.	128
Declaration of the I.C.A.	152
Without Boundaries, J.H.O.	154
The Consumer Working Party	182
I.C.A. Central Committee Meeting in Prague, 16th-18th September 1967, W.G.A.	238
Cooperative Librarians' Meeting in Manchester, A.L.	242

INTERNATIONAL ORGANISATIONS

World Food Programme: Talks with Dr. B. R. Sen, W.G.A.	102
---	-----

SPECIAL ARTICLES

New Year Message, Dr. Mauritz Bonow	2
Twenty-third Congress of the International Cooperative Alliance:	
Congress in Brief	5
Commentary, J.H.O.	79
Retirement of Howard A. Cowden	
New President of the Cooperative League of the USA	
New Chairman of I.C.A. Women Cooperators' Advisory Council	
British Agricultural Cooperation - 100 years old	
Directory of Travel Facilities and Accommodation	
Edward Topham	
UNESCO and UNICEF - 20 years	
National Congresses in 1967	94
Recent South-East Asian Seminars and Conferences	103
Feasibility Studies for Cooperative Processing, Branko Zlataric	105
Commentary, J.H.O.	123
Dr. Andreas Vukovich - A Life for and in Cooperation	
Nationalrat Ernst Herzog	
Heinrich Meins	
Cooperative Fertiliser Plants for India	
Festival Year of the Finnish Cooperative Movement	
Cooperative Trade in South-East Asia, P.D.	156

	Page
Commentary, J.H.O.	162
Illiteracy	
Structural Changes in the GEG	
Dr. Werner Franke, New Business Manager of the GEG	
Co-op Zambia	
Third Cooperative Trade Talks between Thailand and Japan	
Encouraging Cooperatives in the Sudan	
A Computer Cooperative	
Consumers as Producers, P.D.	171
The Third Asian Agricultural Cooperative Conference	183
Structural Changes in Cooperatives, L.S.	204
Commentary, J.H.O.	218
Sweden's oldest Cooperative	
Cooperative Insurance Society of Great Britain entering its	
Centenary Year	
The Closure of the "Sunday Citizen"	
Selling at Costs and Expenses	
25 Years of Parrainage Co-op	
The Nature of Cooperative Principles, W. P. Watkins	246
Views on the Cooperative Principles, Paul Lambert	258
Cooperative Principles or Cooperative Principle? Dr. C. Schumacher ..	263
A Review of the Rochdale Principles, Sadao Nakabayashi	265
Cooperative Principles, Stanley Dreyer	269
Critical Analysis of the Report of the I.C.A. Commission on	
Cooperative Principles 1963-1966, George Davidovic	272
New Cooperative Principles, Bohdan Trampczynski	285
 BOTSWANA	
Cooperation in Botswana, Naomi Mitchison	227
 CANADA	
Cooperatives in the Arctic, P.D.....	115
 CHILE	
Cooperative Housing in Chile, Walter Sommerhof	135
 GHANA	
The Ghana Cooperative Movement and the Nkrumah Regime,	
E. F. K. Atiemo	76
 GREAT BRITAIN	
Edward Topham	85
 HUNGARY	
Cooperative Movement in Hungary, Jenö Szirmai	66
 INDIA	
Industrial Cooperative Societies in India, K. C. Jain	110
 JAPAN	
Twelve Years of Cooperative Pawnshop, Tadao Ishiguro	89

	Page
PAPUA AND NEW GUINEA	
Success at Kundiawa – A Triumph of Cooperation, Renata Cochrane .	131
U.S.S.R.	
Development of Soviet Consumer Cooperatives between 1959 and 1965, Andrei Balashov	187
Research in the Consumer Cooperative Movement of the U.S.S.R., V. Khorin	194
Legal Status of the Soviet Consumer Societies, Yakov Glikin	199
U.S.A.	
Murray D. Lincoln, 1892–1966	93
OBITUARY	
Edward Topham	85
Murray D. Lincoln, 1892–1966	93
BOOK REVIEWS	
Cooperative Societies Act, 1925, and the Rules made under it, by Shaikh Muhammad Muslim (J.H.O.)	94
A History of the Cooperative Movement in Israel – Book I, The Evolution of the Cooperative Movement, by Harry Viteles (Margaret Digby)	141
Community Development through Adult Education and Cooperatives. The Antigonish Movement, by Fr. Boavido Coutinho (P.D.) .	141
Cooperativas Escolares (School Cooperatives), by Drs. A. K. de Drimer and B. Drimer (M.H.)	142
Cooperatives – Notes for a Basic Information Course, by Aleksandrs Sprudz (J.H.O.)	231
Cooperative Principles and the Modern World, by Sir Jack Bailey – a review of Cooperative College Papers No. 13, June 1967	289

Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

VOL 60 — No. 1

JANUARY 1967

CONTENTS:

	Page
NEW YEAR MESSAGE, Mauritz Bonow	2
TWENTY-THIRD CONGRESS OF THE INTERNATIONAL COOPERATIVE ALLIANCE	5
FIRST SESSION	6
SECOND SESSION	11
THIRD SESSION.....	16
FOURTH SESSION	21
FIFTH SESSION	26
SIXTH SESSION	41
SEVENTH SESSION	48
EIGHTH SESSION	51
NINTH SESSION	58

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

Editorial and Administrative Office:
11, Upper Grosvenor Street,
London, W. 1. Tel. Grosvenor 5991-3

The Review is published also in French and German — Annual subscription to each edition £1



NEW YEAR MESSAGE



Dr. Mauritz Bonow

THE Austrian member organisations spared no effort to arrange a solemn setting for the ICA Congress in Vienna. All social functions for the auxiliary conferences and Congress itself were indeed worthy of the best Austrian traditions. The fact that the Bundespräsident, Dr. Jonas, had consented to inaugurate the Congress and that the Prime Minister of the Austrian Government, Dr. Klaus, also was kind enough to honour us by his presence was indeed a very high tribute to the ICA and the world cooperative movement generally.

Dr. Jonas — himself an ardent believer in cooperation — ended his address at the opening of Congress by saying “May this Vienna Congress pay new dividends for the moral strength and economic power of the International Cooperative Movement”. These words and the spirit which animated them represent a challenge not only for the ICA, but for its member organisations in all parts of the world.

In retrospect: What will our work preparing for Congress, the discussions and decisions taken at Congress, lead to in the form of tangible results? The answer to this general question has to be given not only by the hardworking officers and staff serving the ICA in its offices, but mainly by the leading personal-

ities within our national cooperative movements throughout the world.

It is certainly true that the ICA, with its restricted financial and personnel resources, will do its very best to serve the national cooperative movements in all their efforts to collaborate nationally, regionally and internationally, thus promoting further cooperative expansion to the benefit of the huge masses of members. But such efforts within a voluntary international organisation like the ICA will not achieve the practical results we all desire, unless our ICA administration is supported wholeheartedly by the leaders of the national cooperative member organisations. They have, as representatives on our Central Committee and at Congress, been instrumental in shaping the policy of our international movement. They have taken decisions which can have far-reaching positive consequences in promoting and speeding up cooperative development in various parts of the world, provided that the decisions and recommendations which have been agreed upon are efficiently implemented.

Let me illustrate this by dwelling for a moment on the important problems of speeding up the structural reform programmes. This series of problems gave rise to important and fruitful discussions both at the Central Committee meeting in Helsinki and at Congress. The resolution passed at Vienna commits the cooperative movement to "concentrate all of its forces to ensure maximum efficiency under modern competitive conditions". The resolution further indicates alternative solutions which could and should be adopted according to varying national conditions to guarantee "unity of action in such strategic fields as purchasing, marketing, price policy, production, structural development, invest-

ment policy and education". Irrespective of the institutional forms in which this collaboration will take place within various national movements, the essential aim is to achieve efficient and unified action and establish closer cohesion within the movements. These recommendations, though of a nature flexible enough to cover varying national conditions, should, if efficiently implemented nationally, regionally and internationally, facilitate and strengthen the necessary economic transformation process in which our movements are engaged. This reshaping of our movements to achieve increased efficiency must, however, be accompanied by measures to "ensure retention of the basic principles of full cooperative democracy".

The structural adaptation and remoulding of our movements is a continuous process. For that reason it will be an important task for the national movements in carrying through their reform programmes to arrange for a continuous flow of information to the ICA about achievements and shortcomings, in order to make it possible via the ICA to diffuse this stream of information to the cooperative movements in various parts of the world. Only through such a systematic and organised exchange of experience in this important field can we in the cooperative sector successfully meet the requirements of our members in a continuously changing world.

I have chosen to illustrate the challenge before our international movement ensuing from the decisions taken by the Vienna Congress within the framework of our structural reform programmes. I may also use as an example the second great theme for our deliberations, i.e. the promotion of cooperation in newly developing regions of the world.

The resolution unanimously approved

at Vienna requests all affiliated organisations to do their utmost in the field of technical assistance "and to develop and increase their projects and programmes for rendering aid and promoting trade across national boundaries".

The ICA itself and an increasing number of national cooperative movements are gradually gaining experience in this exceedingly important, but at the same time very difficult field of activity. The practical ways to implement this Congress decision will call for extended and intensified collaboration between the ICA and the UN intergovernmental agencies like FAO, ILO and UNESCO. Appropriate action in this field will certainly be taken. There is, however, also a call for much more energetic efforts than hitherto, which must be directed to the national cooperative organisations, asking them to establish increasingly closer working relations and constructive collaboration with national agencies, especially in the industrialised countries, dealing with technical and financial assistance to newly developing countries. We must combine our contribution of cooperative "know-how" with governmental and intergovernmental financial resources.

In view of the alarming world food situation which will be emerging in the next few decades, the highest priority must be given to our efforts within the cooperative movements to contribute to increased support to cooperative development programmes in the poverty-stricken parts of the world.

Even in this sphere of activity there is a strongly felt need for a continuous flow of information about action taken or planned and about experiments in new methods to promote cooperative development. ICA itself has been accepted by all parties concerned — intergovern-

mental agencies and cooperative organisations — as the focal point for assembling and disseminating information about cooperative technical and financial assistance programmes.

The two main aspects of the role of cooperation in a changing world briefly touched upon here seem to vindicate the need for those good wishes which the Austrian President conveyed to the Vienna Congress and which I quoted earlier. But the "new dividends for the moral strength and economic power of the International Cooperative Movement" will not materialise automatically. ICA and its member organisations in all parts of the world must accept the responsibility jointly for what is going to happen. Cooperative expansion sufficiently swift and strong to make a real impact on the general economic development requires great and sustained efforts during the years to come.

This work will be guided by the cooperative principles which we have inherited from the Rochdale Pioneers. We have only in our practical world to adapt those basic principles continuously, so that our movements can serve their members efficiently under modern competitive conditions. The intense study by the Principles Commission has created a solid basis for a continuing discussion within our international movement about the important problems of applying the principles upon which the cooperative form of enterprise relies under continuously changing economic and social conditions in our modern world.

Mauritz Bonow

TWENTY-THIRD CONGRESS
OF THE
INTERNATIONAL COOPERATIVE ALLIANCE

IOCB

KONGRESS WIEN 1966



HELD IN THE HOFBURG, VIENNA, AUSTRIA

5-8 SEPTEMBER, 1966

CONGRESS IN BRIEF

A SHORT SUMMARY OF THE PROCEEDINGS

FIRST SESSION:

Monday, 5th September (a.m.)

FIVE hundred and twenty-eight delegates from 41 countries and a great number of observers and visitors attended the opening of the 23rd Congress of the International Co-operative Alliance in the Hofburg, Vienna, on Monday, 5th September, 1966.

Dr. M. Bonow, President of the Alliance, was in the Chair. Mr. R. Southern, one of the two Vice-Presidents, was in attendance, but Mr. A. P. Klimov, the other Vice-President, was prevented by illness from being present. Mr. W. G. Alexander, Director, was also on the platform.

Dr. Bonow opened the proceedings by recalling that the Alliance had last held its Congress in Vienna in 1930, and said that more than a hundred million families belonged to the cooperative movement, which was nearly four times as many as there had been thirty-six years before.

He went on to welcome to the Congress the President of the Federal Republic of Austria, His Excellency Franz

Jonas, the Federal Chancellor, Dr. Klaus and the Minister of Agriculture in the Austrian Government.

He also welcomed Stadtrat Sigmund, at the Congress in place of the Mayor who was abroad, and Landes-Hauptmann, Dr. E. Hartmann.

Stadtrat SIGMUND welcomed the delegates on behalf of the people of Vienna and wished them a successful Congress. He hoped that delegates would be able to see something of the capital. Only about 100,000 flats had been left at the end of the war and power and water supplies had been damaged, but the reconstruction work had made good progress.

WELCOME BY THE FEDERAL CHANCELLOR

In welcoming the delegates to the Austrian capital, Dr. KLAUS said that much had happened in Austria since the last ICA Congress there. Cooperation between industry and the arts had become closer in all countries and the co-

operative movement was playing an increasingly important role. He particularly welcomed the prominence given to assistance to developing countries in the Congress Agenda, and the wider application of cooperative principles could do much to build a better world.

ADDRESS BY THE PRESIDENT OF THE FEDERAL REPUBLIC OF AUSTRIA

In welcoming the delegates on behalf of the Austrian people, His Excellency FRANZ JONAS said that much had happened since the last ICA Congress in Vienna, and that he was extremely pleased that the cooperative movement had both adhered to its old principles and kept pace with the developments of modern times.

The Austrian Consumers' Cooperatives had affiliated to the ICA before 1914 and had been represented on its Central Committee by Dr. Karl Renner, twice architect of the Austrian Republic and until recently Federal President.

The 'thirties and 'forties had brought set-backs to cooperation in Austria, but after the Second World War the Austrian *Raiffeisenverband* and the *Verband Gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen* had been affiliated to the ICA.

Many important things were to be discussed at the Congress, including the promotion of cooperation in developing countries and the adaptation of methods of distribution to the needs of modern times. The restatement of cooperative principles would be crucial for the future of the ICA. The Federal President wished delegates the fullest success in their deliberations and declared the Congress open.

WELCOME BY THE AUSTRIAN COOPERATIVE MOVEMENT

Mr. A. KORP welcomed the delegates on behalf of the Central Union of Consumers' Cooperatives, the Union of Housing Cooperatives, and the *Raiffeisenverband* of Agricultural Cooperatives.

He recalled the Congress of 1930 when Väinö Tanner was President of the ICA and Henry J. May its Secretary and Dr. Karl Renner was prominent in the Austrian Movement. There had been dark years when cooperation had been something more than a form of economic organisation. He hoped that the 23rd Congress would be a milestone in cooperative progress.

THE PRESIDENT'S INAUGURAL ADDRESS

In reviewing the progress of the cooperative movement since the Bournemouth Congress in 1963, Dr. BONOW first noted that the number of members of affiliated organisations had increased from 174.4 million in 53 countries to over 200 million in 58 countries.

The membership had become more diversified and relations between organisations had improved. Collaboration with the FAO had expanded into new fields and cooperation with the ILO on technical assistance in the development of cooperation had become closer. Cooperation had been the main item on the agenda at the ILO conferences and a recommendation on cooperation had been adopted almost unanimously.

The appeal by the ICA, the ICFTU and the IFAP for a renewal and expansion of the World Food Programme had contributed to a United Nations decision to establish a multilateral programme on a permanent basis.

The ICA and cooperative societies in

industrial countries had the responsibility of providing technical assistance and know-how for the expansion of cooperatives in developing countries through which aid could be channelled. The ICA had established its Regional Office and Education Centre in South East Asia and had hoped to establish similar offices and education centres in Africa and Latin America, but the main responsibility lay with cooperative organisations with greater resources. The problem of increasing this technical assistance was to be discussed by Congress.

The ICA helped national cooperative movements to learn from each others' experience by arranging for the exchange of information, but its resources were limited and the resources allocated to research by even strong cooperative movements were appallingly insufficient and compared unfavourably with those made by private enterprise.

Cooperative societies had had to adapt themselves to meet increasing competition and at the same time maintain their democratic character, and significant structural changes had been made. These varied from country to country, so it was important for factual information to be exchanged and for policies on structural changes to be co-ordinated, a matter which would be discussed by Congress.

There was no question of changing basic cooperative principles but their application had to be adapted to fit the modern competitive pattern. It was timely and appropriate that the report of the Principles Commission was also to be discussed.

At the end of the Congress agenda was the important complex of problems connected with financial and technical assistance to cooperative movements in developing countries.

The World Food Conference at Washington in 1963 had shown that half the people of the world were suffering from hunger or malnutrition or both. The population of India was increasing by one million each month and the population of the world was likely to have increased by one-third by 1982, that is, by a thousand million people, and to have doubled by the end of the century.

Statistical forecasts showed that the world's population would increase on this kind of scale in spite of anything that could be done to curb the increase. Increased food production was therefore vital. But food production in Asia, Africa and Latin America had not kept pace with the growth of population and in some countries food production per head of population was lower than before the war.

At the same time aid from industrialised countries to developing ones had declined from 0.8 per cent of their gross product in 1961 to 0.6 per cent in 1964. But at least 1.5 per cent of the output of industrialised countries was needed in assistance to developing ones and some of the industrialised countries were spending 5 per cent to 10 per cent on armaments—apart from space projects.

Famine was a real threat in many countries and the FAO had taken initiatives such as the Freedom From Hunger Campaign, the World Food Programme and, more recently, the Food Production Resources Programme and the World Indicative Plan for Agricultural Development. The latter had been proposed in the autumn of 1965 and would be launched in 1968-69 if sufficient support was forthcoming. FAO had allocated \$2¹/₄ million to this project but needed another \$2¹/₂ million. As sufficient support had not been forthcoming from member governments FAO had had to

approach private funds and organisations for voluntary contributions.

Increased emphasis was being placed on greater food production in lesser developed countries and the World Bank was helping in this; it was recognised in these countries that cooperative methods helped to increase yields. Agricultural supply, marketing and credit cooperatives were very important in increasing food production and a recent FAO study with which the ICA had been associated had shown that cooperative development needed to be associated and integrated with land reform, agricultural extension services and community development.

Governments and international agencies could provide the finance, but cooperative know-how could only be provided by cooperators. They had, as never before, the chance to collaborate with various agencies and institutions to relieve the world food shortage. But, as Professor Gunnar Myrdal had said, time is running out.

FRATERNAL DELEGATES AND DISTINGUISHED GUESTS

Fraternal Delegates and distinguished guests were then introduced by the Administrative Secretary of the ICA, Mr. J. GALLACHER. They included M. J. B. Orizet of the ILO, Mr. R. H. Gretton of the FAO and Miss P. Harris of UNESCO.

Those from non-governmental agencies included Mr. A. Braunthal from the International Confederation of Free Trade Unions, Mr. Wijnmaalen from the International Federation of Agricultural Producers, Mr. S. Rief and Mr. P. Foster from the International Chamber of Commerce, Mr. L. Strobl from the European Confederation of Agriculture, Professor P. Lambert from CIRIEC and

Frau F. Krämer from the International Cooperative Women's Guild.

The guests of the Alliance included Miss G. F. Polley, former General Secretary of the Alliance, Lord Rusholme, a past President, and Mr. W. P. Watkins a former Director, and with him Mrs. Watkins.

Address by M. J. B. Orizet

M. ORIZET, Head of the Cooperative Division of the ILO, said that both the ILO and the ICA were very much concerned with the promotion of peace and social justice. The first Director of the ILO, Mr. Albert Thomas, had been a leading member of the ICA Executive and had considered it essential for the ILO to have a department dealing with cooperation.

The ILO was concerned with the dissemination of cooperative ideals and methods and sought to give guidance to governments that wished to promote cooperation in the developing countries. An international instrument entitled "Recommendations for the promotion of the cooperative movement in developing countries" had recently been adopted."

The ILO was permanently exchanging information with cooperators throughout the world and M. Orizet thanked those cooperative organisations which had helped it to do this. It was also considering the publication of a survey on "non-conventional forms of cooperative organisation".

Some of the peoples with whom the ILO dealt were not in a position to establish genuine cooperatives but were sometimes able to set up "pre-cooperatives" or "para-cooperatives", forms of organisation which could later develop into true cooperatives. This was not a departure from the path of true cooper-

ation but a means of promoting real cooperatives.

Since 1950, when the technical assistance programme had started, the ILO had sent more than 400 experts to many different countries and had made some 400 grants to enable people from developing countries to be trained in industrial ones. About thirty seminars for cooperators and for officials concerned with cooperative development had been held and hundreds of people had been trained—the Danes had been most helpful in this. And in 1965-66 some 80 experts had been sent by the ILO to forty countries.

Address by Mr. R. H. Gretton

Mr. GRETTON brought to the Congress the best wishes of the FAO and its Director General who had been impressed by the new statement of principles produced by the ICA Commission.

Many cooperatives in developing countries still needed government support, said Mr. Gretton, while in industrial countries cooperatives were facing increased competition from private enterprise. Agricultural efficiency in the latter countries had been increasing with the adoption of modern methods.

Dr. Sen had been pleased to see the Chairman and Secretary of the ICA Agricultural Committee at a recent FAO conference on land reform measures in which cooperatives had a part to play. As a result of an initiative by the President and the Director of the ICA, the FAO had produced a study on the financial needs of agriculture with particular reference to the role of cooperatives, and financial help in producing it provided by the ICA and by the Swedish people was much appreciated.

The FAO was also grateful to the Swedish people for their financial sup-

port of a pilot project in Afghanistan which was likely to be launched by the convening of a national seminar. In a few months the FAO would publish a guide on visual aids useful to cooperators in the developing countries which had been prepared with the help of the ICA staff. The staff of the Regional Office of the ICA in New Delhi had been particularly helpful in the organisation of a seminar on cooperative farming problems in Asia and the Far East. The FAO Fisheries Department had also cooperated with the ICA and was represented at the Congress.

Address by Miss Pippa Harris

In bringing to the Congress the best wishes of the Director-General of UNESCO, Miss HARRIS said she had worked very closely with the ICA and many national cooperative organisations. The appointment of an Education Officer and a Women's Officer had been very welcome.

The principal point in the UNESCO educational programme was the eradication of adult illiteracy. About 40 per cent of the adults of the world were illiterate. The cooperative movement had much experience of adult education which would provide effective support for the UNESCO plan, and cooperation in the promotion of literacy would help to spread the cooperative idea and the formation of cooperatives. The UNESCO Adult Education Department had so far had the greatest response from the cooperative movement.

There had also been cooperative participation in the work of the UNESCO Department of Cultural Affairs which sponsored projects for the promotion of libraries, itinerant art exhibitions etc., and the education of children and adults. UNESCO was also concerned

with the training of sociologists, the teaching of the natural sciences, with the rationalisation of text-books, the use of radio, television and films in education and with the organisation of leisure.

An international schools project covered 500 schools in 54 countries. The Swiss Consumer cooperatives were collaborating in a programme of "life-long education" and the ICA had played a major part in recent years in the UNESCO Women's Programme.

CONGRESS COMMITTEE

The Administrative Secretary, Mr. J. Gallacher, reported that the Central Committee recommended that the Congress Committee should be composed of the President and the Vice-President of Congress, together with the following persons: Mr. C. Pedersen (Denmark); Mr. F. Rondeau (USA); Mr. B. Perakash (India); Dr. A. F. Laidlaw (Canada); Mr. R. Kérinec (France) and Mr. M. M. Denisov (USSR). Congress approved the appointments.

THE DEBATE ON THE REPORT OF THE CENTRAL COMMITTEE

The debate opened with Mr. E. WIJESURIYA, Ceylon, congratulating the President and the Director on the work of the ICA and on that of its Regional Office in South East Asia during the previous three years.

Mr. Wijesuriya said that one-third of the people of Ceylon were cooperators and that, with their families, they represented 70 per cent of the population. The conference of Cooperative Ministers in Tokyo in 1964 had been an outstanding success, and he looked forward to the publication of the report of the fact-finding mission on international inter-

cooperative trade. Increased consumption by cooperators of tea produced by cooperatives in Ceylon would have far-reaching results.

Mr. I. SZIRMAI, Hungary, said he was glad to be able to bring to the Congress the greetings of two-and-a-half million Hungarian cooperators, who were once again affiliated to the ICA after an absence of twenty years. He welcomed the expansion of international inter-cooperative trade, the help given by cooperatives in industrialised countries to those in developing countries and collaboration between cooperatives and trade unions.

Mr. DENISOV, USSR, said the 1963 Congress had been a good one, but he regretted that the introduction to the report of the Central Committee had not mentioned resolutions on peace and disarmament and on collaboration in the international cooperative movement. Some of the resolutions carried had not been implemented sufficiently.

SECOND SESSION:

Monday, 5th September (p.m.)

Mr. S. BERENT, Israel, thought that more could be done to encourage tourism and personal contact between cooperators through cooperative travel organisations in different countries. He had learned much about cooperation in India from a visit arranged by UNESCO and he thought that this form of cooperation between cooperators could do much to encourage national cooperative movements to cooperate with each other. Israeli cooperators would welcome visits from cooperators in other countries.

Dr. W. SOMMERHOF, Chile, said that ICA statistics showed that there was

reduced participation in Latin American cooperatives in the Alliance, while Spain was absent. But cooperatives were expanding rapidly in Latin America, and, he believed, in Spain. A survey made in 1963 by the Organisation of the Cooperatives of America (OCA) showed that there were 16,838 cooperatives with 5,700,000 members in Latin America and 994 cooperatives in Chile. By 1966 the number in Chile had increased to 1,400 with 508,000 members.

He noted that the *Review of International Cooperation* might be published in Spanish by INTERCOOP of Buenos Aires and urged that estimates should be made of the cost of publishing the *Cooperative News Service and other ICA publications* in Spanish as well. INTERCOOP of Argentina and SODIMAC of Chile were willing to help.

It was also necessary to establish the minimum membership contributions to the ICA from Spanish-speaking cooperatives required to make Spanish an official language. He hoped these matters would be studied before the Third Inter-American Congress of Cooperatives met in Chile on 3rd April 1967. Agreement could then be reached by Latin American cooperatives on their financial contributions and a suitable resolution adopted.

Dr. Sommerhof also said that he hoped that one of the members of the ICA Central Committee, if possible the President, would be able to attend the Congress in Chile on behalf of the ICA. There would also be a Congress on finance organised by the recently formed Inter-American Society for the Development of Cooperative Finance in Latin America.

Mr. J. VOORHIS, USA, supported the appeals of Dr. Sommerhof and, in particular, his proposal that Spanish should

be made one of the official languages of the ICA.

Mr. L. SMRCKA, Czechoslovakia, said the importance of the auxiliary committees, working groups and working parties was likely to increase and that his delegation proposed that their activities should be developed according to uniform principles, supplementing, but not replacing, the work of the statutory bodies of the ICA. He thought it important that the results of the work and research of these auxiliary committees and working groups should be freely available.

Dr. M. BOSON, Switzerland, wondered why the membership of fishery cooperatives had declined by 20 per cent in the previous three years whereas the number of members of other kinds of cooperatives had shown an increase — 34 per cent in the case of credit cooperatives.

Mr. F. KOLESNIK, USSR, welcomed the admission to the ICA of cooperative organisations from Poland, Hungary, Tanzania, Zambia, Kenya, Tunisia, Uganda, the Philippines, Ireland and New Zealand. More than half the cooperators in the world belong to organisations affiliated to the ICA, but he thought cooperators from Eastern Europe, Asia, Africa and Latin America should have greater representation on the Executive.

Dr. L. MALFETTANI, Italy, welcomed the President's emphasis on the importance of agricultural cooperation and said that half of the world's 250 million cooperators were agriculturalists. Of the members of organisations affiliated to the ICA, 35 to 40 per cent were agricultural cooperators and a higher proportion lived in rural areas. Collaboration between the Agricultural Committee and the FAO had been very successful.

Signor G. BANCHIERI, Italy, hoped that there would be more active collabora-

tion between national cooperative movements and their study centres and the ICA Working Party on economic and market research. Its work could be of vital importance to cooperatives in developing countries. Improved statistical services were also needed.

Signor A. MAYR, Italy, noted that the Agricultural Committee of the ICA had been increasingly active and asked that agricultural cooperatives should be given a special function. Cooperation between agricultural and other cooperatives was important.

Mr. B. VINIZKY, Israel, said he represented cooperative banks in Israel, and thought there was insufficient contact between cooperative organisations in different countries. He thought Congress Reports should be available sooner and that the ICA should send out more information. He suggested that the Congress should appoint local committees in each country which would act as permanent links with ICA headquarters. These would be in continuous contact with local cooperative organisations and with governments and much more information could be made available.

Mr. Z. ENGEL, Poland, thought that cooperators from socialist countries and from Asia, Africa and Latin America were insufficiently represented at ICA headquarters.

Mr. V. JAKOVENKO, USSR, thought the ICA had not done enough to strengthen unity and cooperation in the international movement and that there was not enough information about cooperative activities in socialist countries in ICA publications. The President intervened to remark that *Centrosoyus* took only a few copies of the *Review of International Cooperation*.

Señor M. PALACIN, Argentina, supported Dr. Sommerhof's plea for more

material in Spanish for 1,300,000 co-operators in the Americas.

Mr. P. TONHAUSER, Czechoslovakia, said the Press Committee should be re-organised so that its work could be made more effective.

Mr. V. KONDRATOV, USSR, thought that the work of the 34th International Cooperative School, which took place in Rome in 1965, was well organised but he regretted the absence of representatives from Asia, Africa or Latin America except for one from Japan. Lectures on developing countries were given by Europeans, and Professor Blank spoke on cooperatives in socialist countries. He looked forward to the 1967 School in Poland.

Mr. L. HOFMAN, Czechoslovakia, suggested that the Research Section of the ICA should devote more attention to agricultural, workers' productive and housing cooperatives and that the results of its work should be more widely available.

Mr. P. PORUBEN, Czechoslovakia, thought insufficient had been done to implement the resolutions carried at the previous Congress, such as the one on housing. He considered the report inadequate.

Mr. H. YANAGIDA, Japan, said that the Asian Agricultural Cooperative Conference had resulted in the establishment of the Institute for the Development of Agricultural Cooperation in Asia which was being financed and managed by the Japanese Central Union of Agricultural Cooperatives. This Institute was collaborating closely with the ICA Regional Office and Education Centre for South East Asia and joint seminars had been arranged. A third Asian Conference was to be held in New Delhi in January, 1967. He welcomed the prospect of an ICA Agricul-

tural Subcommittee for South East Asia. The President intervened to thank Mr. Yanagida and the Japanese Central Union of Agricultural Cooperatives for establishing the new Institute at a cost of some £100,000 and running it for the benefit of the agricultural cooperative movement in Asia.

Dr. SOMMERHOF, said that technical assistance for cooperatives in developing countries made an important contribution to peace, and welcomed the generous contributions of two small countries, Switzerland and Austria, to the Technical Assistance Fund.

Mr. R. AHMED, Pakistan, said that the ICA Regional Office and Education Centre at New Delhi had done excellent work but it was only a beginning and the need was great. The ICA could not do much about poverty or illiteracy or traditional practices, but it could do something about the efficiency of the management of cooperatives, the education of their members and their dependence on governments.

Regional Offices and Education Centres were needed in Africa and Latin America, but all these things cost money. Both Christian and Marxist principles required that those able to do so should help those in need, and he suggested that Congress should instruct the Central Committee to explore the possibility of calling on established cooperatives affiliated to the ICA to contribute from 1 per cent to 5 per cent of their net surpluses to the Technical Assistance Fund.

Mr. B. PERKASH agreed with other speakers about the good work done by the ICA Regional Office and Education Centre in New Delhi and about the need for more effort of this nature.

Women were more active in cooperatives in India. Standing Advisory Com-

mittees for women and for youth had been appointed and classes for women were being conducted by education officers in all states. But productivity was the most important factor and technical assistance and management training were needed in marketing and processing. In India 29 per cent of all sugar was now produced by cooperatives.

Mr. K. LEU, Switzerland, regretted that only six countries had been able to contribute to the Technical Assistance Fund and hoped that cooperatives might find it possible to allocate 10 per cent of available funds to technical assistance.

Frau KRÄMER, Austria, said that the funds of the International Cooperative Women's Guild had been handed over to the ICA with the request that they be used for the benefit of women in the developing countries. The work of the ICWG was being carried on by the Women Cooperators' Advisory Council and a conference had been held the previous week. The President thanked Frau Krämer for this gesture by the ICWG and assured her that the money would be used as requested.

There was applause when Mr. G. J. NIJHOF, Netherlands, told Congress that CO-OP Nederland had decided to allocate five per cent of their net surpluses to technical assistance. ~

Women Cooperators

Mrs. Z. STAROS, Poland, said that her delegation welcomed the formation of the Women Cooperators' Advisory Council. There was insufficient information about the part played by women in cooperatives and the new Council would be able to help them to play a more active role. International seminars and meetings could be held at which women could learn from each others' experience and one of the courses at the

International Cooperative School could be devoted to the participation of women in the cooperative movement in the developing countries.

Mrs. V. S. ZAGULINA, USSR, said that the last Congress had decided to create a Women's Department of the ICA and a Women's Advisory Council, but the Secretary of the Women's Department was not appointed until January, 1965 and the Council did not hold its first meeting till the following March. This delay had weakened contacts between women's organisations and the Central Committee had not devoted enough attention to their problems.

The number of women in leading positions in cooperatives and the number at the Congress were out of all proportion to the number of women co-operators. The Central Committee should do more to help women to play an active part in cooperatives, by creating favourable conditions for social work by the Women Cooperators' Advisory Council.

Cooperative Youth

Mr. J. SOBIESZCZANSKI, Poland, recalled that at the meeting of the Central Committee in Helsinki the Polish delegation had called for an advisory committee on youth to be set up by the ICA, but the Central Committee appeared from its report to have paid little attention to the matter.

The National Cooperative Union undertook youth work in Poland and young people were told about cooperative ideas and activities in some 8,500 schools. He was sure the creation of an advisory committee on youth would help to increase contacts between national cooperative movements, and that the exchange of experience would en-

courage young people to participate in cooperative activities.

Mrs. L. VASILIEVA, USSR, said that it was important to attract young people to the cooperative movement, as the young people of today were the co-operators of tomorrow. The cooperative press should report more about the activities of young people. Education and vocational training were important, but young people had to be attracted to cooperation too. Most co-operators in the Soviet Union were young and they were seeking to strengthen links with young co-operators in other countries.

Mr. T. JANCZYK, Poland, said that 20 per cent of the people of Poland had been lost in the last war and that co-operators should demand that Europe should have a system of collective security to make possible the cooperation of all European countries.

International Cooperative Day

Mrs. M. ZASTOUPILOVA, Czechoslovakia, said that International Cooperative Day had been celebrated on 3rd July by 60,000 people in the largest park in Prague. Mr. Simonek, Vice-President of Czechoslovakia, had spoken of the achievements of the Czech cooperative movement. There were also local celebrations at the beginning or the end of harvest, which were associated with campaigns to help cooperatives in developing countries.

The ICA and the United Nations

Mr. L. E. WOODCOCK, USA, said that a strong United Nations was vital to co-operative growth in the developing countries. National cooperative organisations should do what they could to help the public to understand the purposes of the United Nations and en-

courage their governments to make adequate contributions to support UN activities. The resources made available to the ICA to provide technical assistance to cooperatives in developing countries had been great, but the need was growing greater.

THE PRESIDENT said Mr. Woodcock was ICA representative and observer with ECOSOC and other United Nations organs in New York and he thanked Mr. Woodcock for his services on behalf of the ICA.

Mr. N. DJAVAHIDZE, USSR, said the report of the Central Committee gave details of meetings of ECOSOC and of UN Agencies attended by ICA representatives, but that there seemed inadequate coordination with other international organisations. The ICA was in touch with the ICFTU but not with the World Trade Union Federation or the World Peace Conference.

Mr. J. SOBIESZCZANSKI, Poland, said his delegation thought that the collaboration of the ICA with UN Agencies should be extended, and that the ICA should encourage the expansion of UN assistance to cooperatives in developing countries. They also thought that more could be done to promote interest in cooperative problems at the international level.

Mr. Ch.-H. BARBIER, Switzerland, said the ICA had been trying to make UNESCO realise the importance of non-governmental organisations. This had now been recognised by the Director-General himself and the ICA was one of the main organisations through which UNESCO hoped to reach ordinary people. But cooperators should be asking themselves seriously whether their organisations were giving sufficient support to UNESCO.

The needs of adult education were

changing and the Swiss Union of Consumers' Cooperatives had just produced an important document on "life-long education". Perhaps this constructive method could help to solve the crisis in cooperative democracy.

There were 700 million illiterate people in the world, many of whom were also short of food. He thought it would be a good idea for cooperators to follow up in developing countries the project prepared by the Director of the UNESCO Department of Adult Education.

THIRD SESSION:

Tuesday, 6th September, (a.m.)

The third session opened with a statement by the Director concerning recommendations of the Congress Committee, including one, that an emergency resolution from the USSR on the strengthening of peace and security in Europe should be rejected. Mr. Denisov, USSR, made a brief statement on this under Standing Order 16.

He said there was still no peace treaty and that there was talk of frontier revision. His resolution proposed that cooperators should appeal for peace and security in Europe and urge governments to take concrete measures to reduce tension. The President ruled the resolution out of order on the ground that there was no emergency.

Debate on the Central Committee's Report (continued)

Dr. M. BOSON, Switzerland, said he had been a delegate of the Swiss Government at the working sessions of the I.L.O. Conference and the role of cooperatives in developing countries had been discussed in the 49th and 50th sessions. The ICA

had been efficiently represented by its distinguished Director, Mr. Alexander. The resolution adopted might not have satisfied everyone but it included everything that could reasonably have been expected. These positive results were due to the excellent quality of the working papers prepared by the Cooperative, Rural and Related Institutions Branch and to the help and interest shown by M. Orizet.

Mr. M. CAPEK, Czechoslovakia, welcomed the resolution about helping cooperatives in developing countries which had been carried at the International Labour Conference. Technical assistance to cooperatives helped to raise living standards and the adoption of the international instrument gave cooperatives certain guide lines.

The instrument was addressed to countries with different economic and social conditions and its principles needed to be reflected in the policies of the ICA. Officers of the ICA were present when the instrument was drafted and as its acceptance was recommended, organisations concerned should be admitted as members of the ICA.

Mr. V. KONDRATOV, USSR, said Soviet consumers' cooperatives participated in the work of the International Labour Conference and thought the document produced was of enormous significance though it had some shortcomings. Soviet cooperators had long urged the need for government assistance to cooperatives in developing countries and this had now been recognised internationally.

Mrs. L. JOHNSON, Canada, said that Canadian women were playing an active part in credit, housing and agricultural producer cooperatives as well as in consumer cooperatives through the Guild movement. They often served on boards of directors or at managerial level and

worked for the cooperative press and in cooperative libraries. They took courses at cooperative colleges and made great use of correspondence colleges. During the summer months they were active in teaching the philosophy of the cooperative movement in cooperative schools and youth camps.

Signor S. MIANA, Italy, welcomed the report of the Central Committee and also that of the Commission on Principles and that on Structural Changes. The specialised bodies of the ICA were of vital importance and he thought members of the ICA should be more adequately represented on regional committees.

Dr. S. K. SAXENA, Director of the ICA Regional Office for S.E. Asia, said that the Office had given publicity to some significant achievements such as the Indian crop loans system and the Comilla Project of Integrated Agricultural Development in Pakistan where a variety of cooperative activities were supported by effective extension services operating at village level. Three conferences had been held since the last ICA Congress and the main papers were being published.

In January, 1966 a group of experts in Bangkok had discussed "The Role of Government in Cooperative Development". The reasons for government assistance at the present time were appreciated by the group in their historical perspective. But the group agreed that the extension of state assistance should not be allowed to lead to the violation of cooperative principles and that provisions for reducing state participation should be used to strengthen national federations and inter-cooperative relations; and it was emphasised that increased cooperative autonomy depended upon capital formation by cooperatives themselves.

There had been educational experi-

ments and much discussion in India, and also in Ceylon, Malaysia and the Philippines, on the technique of study circles. *A Manual for Study Circle Leaders* and a booklet entitled *Education and Voluntary Movements* had been produced.

In December, 1966 there was to be a Regional Seminar in India to discuss ways and means of creating processing industries in the agricultural sector. It would be concerned with the agency for prospecting and planning cooperative processing; the techniques of feasibility studies; aspects of location; cost structure; the supply of raw materials; marketing; follow-up controls and reporting by the general manager to the board; model forms for management control and international technical assistance.

Foreign collaboration in the creation of cooperative processing industries was really a subject in itself and would come up under Technical Assistance. The Regional Office was conscious of how much more needed to be done and was grateful for the unlimited cooperation of the movements in the region.

The President thanked Dr. Saxena for his reply to the debate and said that the Advisory Council of the Regional Office in South-East Asia had the very great honour of having Mrs. Indira Gandhi, the Prime Minister of India, as its Honorary President. The Chairman of the Advisory Council was Professor Karve.

In replying to the debate, Mr. ALEXANDER, Director of the ICA, said that all points raised would be very thoroughly considered by the Executive and Central Committees. He paid tribute to the ICA staff and thanked Mr. Denisov for drawing attention to the fact that Congress resolutions had to be fully supported. These were circulated to affiliated organisations with requests for action. The ICA also endeavoured to

act on them itself and to bear them in mind when policies were being determined.

Mr. Berent had mentioned tourism. The Research Section had been collecting information on cooperative travel agencies, holiday camps, hotels, restaurants etc. A directory of these organisations would shortly be issued as a brochure and he hoped that cooperators would make good use of it. *

On the wider use of the Spanish language Mr. Alexander said the ICA was in touch with the Organisation of the Cooperatives of America about the possibility of an ICA office in Latin America and the development there of other forms of ICA activity. It was hoped to produce a Spanish edition of the *Review of International Cooperation*. A publication in a new language had to be subsidised to the extent of about half the cost and an indication of prospective subscriptions would be useful. Making Spanish one of the official languages of the ICA would, however, be quite another matter and would be very expensive.

In reply to Mr. Smrcka, Mr. Alexander said that consumer conferences were held about half way between ICA Congresses and that a small Consumer Working Party helped to guide the ICA on consumer matters. Any constructive suggestions would be welcome.

The fall in the membership of fishing cooperatives had been entirely due to a fall from 896,000 to 633,00 in the number of members of Japanese fishing cooperatives, by far the largest cooperative fishing organisation.

In reply to Dr. Banchieri he said that

* *Directory of Travel Facilities and Accommodation offered by Member Organisations*, stencilled, 32 pp. Price 5 shillings. From ICA, 11, Upper Grosvenor Street, London W 1.

a small staff was doing what it could on research and statistics. A group of research officers met from time to time but it concentrated on consumer research. The Agricultural Committee might consider whether research on that side needed to be developed. The provision of more experts was important and a matter for the Technical Assistance Committee.

He told Mr. Tonhauser that the Press and Education groups had met twice at different conferences. There had to be adequate preparation to make further meetings on these problems worth while.

He hoped that Mr. Vinizky was receiving all ICA publications and that he would draw attention to activities not being adequately reported. The absence of delegates from developing countries at the ICA School in Rome was partly due to the cost of interpretation services and the School only lasted ten days. National movements might like to grant scholarships to students from developing countries; or the ICA Technical Assistance Fund might help if it was adequately supported, but students from developing countries should make attendance at Schools a part of longer studies. Dr. Saxena had pointed out that regionalisation was making the work of the ICA more effective.

Mr. Alexander expressed his personal thanks for the wonderful support provided by the Japanese cooperative movement. The Swiss were paying 10 per cent of their national financial technical assistance effort into the Technical Assistance Fund, and the Swedes were paying for all the work of the ICA Education Centre in S.E. Asia and all seminar work there. One-fifth of the ICA budget of £100,000 went to the Regional Office in S.E. Asia, but thanks to the Swedes, total expenditure in South-East Asia on

behalf of the ICA exceeded the total ICA budget. It was a wonderful effort.

Mr. Alexander said he was grateful for the donation from the International Cooperative Women's Guild and looked forward to women playing an increasingly active part in the cooperative movement.

The progress made by the Women Cooperators' Advisory Council had been encouraging. It was not for the ICA to map out a programme for the Council. Its job had been to set up the Council, and now that it was established it was up to women cooperators to come forward with criticisms and suggestions which would receive full consideration. There had been delays in getting the Council established because action had had to be authorised by the Central Committee.

He was very grateful to Co-op Nederland for their contribution of 5 per cent of their net surplus, which might amount to about £2,500, to the Technical Assistance Fund. The ICA had always asked member organisations for technical assistance know-how rather than for money as they were all fighting keen competition; but financial contributions like that made by Co-op Nederland were always very welcome.

Mr. Sobieszczanski's suggestions about the United Nations would be considered very seriously and material on international problems provided by Polish cooperators had been very useful. He would see what could be done in the field of youth in consultation with the Secretary for Women Cooperators. But cooperative youth movements differed very much. Some had their own cooperatives and some collaborated with other youth movements. There had been discussions with the International Working Group for Youth and Cooperation

which had now closed down and placed its funds at the disposal of the ICA. Ideas and suggestions had been put forward and the ICA Executive would consider what could be done.

Mr. Alexander was glad to hear of the possibility of two scholarships from the Indian cooperative movement for work at the Regional Office and Education Centre in New Delhi. Cooperation with UN Agencies had borne some fruit. The ICA had planned the study tours of the cooperative teacher-learner grantees in the UNESCO programme. Six men and two women from the developing countries had been helped to study in Europe and discussions were going on with Miss Harris about cooperation in the field of illiteracy.

In winding up the debate, the President recalled that real income in the industrialised countries, whether planned or not, was increasing by 3 or 4 per cent a year or doubling in 20 to 25 years. Something like 10 per cent of this was being spent on arms—sometimes more, even in less developed countries. But the developing countries were fighting for survival. Cooperatives could help with technical assistance and in the fight against illiteracy, but increased research and other activities by the ICA depended upon its resources, that is, upon the contributions of member organisations.

Congress unanimously approved the Report of the Central Committee. The delegates then stood in silence as the President recalled the names of eminent cooperators who had died since the last Congress.

* For a full report on the work of the Auxiliaries see *Review of International Cooperation*, Vol. 59, No. 6.

Reports of the Auxiliary Committees* International Insurance Committee

Mr. R. DINNAGE, CIS, Great Britain, said that tribute had been paid at a meeting of the Insurance Committee the previous week to Joseph Lemaire of Belgium and Karl Ericsson of Sweden who had died shortly before.

It had been agreed to establish a new international company to be called All Nations, Incorporated, with its headquarters in Ohio, USA and an initial capital of \$300,000. The Board of Directors would be the members of the Insurance Executive Committee. .

The International Insurance Development Bureau examined proposals for the establishment of new insurance societies and organised technical assistance. It worked closely with the Reinsurance Bureau Sub-Committee which handled a premium income of £4 millions a year.

International Banking Committee

Mr. A. R. GLEN, Canada and the USA, said cooperative banking was the fastest growing sector of the international cooperative movement. The credit unions of North America were mobilising funds and a new international organisation would make them available where they were needed. Cooperators needed to be bold and imaginative instead of conservative like most bankers, and traditional forms of banking were not always the most appropriate.

Dr. W. SOMMERHOF, Chile, said a new cooperative banking organisation had been established in Latin America. Mr. C. Pedersen said that a resolution carried at an ILO conference in the summer had recommended governments to encourage cooperative banking. Mr. W. G. Alexander, Director of the ICA, said CUNA International, Inc. was to hold a conference in Jamaica in October.

International Committee of Workers' Productive and Artisanal Societies

Mr. A. ANTONI, France, said the number of Workers' Productive Societies had remained about the same but they had increased in size. There were about 53,000 societies with about 4,500,000 members.

A seminar had been held near Paris in July which Mr. Alexander had attended; and another was planned. The Dutch productive societies had decided to withdraw resolution No. 11, which advocated the promotion of cooperative co-partnership in the productive undertakings of consumer societies and the decentralisation of the productive activities of wholesale societies. There was no time for the resolution to be debated adequately but its proposals deserved consideration. The Executive and Central Committees were asked to bear them in mind.

International Committee on Agricultural Cooperation

Dr. L. MALFETTANI, Italy, said that nineteen countries and four international organisations had been represented at the Agricultural Conference the previous week. Cooperation between the Agricultural Committee and the ICA, which produced fertilisers and other chemicals, was discussed. Emphasis was placed on cooperation with the FAO, especially in the World Food Programme.

M. P. LACOUR, France, said a Fisheries Sub-Committee had been set up within the framework of the Agricultural Committee. Representatives of fifteen countries and of the FAO and the ILO attended the meeting. Bye-laws were adopted and a Chairman and Executive elected. The problems of fishing cooperatives

were similar to those of agricultural ones; as the fishing industry developed, technical cooperatives were becoming larger and taking more interest in processing.

FOURTH SESSION:

Tuesday, 6th September (a.m.)

The Debate on Agriculture

Mr. N. VERLINSKY, Israel, said that better credit facilities could help to increase mechanisation and raise farm incomes; and that regional marketing and processing were also important. Regional poultry slaughter-houses, packing houses for fruit and vegetables and cotton gins had recently been established in Israel. There were also new canning factories, silos for feedstuffs, cold stores etc.

Mr. W. R. KAPINGA, Tanzania, said that his government had recently obtained a long-term loan of £2½ millions from the World Bank. Credit was extended to individual farmers through their marketing cooperatives which guaranteed repayment. There were also individual loans through the National Cooperative and Development Bank for fertilisers, insecticides, fishing equipment, implements etc.

Loans were given to cooperatives for coffee pulperies, processing and storage facilities, the purchase of tractors, aerial spraying etc. It was planned to develop lake fishing and farmers were learning modern methods at regional farm institutes.

Mr. Kapinga thanked the Scandinavian countries for financing the Kibaha school and hoped that the President of the ICA would be able to visit Tanzania before the next Congress.

Signor A. MAYR, Italy, recalled the conference on the international marketing of fruit and vegetables at Palermo and said he thought there should be more cooperation between agricultural and consumers' cooperatives. A distinction was needed between research on production technology and research on vertical integration between agricultural and consumers' cooperatives. The Agricultural Committee needed to keep in touch with research projects in Cyprus on refrigeration problems.

Mr. T. J. GORMAN, USA, said there was increasing cooperation among cooperatives in his country but that he was disappointed at lack of progress in international inter-cooperative trading. A common meeting ground was needed.

Mr. F. S. OWEN, USA, suggested that the ICA Agricultural Committee might set up a Cooperative Development Commission which could send people to survey the prospects of cooperative expansion in developing countries and could provide technical assistance to cooperatives requiring it in such countries. The President said that the suggestions would be considered by the Agricultural Committee.

International Committee on Cooperative Housing

Mr. S. KYPENGRÉN, Sweden, Chairman of the Committee, said that there had been more delegates than ever before at the Housing Conference, many of them from developing countries. Twenty-two national organisations were associated with the Housing Committee with some new ones from Eastern Europe. Collaboration with UN bodies and other inter-governmental organisations was increasing and a quarterly bulletin was produced giving information about the

development of cooperative housing in varying conditions in different countries.

United Nations bodies were increasingly recommending cooperative housing to governments, and after consultation with them it had been decided to form the International Cooperative Housing Development Association with seven national organisations as founder members. Its meeting in Vienna had been attended by Mr. Eric Carlson of the UN Housing Committee; its Secretary, Mr. Johnsson, was attending the meeting of the UN Housing Committee in Geneva.

Mr. A. HOURMAIN, Malaysia, said that the first housing cooperative had been established in his country in 1949 and that the number had increased to 44. An ICA international seminar on housing cooperatives had been held in Kuala Lumpur in December, 1964.

Another Seminar had been organised in March 1966 by the Federation of Cooperative Housing Societies and the Cooperative Union of Malaysia. It discussed the progress made by housing cooperatives in Malaysia, the experience of other countries, government housing policies, legislation affecting housing cooperatives and educational, insurance and other problems.

The main problem, however, was finance. If loans could be made available by international organisations or any other source he was sure that they would be guaranteed by the Malaysian Government.

Mr. W. CAMPBELL, USA, said that the population of the world would double by the end of the century and that as many houses would be needed as had been built since the beginning of time. Trying to form housing cooperatives without technical know-how could be an agonising experience. American hous-

ing cooperatives had a programme of technical assistance in other countries and the Foundation for Cooperative Housing in America had joined with other organisations to form the new international association.

Dr. W. SOMMERHOF, Chile, said that in his country savings available to finance housing were not keeping pace with increasing population. There was a shortage of 16 million dwellings which was increasing. But cooperative housing societies had built 12,000 homes since 1960 and were aiming at 5,000 a year, about 10 per cent of all construction.

The Cooperative Wholesale Committee

Sir Leonard COOKE, Great Britain, in his last report to Congress, was pleased to be able to say that international inter-cooperative wholesale trade in 1965 had amounted to \$4,250,000, four times as much as in 1964. Mr. R. B. BASTIN, Great Britain, welcomed the increase in inter-cooperative trading but regretted seeing cooperative products in private shops.

The Committee on Retail Distribution

Mr. K. NIELSEN, Denmark, Chairman of the Committee, said that fifteen national organisations were affiliated to the Committee and that it had been helped to continue its work by the generosity of the Stockholm Cooperative Society.

There would be a meeting in Denmark later in the month of people from department stores and a food working party would meet later. It was hoped to organise a conference of up to 150 people in Geneva in April, 1967.

The International Cooperative Petroleum Association

Mr. A. CARLSSON, Sweden, Chairman, said that the American members of the Association were mainly interested in supplies of crude oil, the European members in marketing and refining and the members in developing countries in technical advice on building up their organisations. The world food shortage was alarming. The ICPA was now supplying fertilisers and had technical and commercial know-how. The expansion of its facilities depended on the supply of capital.

Mr. R. AHMED, Pakistan, said that the possibility of creating more international cooperative trading organisations should be explored and that the Cooperative Petroleum Association was now a going concern in Pakistan.

AMENDMENTS TO THE RULES OF THE ICA

Dr. C. SCHUMACHER, Federal Republic of Germany, moved the amendments to Articles 8, 18, 23 and 28 of the Rules of the ICA, which had been proposed by the Central Committee.

Mr. J. L. DAVIDSON, USA, reminded delegates that cooperatives in all countries in which the ICA had member organisations were represented on the Central Committee and that the amendments proposed were the result of three years' study and research.

Mr. M. UTKIN, USSR, said his delegation would vote against the proposal to admit international and supra-national organisations as members of the ICA as this would mean that voting was no longer strictly in proportion to membership as the same individuals would belong to national and international organisations.

In replying to the debate, Dr. SCHUMACHER said that many people belonged to more than one cooperative and there was inevitably some double counting in the affiliation of existing organisations to the ICA. This would also happen if new international trading organisations of the kind proposed by Mr. Ahmed were affiliated.

The Central Committee's amendments to the Rules of the ICA were carried by an overwhelming majority.

Congress Proposals:

Individual Membership

Mr. G. JORDANOV, on behalf of the Central Cooperative Union of Bulgaria, moved Resolution No. 1, proposing that the Rules of the ICA should be amended so as to abolish individual membership, which, he said, discriminated against certain cooperative movements. Collective membership should be the only form of membership with voting strictly in proportion to the number of members.

Mr. A. KOZLOV, USSR, said that as far as representation in the Central Committee and in Congress was concerned, voting was in proportion to financial contributions to the ICA instead of in proportion to membership. This put cooperative movements in developing countries at a disadvantage as they could not afford such large contributions as cooperatives from industrialised countries.

Roumania and Bulgaria had not been allowed to change from individual to collective membership. An organisation with seven million members had only one representative on the Central Committee while an organisation with only one million members,

that of Switzerland, had six representatives.

Mr. R. SOUTHERN, Great Britain, and a Vice-President of the ICA, replied on behalf of the Central Committee. He said there was no discrimination against Bulgaria or any other country. Under collective membership the national organisation paid a subscription based on the average size of its constituent societies. In other cases the national organisation was an individual member and in some countries there were several individual members. In Britain, national federations and retail societies were individual members. All affiliated organisations had freely chosen whether to be individual or collective members. It was not possible to allow members to change freely from one class of membership to another as this would lead to financial instability. The Bulgarian resolution attacked the existence of different categories of membership; but afterwards conceded that organisations could retain individual membership if they wished to do so.

The Bulgarian resolution was lost by an overwhelming majority on a show of hands.

Associate Membership

Mr. F. KOLESNIK, USSR, moved resolution No. 2 on behalf of *Centrosoyus*, proposing that Associate Membership of the ICA should be abolished.

He said that under Article 14 of the Rules associate members were allowed to send observers to meetings of the Central Committee but they were not allowed to participate or to vote. Delegates sent to Congress had no vote and could not speak without the permission of Congress.

Some cooperative organisations in developing countries were dependent

upon government support but this should not bar them from full membership of the ICA.

Signor C. ZAMBELLI, Italy, said his delegation supported the resolution. The need for cooperatives in developing countries was acute and they should be given equal voting power with other cooperatives according to cooperative principles, even though dependent on state support. Instead of being denied the vote they should be helped to independence.

Mr. C. MATEESCU, Roumania, said all cooperators recognised the growing importance of cooperatives in developing countries and that although associate membership was supposed to be a transitional stage leading to full membership, not one of the eighteen associate members had become a full member. Out of 19 organisations applying for membership since 1963, only three had applied for associate membership. As an amendment to the resolution, he moved that the following should be added to the last paragraph: "The present associate members remain members of the ICA, and consequently they will have to state to which membership category—individual or collective—they wish to belong henceforth and to pay the appropriate subscription."

Mr. J. SUBRT, Czechoslovakia, said that the argument that associate members should be excluded from full membership because they depended on governments was invalid because all cooperatives depended to some extent on governments. The document on cooperatives adopted at the 50th ILO Conference made a strong appeal to the governments of developing countries to encourage cooperatives, and it was absurd to deny cooperatives full ICA membership.

Mr. J. SOBIESZCZANSKI, Poland, said that any organisation accepted as a member should be accepted as a full member with voting rights.

Mr. D. AINLEY, Great Britain, supported the resolution and emphasised the importance of helping cooperatives in developing countries. The London Cooperative Society had sent £1,600 to one of them and had seconded management staff to work in others. Trainees from African countries had been accepted by the Society and it had helped to raise £30,000 for Bechuanaland (Botswana) cooperatives. But cooperatives in developing countries needed full membership of the ICA and voting power as well as technical assistance.

Mr. SOUTHERN said that the Central Committee asked Congress to reject both the resolution and the amendment. He said associate membership had been devised to meet the needs of cooperatives in developing countries which had limited resources or which were not entirely democratic in character. Associate members could send observers to meetings of the Central Committee and could speak at Congress and were entitled to receive all publications and all the services provided by the ICA.

The cost of associate membership was nominal. When Western Nigeria discovered what full membership involved it withdrew its application. The abolition of associate membership would mean, in practice, that many organisations would leave the Alliance. The Executive had recently decided that associate members should be consulted about their position and changes should not be made arbitrarily and without consultation. An inquiry was going on.

Mr. KOLESNIK said that not a single

associate member had been accepted as a full member. His delegation accepted the Roumanian amendment.

On a card vote, the Resolution, as amended, was lost by 257 votes to 505.

The Size of the Executive Committee

Mr. I. KRUMIN, on behalf of *Centro soyus*, USSR, moved Resolution No. 4 which proposed that membership of the Executive should be increased so as to give greater representation to socialist and developing countries.

He said there were some 67 million cooperators in eighteen capitalist countries and 65 million cooperators in developing countries, but the latter had only one representative on the Executive out of 14. The socialist countries also had only one representative.

Mr. J. NEPOMUCKY, Czechoslovakia, said that cooperators in socialist countries represented 35 per cent of the membership of the Alliance and those in developing countries 25 per cent. But their two members on the Executive comprised only 15 per cent of the total.

Mr. TRAMPCZYNSKY, Poland, also supported the resolution.

Mr. F. F. RONDEAU, USA, said his delegation supported resolution No. 13, to be moved by Italy, and that part of resolution No. 4 which proposed an increase in the size of the Executive, but opposed the rest.

He believed it would be unworkable to try to allocate places on the Executive according to types of organisation or country and that to do so would divide the organisation instead of uniting it.

The discussion on size of the Executive was adjourned until the Wednesday evening session. See p. 44.

FIFTH SESSION:

Wednesday, 7th September, (a.m.)

THE DEBATE ON COOPERATIVE PRINCIPLES

At its fifteenth Congress in 1937 in Paris the International Cooperative Alliance approved a statement of cooperative principles based upon the principles of the Rochdale Pioneers nearly a hundred years before. At the Bourne-mouth Congress in 1963 a Commission was set up to re-examine cooperative principles in the light of developments, and its report and revised statement of principles were approved at the Vienna Congress in 1966.

Mr. R. SOUTHERN, Great Britain, and a Vice-President of the ICA, opened the debate on the Commission's report by expressing the thanks of Congress to the members of the Commission—Professor Karve, the late Arnold Bonner, Mr. Cowden, Professor Henzler, and Professor Kistanov who had been succeeded by Professor Blank; and to Mr. Watkins, the Commission's rapporteur and a former Director of the ICA.

The 1937 Special Committee had listed four fundamental principles: open membership, democratic control, dividend in proportion to transactions and limited return on capital; and three subsidiary principles: the promotion of education, political and religious neutrality and cash trading.

The new Commission had listed six principles which it regarded as of equal importance. These were the four basic principles of the 1937 Committee, the promotion of education and a new principle: active cooperation among cooperators. The Commission no longer regarded cash trading as a basic principle and while political and reli-

gious neutrality or independence was no longer included as a principle of cooperation, the Commission made it quite clear in its report that the basic principles of open membership and democratic control involved political and religious independence or neutrality.

The Report itself was introduced by Professor D. G. Karve, India, Chairman of the ICA Advisory Council for South East Asia and also Chairman of the Commission on Cooperative Principles. He began by paying tribute to Mr. Bonner, who had died a short time before, and by expressing regret at the absence of Mr. Cowden who was ill. He went on to say that a resolution carried by the Bournemouth Congress in 1963 had requested the Central Committee to "constitute an authoritative commission to formulate the fundamental principles of activity of cooperation under modern conditions." The resolution had gone on to suggest that the commission be empowered to study the Principles of the Rochdale Pioneers and to find out which of them needed to be modified or substituted, and empowered the Commission to formulate new principles.

The Task of the Commission

The Commission had been constituted a year later and the Central Committee of the ICA had defined its task in rather more specific terms by asking it to "ascertain how far the principles of Rochdale—as defined by the ICA Congress at Paris in 1937—are observed today and the reasons for any non-observance." The Central Committee had also asked the Commission to consider, in the light of its study, whether the Rochdale Principles, so defined and stated, met the needs of the cooperative movement having regard to the

present-day economic, social and political situation, or whether any of the principles should be reformulated in order the better to contribute to the fulfilment of the aims and tasks of the cooperative movement.

The world, said Professor Karve, had changed a great deal since the Congress of 1937. The Commission had been in touch with all the national cooperative movements and they had all concurred with the basic philosophy or aims of cooperation as formulated by the Rochdale Pioneers. They all had had the highest regard for the rules and methods of Rochdale, but they had also all found it necessary to recast one or more of these rules or practices so as to realise more fully the aims of the cooperative movement. Those cooperatives that had not adapted themselves to changing circumstances had suffered set-backs.

He distinguished between fundamental unchanging principles and the changing ways in which they were applied to changing circumstances, the evolution of policies and practices. A new formulation of cooperative principles could not possibly be contained in a short formula. The Commission had to try to produce an exact, comprehensive and adequate statement of the nature and extent of the underlying truths. This meant that any statement of principles had to be elaborated into carefully phrased formulations which took account of all their implications. This had been done in the Commission's report and in the six principles embodied in the resolution before Congress.

Cooperative Principles

The first principle of cooperation was that membership was voluntary

and open to all without any artificial restrictions. Traders or governmental bodies might sometimes use cooperative methods, but they were not necessarily promoting the aims of the cooperative movement, and though cooperatives might join non-cooperative organisations, this did nothing to turn the latter into cooperatives.

Cooperative organisations were democratically controlled in ways approved by their members which meant that each member of a primary society had one vote irrespective of shareholding. But in secondary cooperative organisations composed of a number of primary societies, voting might either be equal or in proportion to membership or in proportion to trade. But neither this nor the appointment of professional staff interfered with the cooperative principle of democratic control with equal voting power.

Cooperatives hired capital at its market value, at the appropriate rate of interest, but the possession of more shares did not give a member greater voting power than those only holding a few. The surplus earnings of a cooperative could either be ploughed back in development, used to provide common services or distributed to members in proportion to their transactions; and the members freely determined in which of these ways such surplus earnings should be allocated.

Professor Karve went on to discuss the controversial question of the undistributed savings or reserves of cooperatives. If these were accumulated as a result of the voluntary and deliberate self-denial of members there should be no objection to their later distribution. Cooperative business was becoming so complicated that contingent funds and reserves were essential. In the event of

a dissolution it was hard to argue that reserves did not belong to members past and present. *It should not be too difficult to devise schemes by which all shared in residuary surpluses.* On the other hand, many cooperators might feel that any residual assets on a dissolution should go to strengthen the cooperative movement as a whole. It was up to cooperators to make their own decision—subject to the laws in force in the country.

The Commission had felt that all cooperatives should make provision for the education of their members, of their officers and of the general public in the principles and techniques of cooperation. This meant that they should make suitable arrangements but not necessarily a financial allocation. That would depend upon the resources of a society. The importance of education was stressed because cooperation was not only a business but a way of life. Education was a professional need in both developed and developing countries and in the new statement of principles it was not given a subsidiary place as it had been in 1937.

Cash trading might have lost much of its relevance in many places but sound business practices had retained their importance. Cooperators did not discriminate in admitting members but could not always remain indifferent to political and religious issues and matters of public policy. The new principle of cooperation among cooperators was of compelling importance in a changing world over which a new industrial revolution was sweeping. The ICA Rules called for a continuation of the work of the Rochdale Pioneers and for the substitution for profit-making of a cooperative system organised in the interests of the whole community and

based upon mutual self-help. The re-formulation of cooperative principles provided cooperators, heirs of the great Rochdale tradition, with an opportunity to be pioneers in their own day, spreading their faith in the ideal of cooperation.

Rochdale Principles

Mr. F. APPLGATE, Great Britain, speaking on behalf of the Rochdale Society, said its members did not look on the original phraseology of the Rochdale Principles as being basically unchangeable or as being applicable only to another age but felt their simple precepts contained certain fundamental truths. One was voluntary membership without social, political or religious discrimination. But modern economies were more and more subject to political influence and limited participation in the political field was essential for protection against unfair legislation. Democratic control and the limitation of the return on capital were fundamental, but there was a variety of ways of distributing surpluses. Education was more important than ever and of all cooperative principles that of mutuality was of special importance. The new principle of cooperation among cooperators was long overdue.

Just over a hundred years ago the cooperative pioneer, Edward Vansittart Neale, had been asked about the principles of the Rochdale Pioneers and had replied that they could be described in one word: Freedom—freedom of speech, freedom from want and persecution, social or political. Thirty years later, at the Congress of the Cooperative Union at Rochdale in 1892, Vansittart Neale had prepared the resolution that approved in principle the formation of an International Cooperative Alliance.

This led to the first ICA Congress in 1895, but Vansittart Neale had died in 1892. Arnold Bonner had similarly devoted his life to cooperation only to die before the realisation of the fruits of his work. They believed at Rochdale that Arnold Bonner and the other members of the Commission had written a new page in cooperative history.

The Finnish Amendment

Mr. J. JALAVA, Finland, then moved an amendment to the resolution on cooperative principles, proposing that the report of the Commission should be considered by national cooperative organisations and the Central Committee of the ICA and debated again at the 1969 Congress.

He congratulated the Commission on its report and said that cooperative principles formed the unchanging law on which cooperation was based. They expressed at the same time the characteristics of cooperation and the practical rules for action and could also be regarded as objectives to be achieved. The six principles put forward by the report had been given equal weight by the Commission and had been formulated broadly so as to cover special circumstances prevailing in developing countries.

The Finns felt that this led to some theoretical and practical inconsistencies. The Rules of the ICA could be broad enough to allow for the affiliation of cooperatives in countries in very different stages of development; but this did not mean that basic principles had to be so formulated as to cover such a wide range of circumstances.

The Finns thought, for example, that the principles of cash trading and of political and religious neutrality were most important and should not have been

excluded from a statement of principles, however broad the ICA Rules might be. Principles needed to be stated unambiguously and exceptions defined separately, and the Finns thought that national cooperative organisations should have been given the opportunity to consider the new statement thoroughly by delaying a decision until the next Congress. The Central Committee and Executive of the ICA had not had the opportunity to consider the substance of the report before the 23rd Congress, as had been required by the resolution passed by the 22nd Congress.

If the new principles were adopted by the 23rd Congress they would have to be included in the Rules of the ICA and in those of national organisations, and both KK and YOL found this unacceptable. They did not know how the new principles would be interpreted and were therefore putting forward their proposals for further debate.

The Belgian Amendments

Professor PAUL LAMBERT, Belgium, moved his country's amendments to the resolution. He began by commending the report and making a few minor points about translation. In paragraph 4 he thought that "savings" should be translated as *épargnes* rather than as *économies*. In paragraph 5 "take steps to" might be better than "make provision for" in the English version; and *prendre des mesures* might be better than *constituer un fonds* in the French.

When the time came to define conditions for admission to the Alliance, *doit* would need to be used in places instead of *devrait* in the French version. And he thought that a reference to Rochdale should be made in the preamble so as to reaffirm the continuity

of cooperative thought and action. There was no question of political or religious tests for people joining a cooperative, but cooperatives were nevertheless associated with political parties in Britain, Belgium and the communist countries. Belgian cooperators were, however, withdrawing their amendment on this point as the position was to be made quite clear in a statement to be inserted in the minutes of Congress.

They wanted the word "only" inserted after the word "administered" in the second paragraph of the resolution even though representatives of governments or of banks sat on cooperative committees in a few exceptional cases and had a right of veto on certain specific matters. They also wanted an additional sentence making it clear that cooperatives could be formed by public bodies. The Belgian organisation, *Le Crédit Communal de Belgique*, was essentially a cooperative formed by local councils. It lent money to councils and distributed any surplus to member councils in proportion to transactions, undertook educational work and was, in fact, a genuine cooperative.

Some modification of wording was needed, he thought, in paragraph 4 as it was anomalous to suggest that savings or reserves should be distributed. Belgian cooperators did not agree with Professor Karve that reserves could be distributed.

A distinction should be drawn, he thought, between "provisions" and "reserves". Funds retained for the time being with a society as working capital could properly be regarded as belonging to members. But funds placed to reserve to finance expansion or to cope with an emergency should be recognised in principle as belonging to the society and not to individual members. Reserves accumulated over a short period such as five

years might, perhaps, be regarded as belonging to members, but in most cases reserves were the result of the efforts of several generations and should not be appropriated by the present members of a society. Belgian cooperators stood by the teaching of Phillippe Buchez that the reserves of a society belonged to the society and not to members, and this had, indeed, been proclaimed in the 1854 version of the Rules of the Rochdale Pioneers themselves.

Mr. KUOPPALA, Finland, said that the Commission had come to the conclusion that in certain circumstances it might be in the general interest for an individual to be compelled, in the last resort by the state, to join a cooperative. This could hardly be regarded as in conformity with liberty and democracy and if it did prove necessary in some developing countries it should be regarded as no more than a temporary phase. Principles were not only a guide to action but laid down objectives and should not be founded on exceptional situations. If direct government control was accepted among cooperative principles governments might even come to dominate the ICA itself.

The Commission had dealt with political and religious neutrality in the relations between both the cooperative and its members and between the cooperative and outside bodies, but the concept of neutrality seemed to carry overtones of passivity and indifference. Neutrality was often interpreted as meaning that the society was neutral as between parties, but this did not mean that members of cooperatives should not have strong political or religious beliefs or that societies as such should not have views of their own on political issues. It seemed to him that if the resolution on principles was accepted, it would be

necessary to change the Rules of the ICA at its next Congress.

The Soviet View

Mr. M. DENISOV, USSR, recalled that it had been the Soviet delegation that had made the proposal for a new statement of principles at the Bournemouth Congress. He paid tribute to the work of Professor Karve and his colleagues in preparing a report which had been approved by the Central Committee and which should be acceptable to cooperators in all countries. His delegation did not agree with everything in the report and could not accept the Finnish or the Belgian amendments, but it hoped that the report would be accepted by Congress.

Mr. J. J. A. CHARBO, Netherlands, thought that the report was a wise, well balanced and humane document. It had been right to say that the spirit was more important than the letter; and likewise that there should be no compulsory membership, although there might be exceptions to this general rule in special cases. Although it was true that cooperatives had to accept the laws of the countries in which they operated, it was also true that independence from external control was an important principle. Governmental controls might leave a democratically elected Committee of Management little to decide.

Formal democracy without a considerable measure of autonomy was valueless. The report stated clearly that cooperative autonomy was a corollary of cooperative democracy and it was a pity the principles did not state this too. The Netherlands had considered introducing an amendment to this effect and another adding the word "racial", but had decided against doing so. They considered that the report and the resolu-

tion summarising the principles belonged together and that the resolution should be accepted as qualified and supplemented by the material contained in the report.

Professor BLANK, USSR, said that he had been glad to have been able to take part in the work of the Commission after Professor Kistanov was taken ill, and that the presence on it of cooperators from Europe, Asia and America and from capitalist, socialist and developing countries had been a sufficient foundation for its success. There had been difficulties and heated arguments but agreement had been reached — thanks largely to the very capable chairmanship of Professor Karve. He associated himself with what the Chairman of the Commission had said in introducing the report.

Cooperatives and the State

Dr. A. F. LAIDLAW, Canada, complimented the Commission on its work and said that Canadian cooperators had produced a statement of their own on social and public issues which could be made available, through the ICA, to cooperators throughout the world.

Canadians had a few reservations about the Commission's report. They disagreed with the view that governments were entitled to intervene with legislation requiring producers to join a cooperative. Governments were, perhaps, entitled to require cooperatives to extend their services to non-members when public grants had been made, but not to require individuals to join.

Secondly, the Commission had said that credit unions could be justified in refusing to admit an applicant who was known not to be credit-worthy. But thousands of people in Canada had been rehabilitated through credit unions over

the previous fifty years. The time to inquire into credit-worthiness was not when people joined a credit union but when they applied for a loan. Canadians believed that the report and the statement of principles needed to be clarified and expressed in more positive and unequivocal terms.

Mr. G. ONAGORUWA, Western Nigeria, conveyed to Congress the best wishes of Pastor Latunde, President of the Cooperative Union of Western Nigeria, who was unable to be present, and paid tribute to the work of the Commission. But he thought that the Commission had put rather too much emphasis on the need for government supervision and advice in the developing countries. Some governments sought to impose political beliefs in the name of supervision. Some officials were more interested in their careers than in the cooperative movement, and government departments expanded at public expense while cooperatives stagnated. The ICA should appoint a Committee to inquire into impediments to cooperative self-government in the developing countries.

Mr. N. VERLINSKY, Israel, paid tribute to the success of the Commission in its work on the application of the enduring principles of Rochdale to a changing world. The Commission's observations would no doubt encourage cooperatives to be moderate in their demands by way of entrance fees and minimum shareholdings. Members might be more willing to join cooperatives if there were more adequate guarantees about the redemption of shares apart from a certain minimum. The section on political and religious neutrality should have referred also to race.

Mr. Verlinsky was doubtful about the suggestion that government representa-

tives should sit on boards of management when government provided financial help. The views of such representatives might tend to be given so much weight that independence and democracy were no longer effective. It was important for the cooperative movement to preserve its voluntary and democratic character.

Residual Assets

Signor S. MIANA, Italy, said his delegation had studied the report and agreed with its recommendations. They thought the maintenance of democratic principles and cooperation between cooperators were particularly important, and had handed in an amendment proposing that a paragraph should be added saying that reserves should not be distributed and that residual assets in the event of a dissolution should go to another cooperative or non-profit-making organisation.

Mr. R. L. MARSHALL, Great Britain, said that his delegation joined with Professor Karve in paying tribute to the work of Arnold Bonner. If delegates sought his monument they only had to look around the hall. The power of his cooperative preaching and unique range of scholarship had reached students from many countries.

They welcomed the report of the Commission which had collected and codified a great range of practice and principle from many countries and embodied it in a flexible, extensive and inclusive way. It addressed itself particularly to the emerging conditions in which cooperative development had to be carried forward. The cooperative movement was constantly facing new challenges in new circumstances and the report placed on cooperators the duty to respond.

In dealing with education the report had brought together the category of elected representatives of members with that of professional managers. But in advanced cooperative organisations the functions of elected directors and those of professional managers were different—the latter formulated proposals for development and the former approved them. As these functions required different training the distinction was important.

Mr. J. VOORHIS, USA, said his organisation supported the report and the resolution and paid tribute to the work of the Commission and its exceedingly able chairman, Professor Karve. People talked about “developing” countries but could properly qualify this with the word “economically”, as many of the so-called economically developing countries were far advanced spiritually and mentally.

He did not agree with Professor Lambert that cooperative organisations could be married to political parties without one of them swallowing or dominating the other. And he agreed with the Commission that surplus or savings arising out of the operations of a cooperative belonged to the members of the society.

Gladstone had described the cooperative dividend on purchases or patronage refund as the greatest economic mark of progress of the nineteenth century. Cooperatives set aside funds for education, for the development of the business and for common services; and income invested in development or in common services was regarded in the USA as a “deferred patronage refund”. This belonged to members though not distributed in cash. There was a great need in the world for forms of social ownership other than state ownership.

Racial Discrimination

Mr. M. A. GILBOA, Israel, said that man was essentially a cooperative creature and cooperation should be universal without any arbitrary barriers. That was why his delegation was suggesting the addition of the word "racial" to the reference in the first clause of the resolution to social, political or religious discrimination.

Racial prejudice was widespread. A year ago a collective settlement in Israel had hesitated to accept an Arab as a full member. In these settlements men not only worked together but lived together, eating in a communal dining room. It was sometimes difficult to live through the whole day with a man of different culture and mentality, but the Arab was accepted by the settlement because its members believed that it should be possible for people of any race or religion to be members of cooperatives.

Mr. N. THEDIN, Sweden, said that there had been controversy recently in Sweden about the disposal of cooperative surpluses and that he would also have liked to have said something about reserve funds, cash trading and mutual cooperation. The rise of consumer protection associations showed that the old principles of purity and good quality were still important. Adulteration was a problem in some developing countries, but consumer education, information and guidance were needed in all countries. Cooperatives needed to concern themselves more with the education of the consumer, with the creation of a critical and quality-minded awareness among consumers. This was important in agricultural as well as consumer societies, and a link could have been established in paragraph 5 of the

resolution between cooperative education and consumer education.

Mr. S. KIURU, Finland, thought that it was not self-evident that cash trading had lost much of its significance and should be excluded from cooperative principles. The education of their members was one of the most important tasks of cooperatives; they should be protected against their own ignorance and the temptation to spend more than they could afford. He supported the Finnish amendment proposing that a final decision on the findings of the Commission on Principles should be delayed.

Social Funds

Mr. B. TRAMPCZYNSKI, Poland, said that the number of people who could join a workers' productive cooperative or a housing cooperative was necessarily limited. He thought that the wording of the clause about the distribution of surpluses did not provide an adequate guarantee of cooperative development and that the indivisibility of the social funds of a cooperative should be emphasised. The resolution referred to the distribution of surpluses to members in proportion to their transactions, but members of a workers' productive society contributed only their work.

Mr. J. PODLIPNY, Czechoslovakia, said that his delegation thought the new statement of principles a great improvement on the earlier one, but regretted that it did not define a cooperative as an organisation of working people whose aim was to serve these people and have their interests at heart. And it could have said something about co-operators participating in the struggle towards the elimination of the "profit-making regime". After all, the first article of the rules of the Alliance recognised the movement as anti-capitalist.

Mr. P. APPAVOO, Singapore, said that there was a great need for cooperative education in his country and the ICA might be able to persuade the UN to encourage governments to help. There was a diversity of nationalities and politics and religions, but the cooperatives remained neutral. Nations, like cooperatives, needed to cooperate with each other.

Mr. M. IVANOVIC, Yugoslavia, recalled that Dr. Bonow had said that the world was passing through a second industrial revolution. The principles proposed by the Commission should be accepted and each country should formulate its own concrete principles to be applied in its own particular circumstances. He thought the principles of voluntary membership and democratic control were fundamental.

Common Market

Mr. S. APELQVIST, Sweden, welcomed the new principle of cooperation between cooperators, No. 6 in the resolution. He said he had been a member of the Central Committee and of the Insurance Executive for twenty years, and that he had been concerned at the association of some cooperatives with other firms and about their competition with other cooperative undertakings.

The formation of the Common Market might compel cooperatives to work together even more closely. It was important for cooperatives to study and clarify the practical methods of cooperation with each other and to avoid destructive criticism. It was particularly important for insurance cooperatives to coordinate their work with that of other cooperatives.

Mr. K. LEU, Switzerland, said that the active participation and loyalty of members and the ability and honesty of

managers were vital to cooperative success. He thought this might be made clearer in the wording of the first two principles, and that the first might be amended so as to say that membership was open to all willing to make sufficient use of the services of a cooperative.

Successful cooperatives demanded an active membership and needed to be managed by qualified people dedicated to the cooperative idea. Cooperators should not be content with the achievements of the past but should look to the future.

Mr. NAKABAYASHI, Japan, said the world was changing much more rapidly than it was in the time of the Rochdale Pioneers. New nations were emerging and capitalist monopolies were expanding and hampering the growth and development of cooperatives. In Japan there were many political parties and sects. Political and religious neutrality was a cooperative principle, but this did not mean indifference and should not interfere with the freedom of members of cooperatives to discuss such matters.

Dr. L. VALKO, USA, welcomed the report as an excellent document and praised the work of the members of the Commission and its rapporteur, Mr. Watkins, but said the Cooperative League regarded it as the beginning rather than as the end of the important task of accepting a new formulation of the guiding principles of modern cooperation. The US had the same restrictions or limitations on membership of credit unions as there were in Canada.

He had been teaching cooperative theory and practice in one of the largest universities in the USA for sixteen years and had recently returned from a world tour in which he had met cooperators

in thirty-five countries. He thought it important to emphasise the voluntary character of cooperative organisations and agreed with the omission of cash trading from the new statement of principles.

He would have preferred political neutrality to have been included as a separate principle in its own right. There was no reference in the report to the differences between cooperative organisations, which were essentially voluntary, and collective organisations.

He drew the attention of Congress to a conference of cooperative scientists and technical research workers which was to be held soon afterwards in Hamburg and would discuss the formulation of cooperative principles. Professor Henzler would deliver a paper at this international meeting and constructive new ideas might well be put forward.

SIXTH SESSION:

Wednesday, 7th September (p.m.)

DEBATE ON PRINCIPLES

(continued)

Business Practices

After lunch, Dr. W. SOMMERHOF, Chile, welcomed the report but regretted the absence from the resolution of any reference to business practices. Cash trading, high quality, exact weight etc. had been put forward as principles by the Rochdale pioneers but could have been regarded as rules of good business practice and as such, subject to evolution and change. Price cutting might be appropriate in Scandinavia where there were many ways of attracting savings and better opportunities for selling at market prices in developing countries where the capacity for personal

saving was low. Cooperative movements in different countries should set up their own rules about business practices, but the principles should have stated the need for the formulation of such rules.

Dr. Sommerhof suggested that an additional principle should be added: "All cooperative branches of a national movement should establish strict rules for long-range planned business practices which provide the best means to secure the development of their cooperative operations and to promote the true economic and social interests of their members."

Cooperatives in developing countries were in a similar position to the Rochdale Pioneers in Britain. The proposed additional principle was not a specific practice but rather a rule of procedure as necessary as education.

Mr. G. JORDANOV, Bulgaria, welcomed the Commission's report and particularly the reaffirmation of the principles of open membership, democratic control, the improved formulation of the principle about the allocation of surpluses and the new principle of cooperation among cooperators. But he said he thought the sixth principle should be reformulated as:

"Each cooperative organisation should by all means actively cooperate with other cooperatives on the local, national and international level in the struggle for peace, along with all the peace-loving forces and organisations in the fight against capitalistic monopolies, expanding international cooperative trade and cooperative institutions generally, and fostering and supporting the cooperative movements of the developing countries."

Mr. L. HIETANEN, Finland, then replied to the debate in support of his country's amendment. He had been fifty years in the cooperative movement and found it difficult to abandon old principles which had been objectives for the movement as well as guides to action. He proposed the withdrawal of the original Finnish amendment and that instead the third sentence of the resolution should read:

"Congress, confirming that the Rochdale Principles as adopted at the 15th Congress in Paris are in full force, approves the Recommendations and conclusions made by the Principles Commission for common practical guidance as follows;" . . .

Mr. Southern Sums Up

The President announced that the Italian amendment had been withdrawn in favour of the Belgian one and that Professor Lambert would not be speaking again on his amendment. Mr. R. Southern, Great Britain, then replied to the debate on behalf of the Central Committee.

He said the report of the Commission was a historical masterpiece, and though neither it nor the resolution had used the word "Rochdale", the new principles should be described as the Rochdale Principles. Many sympathised with the Finnish appeal for the further consideration of the report, but the Central Committee did not consider it a proper task for it to evaluate the recommendations of the Commission and thought that a decision should be made at once.

If the resolution and the report were approved, it would be for the Central Committee to study the new statement of principles and decide whether any amendments were needed in the Rules

of the Alliance. The Central Committee had requested him to ask Congress to vote against the Finnish amendment proposing that the 1937 decisions should remain in force while the new statement was approved as a practical guide. It was against delay in reaching a decision.

He thought Professor Lambert's points about translations should be referred to the Director and that there should be consultations with Professor Lambert and with language specialists. He agreed with Professor Lambert that the new principles should be described as Rochdale Principles.

Any mention of religious or political affinities in the resolution would have required qualifications which would have made it unduly long. He thought the terms of the resolution were sufficiently broad and general to cover the points made by Professor Lambert about the democratic control of cooperatives and about the formation of cooperatives by public or other democratic bodies. The information given by Professor Lambert was interesting, but he did not know whether cooperative organisations of the kind described would wish to be identified with the cooperative movement and the ICA.

He thought the words "surplus or savings" in the resolution were appropriate and that operational savings were not of the nature of reserves. He considered that it was sound business practice for reserves not to be drawn on, and that the statement of principles inferred this by saying that provision should be made for development.

The Rules of the ICA

Mr. Southern thought the point raised by Mr. Kuoppala about possible changes in the Rules of the ICA on the adoption of the new statement of prin-

ciples would need to be discussed at the 1969 Congress, not that of 1966. He was grateful to Mr. Denisov and the *Centrosoyus* delegation for their collaboration and was glad they had not pressed for the inclusion of any statement on ideologies in the resolution.

The concept of compulsory membership raised by Dr. Laidlaw had been discussed in the report but was not mentioned in the principles. He thought credit-worthiness was important and needed to be assessed soon enough to avoid loss. He did not think the statement of principles could have been made any shorter, but in popular usage the principles could be summarised as: Open and Voluntary Membership, Democratic Character, Limited Interest on Share Capital, Distribution of Surplus, Provision for Education, and Cooperation among Cooperators.

He was concerned about the situation that had been described by Mr. Onagoruwwa of Nigeria, and hoped that such public funds as might be available would be used for the training of cooperative administrators rather than for the unnecessary expansion of government departments.

The Central Committee was ready to accept the Israeli amendment to include the word "racial" in the statement of principles, a point made by Mr. Charbo and Mr. Verlinsky as well as by Mr. Gilboa. Mr. Thedin was rightly concerned with consumer education; but he thought that the statement of principles was couched in sufficiently broad terms to cover this as well as the education of the employees, of members and of the general public.

Mr. Kiuru had raised the question of cash trading which had to do with changing practices and with education. People had to learn that credit had to

be paid for, but cooperative organisations, because of their nature, could never exploit the credit needs of their members or of the general public.

The physical limitations mentioned by Mr. Trampczynsky had been referred to in the report though not in the statement of principles; it was artificial limitations that had to be rejected. He thought the word "transactions" was broad enough to cover the participation of workers in the surpluses of workers' productive societies.

Mr. Podlipny had wanted the statement of principles to refer to the struggle for the elimination of the capitalist regime. The cooperative movement was doing this every minute of every day—it was the cooperative struggle. But the ICA would land itself in deep waters if it attempted to incorporate a political outlook in its statement of principles. He noted Mr. Jordanov's views on the struggle for peace and the fight against monopolies; he thought these arguments had their place, but did not think it was relevant for them to come up on any and every occasion.

He regretted that Mr. Apelqvist had found it necessary to raise matters which impeded cooperation between cooperators and commended to Congress the principles enunciated by the Commission and approved by the Central Committee.

In the voting on amendments the Finnish amendment was lost on a card vote by 149 votes to 600. The Italian amendment and the first of the seven Belgian amendments had been withdrawn and the remaining Belgian amendments were defeated on a show of hands.

Congress then voted on the Central Committee resolution, as amended by

Israel by the addition of the word "racial"; it was carried by an overwhelming majority.

Resolution on Cooperative Principles

The 23rd Congress of the ICA welcomes the report of the Commission on Cooperative Principles as meeting the specification required by resolution at the 22nd Congress.

Congress accepts that, while there can be differences of opinion as to emphasis or degree, the report is a significant statement of cooperative principles in a modern setting.

Congress approves the Recommendations and Conclusions made by the Principles Commission as follows:—

1. Membership of a cooperative society should be voluntary and available without artificial restriction or any social, political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.
2. Cooperative societies are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration should be conducted on a democratic basis in a suitable form.
3. Share capital should only receive a strictly limited rate of interest, if any.
4. Surplus or savings, if any, arising out of the operations of a society belong to the members of that society and should be distributed in such manner as would avoid one member gaining at the expense of others. This may be done by decision of the members as follows:—
 - a. By provision for development of the business of the Cooperative;
 - b. By provision of common services; or,
 - c. By distribution among the members in proportion to their transactions with the Society.
5. All cooperative societies should make provision for the education of their members, officers, and employees and of the general public, in the principles and techniques of Cooperation, both economic and democratic.
6. All cooperative organisations, in order to

best serve the interests of their members and their communities should actively co-operate in every practical way with other cooperatives at local, national and international levels.

Congress authorises the Central Committee and its Executive to take note of the decisions of the Congress on the report of the ICA Commission on Cooperative Principles at the 23rd Congress in Vienna and arising therefrom to make such recommendations for changes in the rules of the ICA as may be considered necessary for the next Congress.

On a point of order under Standing Order 25, Mr. Ch.-H. BARBIER said that the Swiss delegation had endorsed the Central Committee resolution with reservations which he had hoped to express. He asked the President that the minutes should list the names of those who had wished to take part in the discussion on an important matter but had been unable to do so.

Mr. BROR said Congress had just voted on a Belgian amendment which had dealt with several subjects. He thought it was wrong and a tactical error for these to have been voted on together. He did not think that the vote meant that a majority at Congress accepted the view that the reserves of cooperative societies could be shared out in the event of liquidation.

The following delegates had wished to speak in the debate on the report of the Commission on Principles but were unable to do so:

Prof. L. Valko, Cooperative League, USA; Signor P. Di Corpo, ACGI, Italy; Mr. R. H. Boyes, Cooperative Union of Canada; Msgr L. G. Ligutti, Cooperative League, USA; Mr. T. Taylor, SCWS, Great Britain; Mr. R. Ahmed, Karachi Cooperative Union, Pakistan; Mr. Ch.-H. Barbier, VSK, Switzerland; Dr. L. Malfettani, CCI, Italy; Dr. A. Vukovich, Konsumverband, Austria; Mr. J. Inglot, "Peasant

Self-Aid", Poland; Signor A. Mayr, CCI, Italy; Mr. M. Jevne, Cooperative Union of Canada.

COOPERATIVE TECHNICAL ASSISTANCE

Mr. W. G. ALEXANDER, Director of the ICA, opened the debate on cooperative technical assistance by saying that the first part of the report was about bilateral aid by cooperatives in industrial countries to those in developing ones, and that the second part was concerned with the work of international organisations other than the ICA—such as the FAO and the ILO. It was the third part that was concerned with the role of the ICA.

The vastness of the problem was not fully appreciated by all cooperators. There had been setbacks and some cooperators were inclined to be passive and to leave action to governments. The cooperative method, however, had tremendous potentialities and the movement commanded much goodwill. Cooperatives had to be viable themselves before they could help others, but the experience gained in assisting others could sometimes be most valuable. Cooperators needed to improve the quality of their effort.

In some countries financial contributions were forthcoming from members if they were convinced that projects were sound. Cooperative officials were very busy people and most societies were fighting strong competition. But if cooperatives could not often be expected to provide finance, they did have technical know-how and could train students and sometimes release experienced men for service in other countries.

The experience, techniques, publications and training materials of cooperative training establishments were avail-

able for training students from other countries and to help organise courses in their own countries.

Governments of both donor and recipient countries were increasingly willing to help finance bilateral technical assistance for cooperative development and to help with planning and feasibility surveys.

United Nations agencies such as the FAO and the ILO obtained finance for cooperative projects under, for example, the Freedom from Hunger Campaign and the World Food Programme from the UN Technical Assistance Fund. The International Development Association and the World Bank had recently advanced \$5 million to Tanzania for cooperative development.

There were also other inter-governmental organisations and independent funds, foundations, groups and organisations of all kinds which were willing to assist. An International Technical Assistance Centre for Cooperatives was gradually developing at ICA headquarters and the Regional Office in South-East Asia was under pressure to provide technical assistance. He had suggested to UN officials that contracts should be negotiated between the ICA and either the UN Technical Assistance Fund or agencies like the FAO and the ILO for the provision of technical assistance to cooperatives.

Training at all levels was the greatest need and surveys and pilot projects were essential. The ICA needed to coordinate bilateral assistance and prepare itself for multilateral assistance. Great things had been achieved in spite of difficulties under the rainbow flag—there was a crock of gold at the end of the rainbow. The cooperative method was essential to win the active participation of peoples in rapid economic advance.

Mr. S. MATEJKA, Czechoslovakia, proposed that the resolution should be amended so that cooperatives in developed countries did not feel obliged to make a contribution to the Development Fund of 10 per cent of the total value of Technical Assistance provided. The form of aid should be left, he said, to the discretion of the organisations providing it. There was also the complication of currency restrictions. He was supported by Mr. Jakovenko of the Soviet Union, but Mr. Puri of India thought that the qualifying words "whenever appropriate" made amendment unnecessary.

Mr. A. Bo, Denmark, argued that the ICA could not itself expect to be the centre of aid for cooperative development. It should rather seek to be a kind of information centre for cooperative technical assistance and seek to influence governments and UN Agencies. There were many opportunities but the shortage of qualified people was a limiting factor. The Scandinavian countries had sent fifty experts to help cooperative development in Kenya, but not all governments were as helpful as the Finnish Government in particular had been.

Mr. N. V. PURI, India, said that Indian cooperatives were in great need of help for development and did what they could to help cooperatives in other countries. Agriculture was being modernised, but much help was needed in educational programmes, training, technical know-how, fertiliser manufacture, processing, packaging etc. India welcomed aid from both East and West and strongly supported the resolution.

Aid for Dahomey

Mr. Ch.-H. BARBIER, Switzerland, said that millions of people were hungry and many were without adequate shelter,

and the need for help was growing; but many in the west were apathetic and indifferent. The world should be made aware of the pressing need of so many of its people.

Swiss cooperators had done much to help cooperative development in Dahomey where average incomes were only about one sixty-fifth as high as in Switzerland. Help had been given to agricultural cooperatives for five years and cooperative cotton yields, 900 kilos per hectare, were now more than twice the national average. The Dahomey Army was being trained in farming and in cooperation. There were also Health Cooperatives and much useful work had been done among women and young people.

Mr. A. R. GLEN, USA, said that the cooperative credit organisation with which he was associated covered 20 million people in North America and a further 6 million in Latin America. It helped to provide local and other capital for cooperative development.

Mr. S. ANDONIADES, Greece, said that little more than a quarter of the land in Greece was arable. Agricultural cooperatives had developed along Raiffeisen lines, but literacy was a problem. Through the ICA, Swedish and other cooperatives had helped with training and with the establishment of consumer cooperatives.

Developments in Latin America

Señor H. BALLESTEROS, Colombia, said that the Swedish Cooperative KF, through its secretary, Dr. Bonow, and with the help of the Organisation of American States and the Organisation of the Cooperatives of America, had arranged a conference in Scandinavia for leading cooperators from Latin America. Many of the delegates had been able to

visit the ICA Congress and were going on to a conference in Lisbon. It was hoped that this would help the Organisation of the Cooperatives of America to develop a five year plan for cooperative integration in Latin America, and to establish a Centre for Cooperative Integration there.

Dr. W. SOMMERHOF, Chile, said that regional associations of cooperatives could help to make those in underdeveloped countries less dependent on governments. He also thought that joint organisations might be established for processing etc.

Mr. R. AHMED, Pakistan, said that cooperative technical assistance through the ICA should be given every encouragement because there were no political strings as with some other forms of aid. Agencies such as the FAO and the ILO should undertake training programmes and set up institutions in the underdeveloped countries themselves with the ICA providing know-how; perhaps one in Asia, two in Africa and one in Latin America. New international cooperative trading organisations could help to provide capital and know-how.

Dr. A. LAIDLAW, Canada, warned Congress of the danger of raising hopes that it might not be possible to fulfil. He thought there were, perhaps, too many investigations and too few volunteers for the real hard work of getting cooperatives going. Thirdly, cooperators in all countries needed to remember people at home in need of help. He thought cooperatives in different countries should specialise more in the kind of help they gave. Canadians had know-how in agricultural cooperatives: they had just built a modern fertiliser plant, and had modern milking plants and manufactured farm machinery.

He thought the ICA should concen-

trate on coordination, information about what others were doing, technical publications and cooperation with international agencies. He agreed with Mr. Alexander about government finance for technical assistance. Canada had French and English speaking cooperative colleges and the universities were joining in helping cooperative development. Canadians believed not only in bilateral technical assistance but in multilateral assistance through the ICA.

Help from Scandinavia

Mr. W. R. KAPINGA, Tanzania, said his country was grateful for technical assistance received from Scandinavian countries and from CUNA. Care was needed in choosing volunteers—cooperative development was often a difficult job and ploughing back the fruits of aid to enable cooperatives to support themselves was important. Cooperators in different countries could all learn from each other. Scandinavian cooperators had done much to help Tanzanian consumers' societies to compete effectively with established private traders.

Professor P. LAMBERT, Belgium, hoped that the Central Committee would produce a report on the experience and successes of established cooperatives in giving technical aid to cooperatives in underdeveloped countries. There were also lessons to be learned from failures. A commission of experts might collect information both from people giving advice and from those they helped. Such a report would help those giving assistance to avoid mistakes and would also be a help to those who were without such assistance.

In replying to the debate, Mr. ALEXANDER said he thought there had been a most useful and lively discussion of technical assistance for cooperatives.

It was better to use this phrase than to talk about cooperative technical assistance, as the word "cooperative" was used by international agencies in many different contexts.

The Central Committee would oppose the Czechoslovak amendment to the resolution. The reference to 10 per cent of the value of technical aid had not been meant to indicate compulsion but merely to give some guidance as to what was thought would often be appropriate.

He looked forward to cooperation with the various international agencies in a way which would avoid any duplication of effort. He agreed about the importance of the role of the ICA as an information centre and about the importance of having the right kind of experts. If they were briefed when they went out they often brought back much information that was new and useful.

The Regional Office in India was being reorganised along the lines suggested. He agreed with Mr. Glen about the importance of cooperation between credit unions and other cooperatives. The ICA was keeping in touch with the OCA office and the ICA Executive was likely to give full consideration to Mr. Ahmed's suggestions. Mr. Alexander added that he agreed with Dr. Laidlaw's points about the functions of the ICA.

The Czechoslovak resolution was withdrawn and the Technical Assistance resolution was approved unanimously.

The 23rd Congress of the International Co-operative Alliance:

In reviewing its long-term programme of co-operative technical assistance outlined at the 21st Congress in Lausanne in 1960;

Notes that in answer to demands from developing countries cooperative assistance has to an increasing extent been provided in the forms of courses of instruction, study tours, technical meetings, training attachments, pilot and de-

monstration projects, feasibility surveys, literature, equipment and specialists for planning and for taking up key posts and training counterparts; but in spite of the considerable progress made since the appeals contained in the Resolution on Promotion of Cooperation in Developing Countries of the 22nd Congress at Bournemouth in 1963, the assistance so far rendered is grossly inadequate to meet the immense and urgent needs manifested in the present world situation; therefore

Requests affiliated Organisations to do their utmost to develop and increase their projects and programmes for rendering aid and promoting trade across national boundaries; and

Urges renewed financial support from all movements for the Development Fund of the ICA and where appropriate to a minimum extent of 10 per cent of the value of national co-operative technical aid rendered by cooperatives each year to other countries, so that the ICA may carry its vital work as an International Centre for Co-operative Technical Assistance, equipped to provide all information about past and current programmes, to provide a calendar of forward events, to help with the briefing of experts, to provide occasional items of multi-lateral assistance in order to supplement bilateral operations, and generally to fulfil a central promotional, supporting and coordinating rôle in close collaboration with the UN Agencies and other international bodies, with consequent increase in the effectiveness of the total aid rendered.

The following wished to speak in the debate on Technical Assistance but were unable to do so:

Mr. E. Wijesuriya, Cooperative Federation, Ceylon; Mr. F. Owen, Co-operative League, USA; Mr. Onagoruwwa, CUWN, Nigeria; Mr. M. A. Gilboa, Hevrat Ovdim, Israel; Mr. N. Verlinsky, Hevrat Ovdim, Israel; Mr. N. Thedin, KF, Sweden; Mr. S. Dreyer, Cooperative League, USA; Mr. G. Jacobson, Cooperative League, USA; Mr. P. Appavoo, Cooperative Union, Singapore; Mr. Z. Engel, Peasant Self-Aid, Poland; Mrs. M. Buresova, URD, Czechoslovakia; Mr. C. Mateescu, Centrocoop, Roumania; Mr. M. Radetzki, KF, Sweden.

SEVENTH SESSION:

Wednesday, 7th September, (evening)

DEBATE ON RULES OF ICA

(continued from p. 26)

When the debate on the Rules of the ICA was resumed, the discussion on Resolution No. 4, *Size of the Executive Committee*, continued.

Mr. B. PERKASH, India, said that the rejection of the resolutions about the abolition of individual and associate membership made it all the more necessary to increase the number of places on the Executive and give developing countries fairer representation. So far as he knew the ICA was the only workers' organisation without equal voting and there should be a reservation of places on the Executive for developing countries so long as voting was linked to subscription.

Mr. J. J. A. CHARBO, Netherlands, said that the Executive was not a policy-making body and that its members represented the Central Committee, not member organisations. If any representation of interests was necessary it should be to ensure that categories of society such as consumers', agricultural, artisanal etc. were given a voice, rather than to attempt any kind of geographical representation. Into which groups of countries, he asked, would Spain and Australia fall?

If social, economic and geographical criteria were accepted the Executive would become unduly large. Moreover, the ICA was precluded by Rule 36 from paying the expenses of members of the Executive and some organisations might find it difficult to pay these and find Europeans to take their place at meetings of the Executive. This problem could be solved by all member organi-

sations contributing to meet the expenses of members of the Executive after an amendment of the Rules.

The Central Committee recommended the rejection of Resolution No. 4.

Mr. I. KRUMIN, USSR, said that almost a score of organisations had come in since 1963 and 85 per cent were from socialist or developing countries. An increase in the size of the Executive would facilitate its work and make it more united.

The Resolution was lost on a show of hands.

Composition of the Executive

Signor P. Di CORPO, Italy, on behalf of the *Associazione Generale delle Cooperative Italiane*, moved Resolution No. 13 proposing that the number of members of the Executive should be increased from 14 to 16. The Resolution left to the Central Committee the election of the new members, but he hoped they would be from outside Europe and that the representation of agricultural cooperatives would be strengthened.

Half the members of cooperatives might be European, but in 1963 only 98,876 out of 542,812 societies were European, and there were 96,000 agricultural societies against 51,000 consumer societies.

Pakistan and the USA were the only non-European countries represented on the Executive and if its membership were increased to 16, absences would be less disturbing.

Mr. F. F. RONDEAU, USA, said his delegation supported Resolution No. 13. The membership of the ICA was increasing and was drawn from more countries. He realised that it was a mistake for executives to be too large, but thought that representation from an area such as Latin America could make

a real contribution to the work of the ICA Executive.

He thought that Rule 36 should be changed so as to relieve members of the Executive of at least some of their expenses.

Signor W. BRIGANTI, Italy, said his delegation supported the Resolution and thought changes in the composition of the Central Committee should be reflected in changes in the Executive.

Mr. J. J. A. CHARBO, Netherlands, said that the Central Committee and the present Executive opposed the Resolution. It would not be possible to solve the financial problems until Rule 36 had actually been amended.

Signor DI CORPO, in replying to the debate, said that he did not think the financial argument was satisfactory. In electing members to the Executive from outside Europe the Central Committee would be able to take into consideration their probable ability to attend regularly. Agricultural cooperatives were of increasing importance.

Resolution No. 13 was carried on a card vote by 388 votes to 361 and Rule 36 was amended:

The Executive shall consist of the President, two Vice-Presidents, and thirteen other members elected by the Central Committee from amongst its members immediately after each Congress.

The ICA Secretariat

Mr. M. UTKIN, USSR, moved Resolution No. 5, in which *Centrosoyus* proposed that ICA staff should be recruited so as to include representatives of cooperatives from different social and economic systems and geographical regions.

He said that the secretariats of organisations such as the ILO, UNESCO and WHO included people from a variety of countries as a matter of rule, whereas the ICA headquarters was mainly staff-

ed by people from Britain. He had no criticisms of members of the staff but suggested that translations and research might be better if they came from a variety of countries.

Different countries were circulated when vacancies arose and there were members on the staff from various countries, but they did not represent those countries. He thought the staff should include more people from other countries and from countries with different social and economic systems.

Mr. V. ULRICH, Czechoslovakia, said the staffs of organisations such as FAO were able to draw on the experience of the many different countries from which they came and were fully international in character.

Mr. W. G. ALEXANDER, Director, in replying to the debate, said that qualifications for staff recruited by the ICA included languages, the prospect of a reasonable length of service, and interest in the cooperative movement and an international outlook.

National movements were sometimes reluctant to release qualified people for long periods; and resources to meet travel and other allowances were limited. Vacancies for senior posts were notified to national organisations but few applications were received. The salaries and allowances needed to attract people from long distances would mean reducing work output by a third or a half. Those working for the ICA and other non-governmental organisations had no tax exemptions like employees of UN Agencies, but the ICA had only lost one person to a governmental organisation.

In August 1966 there were 34 posts paid from ICA headquarters in London. There was an American at UN Headquarters, New York; a Swiss with the UN at Geneva, a Norwegian trainee and

a post that had been held by a Hungarian national.

Of the 30 people working in London there were two Austrian nationals, one American national, two French, one Indian and three Swiss. Of the remaining 21 British citizens one had been born in Latvia, USSR, one in Yugoslavia, two in the United Arab Republic, one in South Africa, one in Czechoslovakia, two in Germany and one in Sweden. The remaining 12 had been born in the United Kingdom.

Mr. UTKIN said the Director seemed to be giving the impression that there were no people with linguistic knowledge and the right kind of experience in the Soviet Union. The people on the ICA staff from outside the UK were not governmental representatives and the person from Latvia could not represent the USSR. Finance was a complicated question. The President strongly rejected the suggestion that the Director held the view that there were no people in the USSR with the intellectual capacity to serve on the ICA staff.

The resolution was lost.

THE DEBATE ON PEACE

Mr. J. VOORHIS opened the discussion by reading Resolution No. 6 on Peace, which had been submitted by the Co-operative League of the USA; and then withdrawing it in favour of the Central Committee's Resolution on Peace, No. 16.

M. M. BROU, France, then moved Resolution No. 16 on behalf of the Central Committee.

He said that a great international organisation like the ICA had to speak its mind on the problem of maintaining peace. He thought that the American resolution was excellent and would have been endorsed if it had not been with-

drawn, but they were concerned with Resolution No. 16, which had been approved unanimously by the Central Committee. The danger of escalation was real and he hoped that the resolution would be approved unanimously by Congress as had the resolution at the Prague Congress in 1948. Economic systems differed but they were all cooperators.

The situation in South-East Asia was critical, and he was therefore moving a non-partisan emergency resolution on Vietnam which said:

"The 23rd Congress of the International Co-operative Alliance, representing over two hundred million cooperators throughout the world:

EXPRESSES its grave anxiety over the present situation in Vietnam and the possible consequences for world peace that may result from it.

APPROVES entirely the untiring efforts of the Secretary General of the United Nations to facilitate a peaceful settlement of the conflict, and

INVITES all parties directly or indirectly involved in the Vietnam war to spare no effort to promote the conclusion of a provisional agreement on an immediate cease fire as constituting one of the essential preliminary conditions to the beginning of negotiations aimed at re-establishing a lasting peace, thanks to which the Vietnamese people shall be able to undertake the reconstruction of their country devastated by war."

M. BROU appealed to all delegates to think hard before supporting any amendments as a resolution which was unanimous would carry more weight.

Mr. C. MATEESCU, Roumania, said that the world spent \$150 billions a year on arms; and moved three amendments to Resolution No. 16 on Peace. The first added words about the United Nations' contribution to peace to the fifth paragraph; the second deleted references to peacekeeping forces; and the third called for the destruction of nuclear weapons and a ban on their production.

His delegation supported the resolution on Vietnam but regretted that it did not describe the USA as an aggressor.

M. BROR said that the original resolution effectively covered the points made in the Roumanian amendment and that the Roumanian delegate had taken a partisan attitude which the Central Committee could not endorse.

The Roumanian amendment was lost on a show of hands.

Mr. M. DENISOV, *Centrosoyus*, USSR, moved an amendment to Resolution No. 16 on Peace which proposed the addition after paragraph 7 of an additional paragraph as follows:

"Condemns intervention in the internal affairs of other states, the application of force or pressure by force in international relations; stands for the complete prohibition of atomic weapons, for the liquidation of military bases on foreign territories, for the development of equal international economic cooperation and the final liquidation of colonialism and racism."

He regretted that the emergency resolution on Vietnam made no attempt to identify the aggressor and no mention of the use of napalm or gas; and made no mention of the withdrawal of foreign forces, the liquidation of their bases, or the Geneva Agreement of 1954. His delegation could not support the emergency resolution and suggested an alternative version.

The President said that the vote on the Russian amendment and the debate would continue the following day. (See p. 53).

EIGHTH SESSION:

Thursday, 8th September, (a.m.)

STRUCTURAL CHANGES IN COOPERATIVES

Mr. A. KORP, Austria, opened the dis-

cussion of the report on Structural Changes in Cooperatives by recalling that the President had drawn attention to this trend towards larger and more centralised organisations in 1960. These changes were absolutely necessary, were proceeding rapidly and should be encouraged. They were essential for effective competition with giant corporations and state monopolies.

These changes did not involve any abandonment of cooperative and democratic principles, but it was important that effective democracy should be maintained in spite of rationalisation and centralisation. The trend affected all types of cooperatives, but the problems were different in western, eastern and underdeveloped countries.

These structural changes were expensive to put into effect. In "federalist" organisations there was a need for long term agreements between primary cooperatives and national and regional bodies, or alternatively there could be coordination and integration through new institutions.

In some countries one national organisation had been created, but when this was done it was essential to maintain effective democratic control by members. A resolution from the Cooperative League of the USA, which had been withdrawn, drew attention to the problem of maintaining effective member participation in large cooperative organisations.

Important changes were being made in many countries. Mr. Korp said he agreed with an amendment from the FNCC, France, which proposed to combine paragraphs 1 and 2 in a single opening paragraph.

The President said that the French amendment had also been acceptable to the Central Committee.

M. M. BROR, France, thought it essen-

tial to give cooperative organisations more cohesion and economic strength. The number of societies in France had been reduced from 1,500 to 400 and 90 per cent of operations were carried out by 40 of these. There were also strong regional organisations. Some views that had been expressed at the ICA meetings in Helsinki seemed to him incompatible with the cooperative spirit.

A federal structure necessarily meant some loss of sovereignty to primary organisations and the voluntary transfer of powers to federal organisations. Those who advocated a more centralised and "authoritative" structure often did so with regret and emphasised the importance of safeguarding democracy at the same time. Cooperative democracy should be strong enough to control the centralised authority which circumstances had made necessary. Freedom was as important as efficiency.

Structural Reforms in Sweden

Mr. G. ETZLER, Sweden, said that his country was unlikely to seek integration through long term agreements. A report on structure would be published next year and would be likely to propose strong local societies belonging to from six to eleven regional associations, as well as a national organisation rather than a single national society.

There were now less than 4,000 cooperative shops in Sweden, less than half as many as in 1952 and the number might be further reduced to about 1,100. On the other hand, there were now about 135 department stores which accounted for 37 per cent of cooperative sales. In five years there might be 180, of these with 50 per cent of sales.

These rapid structural changes involved educational and training programmes and the support of the cooperative press,

and the Central Union had made adequate finance available for this. Sweden supported the resolution and the French amendment.

Mr. J. VOORHIS, USA, said the Cooperative League heartily supported the resolution as amended. Cooperatives had to be efficient to meet competition and at the same time meet human needs. Man's basic need was for sufficient food, and Mr. Voorhis welcomed the efforts of the Agricultural Committee of the ICA to increase trading between agricultural and consumers' cooperatives, and stressed the importance of cooperative processing plants and credit organisations. Housing, credit and consumer cooperatives helped to reduce the alienation and loneliness of many people who lived in great cities.

Cooperatives helped wealthier nations and people to help those less well off than themselves. At the same time they helped to bridge the gap between older people and the rising generation.

Finally, said Mr. Voorhis, cooperatives helped to bring peace among peoples. For example, rivalry between the great oil companies was a source of conflict, whereas ICPA was based on mutual aid.

A New Bulletin?

Mr. T. TAYLOR, Great Britain, said that successful trading was fundamental to all other cooperative activities and trading conditions were getting tougher. Survival depended on adaptation.

The great international companies had been increasing their efficiency by vertical integration, exercising control over operations from primary producer to the consumer, from the farm gate to the kitchen door. Efficiency was essential if prices were to be competitive. This meant first-class management with adequate authority and vertical integra-

tion: with the entire structure working within the democratic system.

Democracy was very different from anarchy. It meant free and voluntary co-operation for agreed objectives. A six-monthly bulletin of how European co-operatives were tackling structural problems would be useful. If the ICA could produce such a bulletin it would help co-operators to learn from each others' experience.

Mr. H. WEBBER, Canada, said that in his country agricultural co-operatives were of major importance, marketing grain, dairy produce, poultry and other farm products efficiently and on a large scale. A large dairy cooperative, competing with capitalist concerns, even raised broiler chickens in competition with its own members.

Cooperatives had been instrumental in electrifying about 95 per cent of the farms and had saved the government money. Government guarantees had been useful to farm machinery co-operatives. Canadian cooperatives had done much to raise living standards at home and abroad by housing loans and in other ways.

Democracy and Efficiency

Dr. W. RUF, Switzerland, commended the report and the resolution, but laid stress on the need to safeguard cooperative concepts and principles and to remember always the human being who could not be rationalised and integrated as if he were an organisation. Many were concerned about the consumer; and the ICA provided an admirable public platform. The maintenance of democracy was important as well as an increase in efficiency.

Mr. L. HARMAN, Canada, said that in his country many cooperative managers thought not so much of the "cooper-

ative movement" but of cooperative businesses competing with capitalist concerns and facing many of the same kind of problems. Rapid integration into larger units was even more important in supply and marketing agricultural co-operatives than in consumer societies. A petroleum refinery or a nitrogen fertiliser plant cost \$30 million—equivalent to the total assets of the regional cooperative he managed.

The big international oil and fertiliser companies were retailing their products to farmers themselves. Feed manufacturers might control farmers producing eggs and poultry and also factories processing them. Wholesale and retail supply cooperatives needed to be merged in large regional organisations to stand up to this kind of competition, and they should themselves undertake manufacturing. Large scale marketing organisations needed their processing plants.

In Canada a third of the retail cooperatives had merged with wholesale societies or with each other and another third were likely to do the same in the next two years. Inter-regional and even continental or multi-national joint action was also needed. In East Germany and Czechoslovakia, as in Denmark and Ireland, agricultural cooperatives were also increasing the scale of their operations.

Mr. F. Los, Poland, said that rationalisation and integration were going on in his country as elsewhere. Some 360 consumer societies were to be reorganised as 22 large cooperatives. This would help the mechanisation of accounting and also advertising and marketing.

Some 900 "peasant self-aid" rural supply and distribution cooperatives had been merged into larger units, and the same kind of thing was happening in other cooperatives. But the cooperative

principle of self-government was maintained and the interest of consumer members fully safeguarded.

Mr. J. F. van NETTEN, Holland, said that while structural problems were different in different countries, as Mr. Korp had said, the exchange of information was useful. Managerial problems inherent in reorganisation had been neglected and the expectation of structural reform sometimes delayed regional development. A bulletin of the kind suggested by Mr. Taylor would be useful, or the Alliance could set up a small committee of experts from countries where reforms were in progress.

Mr. P. SØILAND, Norway, said that while many other organisations achieved their aims by talking and persuasion, cooperators were engaged in practical work. At one time cooperatives had been stronger than the small traders with whom they competed, but nowadays cooperatives had to reorganise to face tough competition from chains and combines.

Mr. Sjøiland thanked Dr. Bonow for the paper he prepared in 1960 and Mr. Korp for his introduction. He said that it was necessary to rationalise cooperative organisations so that quick decisions could be made, but it was at the same time essential to maintain effective democratic control and to make members feel they were taking part in an interesting and modern movement. Educational work and first class management training were of great importance.

Cooperative Computers

Mr. F. METZLAFF, Denmark, thought that technical and economic considerations would eventually lead to a single national organisation though this was not in itself a guarantee of efficiency. He thought efficiency would continue to

increase with the size of societies—which pointed in the end to national integration. Electronic data processing could only be fully used by large organisations, and it was a technique as significant as steam had been in its day. One computer in Copenhagen served all consumer societies as well as the FDB. The Danish consumers' societies had accepted national integration as their ultimate objective.

Mr. O. MOBÄCK, Sweden, Secretary of the Swedish Commission on Cooperative Structure, thought that concentration on the legal question of federative or non-federative organisation was a little too formal. It was necessary to use devices such as operational analysis and data processing and produce a structure which was well-balanced and could adapt itself to changing circumstances. Developing a technique for cooperative decision-making under dynamic conditions was more important than legal changes.

The Struggle against Monopolies

Professor G. BLANK, USSR, commended the report introduced by Mr. Korp and recalled a table showing that in 26 countries the number of cooperators had increased by 34 per cent while the number of societies had declined by 30 per cent between 1953 and 1963. This trend had been clear in the Soviet Union and Eastern Europe as well as in the West. The number of cooperatives in the Soviet Union had declined by 31 per cent over the period, in Bulgaria by 63 per cent and in Czechoslovakia by 83 per cent.

But the causes and consequences of this concentration differed. In the West it was caused by capitalist competition. In Britain the cooperative share of trade was declining in spite of mergers. Co-

operatives in the West should work more closely with the trade unions against the combines. On the whole cooperatives were larger in western than in eastern Europe; the average number of members in the Soviet Union was only 3,000 and half that number in Bulgaria. His delegation would not object to the resolution—as Mr. Korp had indicated that it applied primarily to western countries.

Mr. L. SMRCKA, Czechoslovakia, agreed with Professor Blank that the reason for structural changes in cooperatives in western countries were mainly due to the ever-growing pressure and impact of capitalist monopolies. Cooperatives were being forced to adopt similar forms of organisation and had to be careful to preserve cooperative principles. The influence of members tended to decline as power was concentrated in the hands of management, and this was a danger to the democratic basis of cooperatives. They should join more actively with other organisations in the struggle against monopolies.

Mr. S. NAKABAYASHI, Japan, said that cooperatives in his country were also expanding, modernising and grouping into larger units. They were very interested in supermarkets. He said that education and member participation were important in maintaining the true spirit of cooperation.

Dr. W. SOMMERHOF, Chile, said that studies of structural problems were being published in Latin America. In Chile there were several national agricultural cooperatives marketing different products and regional consumers' societies undertook both wholesaling and retailing.

OCA and FEDERSOC were established in Latin America for the dissemination of technical information, the promotion of better administration and the

study of structural problems. Perhaps the ICA could send people to a conference in Chile next year which is to make recommendations on structural changes. Much help had been received from the Cooperative League of the USA in forming OCA and FEDERSOC and in giving technical assistance for electricity cooperatives and cooperative banks and insurance societies.

Mr. W. BINDREITER, Austria, emphasised the importance of cooperatives maintaining a close connection with their members. Contacts between different kinds of cooperatives should also be improved both nationally and internationally. The moral values of cooperation contributed to the solution of economic problems.

The Spirit of the Pioneers

Mr. J. AMES, Sweden, said that many cooperators seemed too much on the defensive. Cooperators had been pioneers in the past, as with self-service and regional warehousing. How was it that cooperators had lagged behind in innovation in the last fifteen years?

Instead of being on the defensive against the capitalists, cooperators should be studying the interests of consumers and devising ways of meeting their needs. Cooperators should be more aggressive and take the initiative in fields such as automation, electronics, and direct delivery, and undertake more research.

Dr. L. Malfettani, Italy, said that integration was important in agricultural cooperatives concerned with processing and marketing so as to increase their bargaining power. Changes were less necessary, he thought, in retail societies but multi-purpose societies were useful in developing countries. Vertical integration could help to secure the participa-

tion of members in the decisions of agricultural cooperatives. The living standards of families depended upon the prices secured by their cooperatives for their produce.

While consumer societies often found difficulty in getting 10 per cent of their members to attend meetings, agricultural societies often had attendances of 80 per cent or 90 per cent. The turnover of Italian rural credit societies now exceeded 300 billion lire and an Institution of Rural Credit Societies was being set up. Italy supported the French amendment.

Signor E. BENTINI, Italy, said that the growing strength of capitalist companies produced problems for agricultural and consumers' societies. Cooperatives sought to maintain fair prices for consumers and an adequate living for producers. The report had important things to say about the development of multipurpose agricultural cooperatives supplying their members as well as processing and marketing their output, maintaining close relations with consumers' societies and providing expert services—as with credit facilities, accountancy and publicity.

He also noted the development of small partnerships of a pre-cooperative character which were encouraged in some countries by legislation. Cooperatives should maintain friendly relations with such partnerships. It was important to maintain the independence of cooperatives and the market power of small farmers through their cooperatives. Changes in structure were important in meeting the competition of capitalist combines.

In replying to the debate, Mr. Korp said it had been an interesting discussion and particularly welcomed the Danish, Soviet and Japanese contributions. He agreed with the Polish del-

egate that the possibility of getting the ICA to provide more information should be studied. The contents of Resolution No. 7, which had been withdrawn, should be borne in mind and might be discussed by the Central Committee. He agreed with Dr. Sommerhof that structural problems were also important in developing countries.

The resolution, as amended by the French delegation, was accepted unanimously.

The 23rd Congress of the International Co-operative Alliance:

Considering that the International Co-operative Alliance, acting as a forum for national cooperative experience, is constantly engaged in studying and evaluating the structural changes which are taking place in cooperative organisations throughout the world;

Recognising that these studies were given a special impetus at the 21st ICA Congress in Lausanne in 1960 through the discussion on "Cooperation in a Changing World";

Noting that further consideration has revealed the extent to which problems do arise for cooperatives throughout the whole world as a result of the need for structural change, or during the process of such constant change;

Having decided to give special consideration to the changing relations between local cooperative societies and their national organisations, especially in consumer and agricultural cooperative movements, and in particular to methods of assuring the continued application of democratic control;

Finds that the structural form for a cooperative movement depends on the social and economic conditions of each individual country which create differing prerequisites, and on the national legislation which may influence the application of new structural principles;

Stresses the relation of structural problems to the differing aims of organisations and the need for structural change constantly to be brought into line with the Co-operative Principles;

Recognises the interdependence of organisational structure on the one hand and the psychological pattern and level of education of members and leaders on the other hand; along with structural changes of an economic nature, there should take place also corresponding im-

improvements in educational programmes, to the end that the values of broad membership and ownership which have heretofore marked the best of cooperatives shall not be lost;

Recommends that the cooperative movement should concentrate all of its forces to ensure maximum efficiency under modern competitive conditions, and at the same time take care that:—

1. *Within the framework of the federal concept it should be guaranteed that important decisions of competent authorities of a national organisation are carried out effectively by all concerned in such a manner that unity of action in such strategic fields as purchasing, marketing, price policy, production, structural development, investment policy and education is ensured. This can be achieved by a system of long-term agreements between primary societies and their regional and national organisations or by institutional forms for a collaboration which will secure a continuing coordinated policy for the whole movement.*

2. *Where it is the intention to achieve unity of action through integrating cooperatives, in different branches, by successive stages, into national cooperatives, steps are taken to ensure retention of the basic principles of full cooperative democracy.*

THE DEBATE ON PEACE

(continued from p. 47)

After the close of the debate on the Wednesday evening the Czechoslovak and Soviet delegations tabled amendments to the emergency resolution on Vietnam proposing the deletion of the words "directly or indirectly involved" and also the word "provisional".

Mr. J. VOORHIS, USA, said his delegation supported the deletion of the word "provisional" but thought that the deletion of "directly or indirectly involved" would take the heart out of the resolution. The USA earnestly desired to bring the war in Vietnam to an end.

Mr. M. CAPEK, Czechoslovakia, said the resolution on peace was acceptable to his delegation but that the amendments to the emergency resolution on

Vietnam were necessary. He did not believe that a majority of Americans supported the policies of their government and the danger of a world conflagration was real.

Mrs. M. LONSDALE, Great Britain, read a letter from the Women Cooperators' Advisory Council to the Director of the ICA urging that it should work wholeheartedly for peace.

A Message to U Thant

Mr. G. SCHAFFER, Great Britain, said the ICA was the one international organisation that had survived the tensions of the cold war and could speak for hundreds of millions of people throughout the world. He did not think the Czechoslovak amendments strengthened the emergency resolution on Vietnam. He proposed that a message should be sent from the Congress to U Thant urging him to reconsider his decision not to stand for re-election. He thought the ICA representative at Geneva should be pressing more strongly for peace with the Commission on Disarmament.

The Annual Conference of the British Cooperative Party had called for a world conference on disarmament to which all nations would be invited whether they belonged to the UN or not. He urged that the ICA should support this demand.

Mr. Carl-Albert ANDERSON, Sweden, said the resolution on Vietnam was too weak. It should have said something about the bombing of civilians. The barbaric methods of American army leaders were costing the country much goodwill.

Mr. T. TAYLOR, Great Britain, supported the resolutions and emphasised the need for cooperators to build bridges and assert the things they had in common like the new statement of prin-

ciples accepted by all cooperators.

Mr. N. THEDIN, Sweden, paid tribute to Mr. Voorhis who was retiring from his post with the Cooperative League and to the American resolution that had been withdrawn. He supported the Central Committee resolutions and hoped that amendments would be withdrawn. He supported the proposal that a message should be sent to U Thant.

Mr. C. MATEESCU, Roumania, said that aggression was being committed in Vietnam and that the ICA should take a firmer position.

NINTH SESSION:

Thursday, 8th September, (p.m.)

When discussion was resumed, Dr. A. F. LAIDLAW, Canada, said that a large majority of Canadians condemned the war in Vietnam and the crushing of peaceful people by military machines.

His delegation regretted that the Vietnam war was being debated, but thought that Congress should call for an immediate cease fire, condemn all forms of barbarity, speak with one voice to national governments and support the concept of international action by the UN. He hoped that amendments would be withdrawn and that the proposed message would be sent to U Thant.

Mr. G. JORDANOV, Bulgaria, said his delegation supported the Soviet amendment to the resolution on peace and would abstain on the Vietnam emergency resolution.

Mr. J. VOORHIS, USA, said the Vietnam war was a horrible tragedy. The Americans wanted to negotiate and wished the other side was also willing to do so. The USA had agreed to U Thant's three point proposals.

Mr. B. PERKASH, India, said his coun-

try had won its independence by non-violent means. More countries were seeking to acquire nuclear weapons, but the more that was spent on arms the less was available for human needs.

Dr. G. BANCHIERI, Italy, said that his organisation believed that an end to the bombing in Vietnam was essential for a negotiated settlement on the basis of the Geneva Agreements. His delegation supported both resolutions.

Señor M. PALACIN, Argentina, supported the resolution on peace.

In replying to the debate M. Brot said that it was not only the atrocities but the whole war that had to be condemned.

He thought the *Centrosoyus* amendment to the resolution on peace was dangerous; but the Central Committee agreed to the deletion of the word "provisional" from the Vietnam resolution. It did not, however, agree to the deletion of the words "directly or indirectly involved".

He appealed to delegates, for the last time, to still their own feelings and preoccupations and make the vote unanimous.

Mr. M. DENISOV, *Centrosoyus*, USSR, said the amendment he had moved would not be withdrawn and that it dealt with realities. His delegation thought that the resolution on Vietnam was not objective.

The *Centrosoyus* amendment was lost on a show of hands and the Central Committee's Resolution on Peace, No. 16, was carried unanimously.

The 23rd Congress of the International Cooperative Alliance, in the name of its 206 million members:

Confirms that the International Cooperative Movement is conscious of its duty to dispel the anxiety of mankind faced with possible destruction by war, and declares its ardent will for world peace;



Further confirms its belief that war today is more hateful than ever before in the history of mankind, and urges all forces of peace in the world to act together, consistently and with energy, so that world peace will be secured;

Emphasises that peace is the requirement for economic and social development and the fundamental condition of all progress of mankind;

Acknowledges the forces of peace operating in the world today; confirms its belief in the work of the United Nations Organisation; salutes the wisdom and humanity of those statesmen who seek to settle international disputes by negotiation and peaceful methods and who reject war as an instrument of state politics in our time;

Exhorts the Governments of the world to accept the rule of international law and give their support, financial and moral, to international peace keeping forces; and

Declares that the moral forces which stem from the hundreds of millions of Cooperators throughout the world are constantly supporting all policies, including test bans on nuclear weapons, for a realisation of the paramount need of humanity for disarmament and peace under effective and practical international control, thus releasing productive resources, now devoted to armaments, for urgent diversion to the task of reducing hunger, want, economic insecurity and the threat of imminent famine which are casting their dark shadows over the world.

The Czech amendment to the resolution on Vietnam was lost on a show of hands.

The resolution on Vietnam, with the deletion of the word "provisional" was carried.

The 23rd Congress of the International Co-operative Alliance, representing more than two hundred million cooperators in all continents,

Expresses its grave concern over the present situation in Vietnam and its possible consequences for world peace;

Supports wholeheartedly the untiring endeavours of the Secretary General of the United Nations to pave the way for a peaceful settlement of the conflict; and

Urges all parties, directly or indirectly involved in the war in Vietnam to do their utmost to bring about an agreement on an immediate ceasefire as a first essential prerequisite for negotiations aiming at a constructive and lasting peace for the war-stricken Vietnamese people.

There were fifteen abstentions by delegates from the Soviet Union, Czechoslovakia, Bulgaria, Roumania, Poland and Hungary.

After the vote, Mr. Denisov, explained that his delegation had abstained because of what he described as the monstrous crimes of the American aggressors in Vietnam.

Congress then agreed unanimously that a message should be sent to U Thant urging him to reconsider his decision to resign.

The Struggle against Capitalist Monopolies.

Mr. T. JANCZYK, Central Agricultural Union of "Peasant Self-Aid" Cooperatives, Poland, withdrew Resolution No. 10 on the struggle against capitalist monopolies.

He said he recognised that there was insufficient time to debate this important question and urged that the Central Committee should discuss the Polish resolution and frame a resolution of its own on the subject.

The President thanked Mr. Janczyk and said that the matter would be discussed by the new Central Committee and that it might well be able to frame a resolution.

Housing

Mr. S. KYPENGREN, Sweden, Chairman of the ICA Housing Committee, then moved Resolution No. 12 on housing. He said people in Sweden spent from 22 to 25 per cent of their income on housing when they lived in new houses. Interest rates were high and capital was a problem in cooperative housing.

Cooperators had contributed to the discussion when the Economic Commission for Europe held a seminar on housing in Paris in the spring of 1965. Hous-



8624
1-6-72

ing in underdeveloped countries was a big problem and the resolution called for a special UN Agency.

The resolution on housing was carried unanimously.

The 23rd Congress of the International Co-operative Alliance:

Finds that the present production of housing having regard to the increase of population, the urbanisation and the demand for modernisation of the housing stock in practically all countries of the world is insufficient to satisfy the present and future need for housing, and that the housing need and housing situation in the countries in process of development is particularly perilous and gives reason for serious concern and constitutes a human and social problem comparable to world hunger;

Notes that difficulties of acquiring suitable land for housing are a great obstacle to an increased production of housing, that the cost for such land has undergone an increase in practically all countries, and that in many places unrestricted speculative gains are made on the fundamental human right of access to land for housing. High land prices are an impediment for the authorities in their efforts to bring about good planning of cities and housing areas and can create unforeseeable difficulties;

Asserts that the lack of short-term and long-term capital for housing is another obstacle. The supply of capital is a crucial problem for the production of housing, perhaps felt more in this than in any other industry. In spite of considerable efforts in different countries with different economic systems, the question of a continuous adequate supply of capital for housing has not been satisfactorily solved. This problem must be subject to further international studies in industrialised as well as in developing countries;

Observes with concern that the rate of interest for capital, which constitutes a main factor in the price structure of housing in practically all countries, has now reached a higher level than at any time following World War II; that the public measures to make available capital for housebuilding on reasonable terms in most countries are inadequate;

These observations are some main facts having a decisive influence on the supply of housing from quality as well as quantity point of view. The importance of a good housing policy is evident to all. Consumers of housing should be safeguarded against economic and social exploitation. A reasonable cost of housing is a

consumer's interest having repercussions on an improved standard of living and increased private consumption.

The Congress

Urges the United Nations in an adequate way to work for increased understanding of the importance of satisfying the human right and need good housing constitutes;

Expresses its satisfaction with and adheres to the ambitious programme the United Nations Centre for Housing, Building and Planning has drawn up for its activity;

Requests the United Nations to expand its activities in this field by the establishment of a Specialised Agency for housing, similar to those of FAO and WHO, and that in this United Nations activity special emphasis should be laid on the application of cooperative methods for housing;

Urges national Governments to continue or renew their efforts to solve, on the national and international level, the supply of housing;

Declares that cooperative principles and methods where they have been used on housing have proved to be efficient and have satisfied not only the consumers' needs but also the needs of society itself, and that because of this, cooperative housing should be given opportunities and support to continue its activity, and that hindrances mentioned above should be removed or remedied.

International Trade

Mr. C. MATEESCU, Centrocoop, Roumania, moved Resolution No. 15 on the expansion of international trade and the improvement of trading relations. Roumania traded with over a hundred countries and had concluded long-term agreements with over a hundred countries and the importance of the first United Nations' Conference on Trade and Development was recognised.

The resolution was carried unanimously.

The 23rd Congress of the International Co-operative Alliance:

Believing that trade without limitation and discrimination is one of the most important factors for the economic development of all countries;

Recalling to mind the attention which is

being paid to the question of the development of trade among all countries; and

Bearing in mind the recommendation A 1 (3) of the first Conference of the United Nations on Trade and Development, which contains the guiding principles of international trade relations and economic policies promoting development and the particular importance of cooperative trade as an integral part of the international trade, and as such encouraging and strengthening the Cooperative Movement on the national and international scale;

Has decided to recommend to all the cooperative Organisations affiliated to the International Cooperative Alliance and their specialised committees to do everything possible to promote and extend international trade relations, maintaining the principle of equal rights and mutual advantages; and

To recommend to all the competent bodies of the Alliance to collaborate as closely as possible, and support the activities of the United Nations Conference for Trade and Development in order to come to an agreement on the principles governing international trade relations which is a prerequisite for the development of world commerce.

The Duties of the Central Committee

Mr. J. PODLIPNY, Czechoslovakia, withdrew the resolution of Ustredni Rada Druzstev, No. 14, on the duties of the Central Committee as there was inadequate time for discussion. He suggested that it should be referred to the new Central Committee.

Signor W. Briganti, Italy, had wished to speak on Housing; Mr. J. Podlipny, Czechoslovakia and Mr. Turssunov, USSR, had wished to speak on the Duties of the Central Committee; Mr. V. Novak, Bulgaria, had wished to speak on Individual Membership; Mr. F. Los, Poland, had wished to speak on the Size of the Executive Committee.

ICA Jubilee Triennial Prize

Mr. N. THEDIN, Sweden, a member of the International Jury, made an announcement about the sixth award of the ICA Jubilee Triennial Prize. Dr. W. Kellerhals, Switzerland, another member

of the Jury, was present and spoke, but the third member, Mr. A. P. Klimov, USSR, a Vice-President of the ICA, was unable to take part owing to sickness.

Mr. Thedin said 25 books had been submitted, six had been seriously considered and three were outstanding.

One of these was an interesting, informative and readable book by Dr. M. Boson on cooperation in Switzerland. Another was a book by R. Nyers about cooperation in Hungary.

But he and Dr. Kellerhals had decided to give the award to a book by an Afghan scholar who had become a Professor of Economics at the University of Lucerne.

Dr. KELLERHALS said the author, A. Ghanie Ghaussy, born in 1932 in Afghanistan, had studied in Munich and Hamburg; and that he had published his 350 page book in 1964. It was an original book on the cooperative contribution to the solution of economic problems, with new facts and ideas, and had useful material on the cooperative contribution to education in developing countries.

Nominations for the Central Committee

Mr. J. GALLACHER, the Administrative Secretary, said that Austria had withdrawn the nominations of Mr. Labak, Mr. Sagmeister and Mr. Schmidt and had nominated Dr. A. Korp and Dr. A. Vukovich. Mr. Strobl's nomination stood and a new nomination would be made.

The nomination of Mr. H. Meins had been withdrawn by the delegation of the Federal Republic of Germany and Mr. W. Peters had been nominated instead.

A nomination would be made by Chile which was represented on the Central Committee. Mr. M. Eshref had been nominated by Cyprus, and Mr.

A. Meyer by Switzerland.

The nominations from *Centrosoyuz*, USSR, were: Mr. Klimov, Mr. Denisov, Mr. Kondratov, Mr. Jakovenko, Mr.

Krumin, Mr. Koslov, Mr. Djavahidze, and Mr. Zouev.

Congress elected the following representatives of member organisations:

Algeria	P. Padovani
Argentina	C. Chiaraviglio
Austria	A. Korp*, L. Strobl, A. Vukovich
Belgium	C. Chaput, J. Konings, J. Lambert, P. Lambert*, R. Ramackers, J. Vandersmissen
Brazil	G. T. Inoue
Bulgaria	G. Jordanov
Canada	A. F. Laidlaw*, R. S. Staples, M. J. Légère
Ceylon	E. Wijesuriya
Cyprus	R. N. Clerides, M. Eshref
Czechoslovakia	M. Capek, J. Nepomucky, V. Novak, J. Podlipny, P. Poruben, L. Smrcka, P. Tonhauser
Denmark	P. N. Andersen, E. Groes, K. Møller, K. Nielsen, C. Pedersen
Eire	P. Kelly, P. Quinlan
Finland	L. Hietanen*, J. Jalava, P. Kuoppala, V. Loppi, M. Mustonen, K. Pietsalo, E. Salovaara, E. Särkkä
France	A. Antoni*, M. Brot*, F. Burette, M. Catelas, C. Cramois, M. Degond, G. Heitz, A. Morand
Germany	J. Bock, J. Brüggemann, H. Fischer, W. Flügge, W. Hesselbach, W. Peters, C. Schumacher*, C. Wiederkehr
Great Britain	H. Afford, E. P. Bell, C. Greenwood, J. Jacques, R. Southern*, T. Taylor*, T. Weir, H. W. Whitehead
Greece	J. Afendakis
Holland	G. J. Nijhof, J. F. van Netten*
Hungary	J. Szirmai
Iceland	E. Einarsson
India	B. Perkash, V. N. Puri
Iran	J. Sassani
Israel	J. Efter, A. Shtacher, A. Yadlin
Italy	G. Banchieri, W. Briganti, I. Curti, L. Malfettani, A. Mayr, S. Miana, A. Rossini, L. Vigone
Japan	S. Katayanagi, Y. Mori, S. Nakabayashi
Malaysia	A. Hourmain
Nigeria	E. T. Latunde, O. O. Oruwari
Norway	R. Haugen, P. Sjøiland*
Pakistan	A. Khan, P. A. Nazir, R. Ahmed*
Poland	Z. Engel, J. Ingot, T. Janczyk*, W. Kasperski, F. Los, J. Sobieszczanski, Mrs. Z. Staros, B. Trampczynski
Roumania	C. Mateescu
Scandinavia	L. Lundin
Singapore	P. Appavoo
Sweden	C. A. Anderson, S. Apelqvist, G. Blomqvist, M. Bonow*, G. Etzler, H. Hjalmarson, S. Kypengren, N. Thedin
Switzerland	Ch.-H. Barbier*, M. Boson, E. Debrunner, W. Gnaedinger, E. Herzog, H. Küng, A. Meyer, A. Vuilleumier
Tanzania	W. R. Kapinga
USA	H. A. Cowden, B. Doss*, S. Dreyer, R. Morrow, F. F. Rondeau, A. J. Smaby, J. Voorhis, L. E. Woodcock

USSR	M. M. Denisov, N. K. Djavahidze, V. K. Jakovenk, A. P. Klimov*, F. D. Kolesnik, I. A. Krumin, S. Turssunov, E. V. Zouev
Yugoslavia	M. Ivanovic

* Member of the Executive Committee.

THE PRESIDENT: Will Congress empower the Central Committee from now until next Congress to co-opt additional members whose nominations are received in accordance with the rules?

The Congress agreed.

Congress also agreed that the time and place of the next Congress in 1969 should be left to the Central Committee to decide.

Close of Congress

In winding up the Congress, the President, Dr. M. Bonow, said that the 23rd Congress of the ICA had been something of a landmark.

The new statement of principles and the report of the Commission on Principles were a guide to the world cooperative movement. The basic Rochdale Principles stood, while the circumstances in which they had to be applied changed.

The problem of technical assistance was very important to developing countries, and while the ICA coordinated action this field, the main contribution had to come from national movements.

While mention had been made of the technical assistance that had been given by the cooperative movements of Sweden and other Scandinavian countries, insufficient mention had, perhaps, been made of help given by other countries such as Britain, Canada and the USA. The Americans had succeeded in combining public money with cooperative know-how and this was a model for other countries. And there was the highly commendable Dutch decision made during the Congress.

The need for structural change, coordination, integration and cohesion was shared by cooperatives in all countries, but it was met in different ways in different countries. The exchange of information in this field was important.

It had been unfortunate that a number of delegates had not been able to speak in the debate on the new statement of principles and in that on technical assistance. Perhaps the answer to this problem was to meet for five days instead of four—or not to try to debate three very important subjects in one Congress.

The President ended by thanking the Austrians for their hospitality. He asked that the thanks of Congress should be extended to the Federal President's Office, the Prime Minister's Office and the Office of the Mayor of Vienna.

He went on to thank the Director of the ICA, the Administrative Secretary and the staff, and also the interpreters and Mr. Perrott and his collaborators who had recorded every word spoken at Congress.

Finally, M. Brot thanked and congratulated the President for the very successful way in which he had presided over what had been expected to be a difficult Congress.

The Central Committee had imposed a heavy agenda—perhaps too many subjects had been included and procedures might usefully be reviewed. But the President deserved the thanks of Congress for the skill with which he had conducted its business so that all the questions had been dealt with.

... "no man is an island" ...
least of all a "CO-OPERATOR"



YOUR Concern and interest in world-
wide Co-operation is stimulated by
the I.C.A. through the pages of:

REVIEW OF INTERNATIONAL COOPERATION

published bi-monthly in English, French
and German, subscription £1 0s. 0d. p.a.,

Post Free.

Order Your Copy From:

**PUBLICATIONS DEPARTMENT
INTERNATIONAL COOPERATIVE ALLIANCE,
11 Upper Grosvenor Street,
London, W.1.,
England.**

AFFILIATED ORGANISATIONS

- ALGERIA:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 8, rue du Cercle Militaire, Oran; also at - 21, rue Edgar Quinet, Algiers, and 9, rue Mathurin Régnier, Paris 15.
- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires. Intercoop, Editora Cooperativa Limitada, Florida 32. Oficina 42, Buenos Aires.
- AUSTRALIA:** Cooperative Federation of Australia, Red Comb House, Roma Street, Brisbane, Queensland.
- AUSTRIA:** "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, Vienna VI. Membership (1965): 456,200; turnover: consumers' societies: Sch. 3,473 mill.; wholesale (G.Ö.C.): Sch. 1,688 mill.; department stores: Sch. 597 mill.; own production: consumer societies: Sch. 411 mill.; G.Ö.C. and subsidiaries: Sch. 421 mill. Bank für Arbeit und Wirtschaft, A/G, Seitzergasse 2-4, Vienna I. Zentralkasse der Konsumgenossenschaft, Theobaldgasse 19, Vienna VI. Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösendorferstrasse 7/11, Vienna I. 1965: Affiliated organisations: 319 (comprising 207 societies and 112 associations); membership 115,596; dwellings administered 246,663 (comprising 107,229 societies and 139,434 associations); balance at 1964: 26.7 milliard Sch. (divided as to societies Sch. 12.5, associations Sch. 14.2). 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. Premiums (1964): Frs. 1,176 mill.; reserves: Frs. 5,000 mill.; insurance funds, life: Frs. 15,000 milliards. Fédération Nationale des Coopératives Chrétiennes, 129, rue de la Loi, Brussels. (1964): 1,336 shops; turnover: Frs. 1,303 million; dividends: Frs. 60 million; Savings Bank: 1,930 branches; 388,000 members; deposits: Frs. 7,024 mill.; Insurance Society: 210,000 policy holders; premiums: Frs. 310 mill.; reserves: Frs. 800 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. Institut Provincial de Coopération Agricole, 42, rue des Augustins, Liège.
- OPHACO** (Office des Pharmacies Coopératives de Belgique), 602, Chaussée de Mons, 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. Société Coopérative Fédérale de Belgique, 83-85, rue Vanderschrick, Brussels.
- BRAZIL:** Aliança Brasileira de Cooperativas (ABCOOP), Ave. Franklin Roosevelt 39-12°, Sala 1216, Rio de Janeiro.
- BULGARIA:** Central Cooperative Union, Rue 6 Septemvri 21, Sofia.
- BURMA:** National Cooperative Council, 290-300, Lewis Street (2nd. Floor), Rangoon.
- CANADA:** Cooperative Union of Canada, 111, Sparks Street, Ottawa 4, Ont. A national association of English-language cooperatives the principal members of which are provincial cooperative unions and inter-provincial cooperatives; organised in 1909. Conseil Canadien de la Coopération, 353 rue Dalhousie, Ottawa 2, Ont.
- CEYLON:** The 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 Medellín, Ltda., Calle 49, No. 52-49, Medellín.
- CYPRUS:** Cooperative Central Bank Ltd., P.O. Box 411, 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 II.
- DENMARK:** De samvirkende danske Andels-selskaber (Andelsudvalget), H. C. Andersen Boulevard 42, Copenhagen V. Representing 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1964): D.Kr. 14,300 mill. Det Kooperative Faellesforbund i Danmark, Frederiksborggade 50, Copenhagen S. Affiliated societies (1965): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprises: consumers', workers', artisans', productive and housing societies etc. Faellesforeningen for Danmarks Brugforeninger (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, Ltd.,
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.

FINLAND: Suomen Osuuskappojen Keskuskunta
(S.O.K.), Vilhonkatu 7, Helsinki 10.
Affiliated societies (1965): 336; members: 520,092;
wholesale turnover: Fmk. 1,054 million; own production
of SOK: Fmk. 230 million.

Yleinen Osuuskappojen Liitto r.y. (Y.O.L.),
Vilhonkatu 7, Helsinki 10.
Affiliated societies (1965): 336; members: 520,092;
turnover of societies: Fmk. 2,049 million; total
production of the affiliated societies: Fmk. 43 mill.

Kulutusosuuskuntien Keskusliitto (K.K.), r.y.,
Mikonkatu 17, Helsinki 10.
Affiliated societies (1965): 97; members: 562,350; turn-
over: Fmk. 1,526.2 mill.; own production: Fmk. 238.7
mill.

Osuustukkukauppa (O.T.K.), P.O. Box 10120,
Helsinki 10.
Affiliated societies (1965): 97; turnover: Fmk. 862.2
mill.; own production: Fmk. 274 mill.

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

FRANCE: Fédération Nationale des Coopératives
de Consommation, F.N.C.C., 89, rue la Boétie,
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, 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, Paris VIII.

Confédération Générale des Sociétés Coopé-
ratives Ouvrières de Production de France et de
l'Union Française, 88, rue de Courcelles, Paris VIII.

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

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

Fédération Nationale de la Coopération Agricole,
129, Bd. St. Germain, Paris VI.

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

Fédération Nationale des Sociétés Coopératives
d'Habitations à Loyer Modéré, Foyer Coopératif,
17, rue de Richelieu, Paris 1er.

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

L'Association BâtiCoop, 6, rue Halévy, Paris IX.

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

GERMANY: Zentralverband deutscher Konsumge-
nossenschaften e.V., Besenbinderhof 43, (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.

GREAT BRITAIN: The Co-operative Union Ltd.,
Holyoake House, Hanover Street, Manchester 4.
Affiliated societies (1965): 704; membership: 13,032,771;
retail societies' share capital: £ 243,840,861; retail
sales: £ 1,096,376,175.

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.

GUYANA: British Guiana Cooperative Union Ltd.,
Ministry of Education and Social Development,
41, High and Cowan Streets, Kingston, Georgetown.

HOLLAND: Coöperatieve Vereniging U.A., Centra-
le der Nederlandse Verbruikscoöperaties,
"CO-OP Nederland", 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 Nursery, 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
Sevjom Esfand, Rue Artêche, Teheran*.

The Credit and Housing Cooperative Society of
Iran, 20-22 *Shahabad 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 Soci-
eties for Loans and Savings, 44, *Rothschild Bd., P.O.
Box 75, Tel-Aviv*.

"Haikar" Audit Union of the Agricultural Soci-
eties of the Farmers' Federation of Israel,
8 *Harkrya Street, P.O.B. 209, 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: The Jamaica Cooperative Union, Ltd.,
74½ *Hanover 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 (Nati-
onal Federation of Fishery Cooperative Associa-
tions), *Sankaido Building, Akasaka-tameiko-
machi, Minato-ku, Tokyo*.

JORDAN: Jordan Cooperative Central Union Ltd.,
P.O.B. 1343, *Amman*.

KENYA: Kenya National Federation of Coopera-
tives Ltd., P.O.B. 9768, *Nairobi*.

KOREA: National Agricultural Cooperative Fede-
ration, 75, 1st Street, *Chung-Jong-Ro, Sodaemun-ku,
Seoul*.

MALAYSIA: Cooperative Union of Malaya,
8, *Holland Road, Kuala Lumpur*.

Federation of Cooperative Housing Societies
8, *Holland Road, Kuala Lumpur*.

Sarawak Cooperative Central Bank Ltd.,
3-J, *Clifford House, Kuching, Sarawak*.

MALTA: Farmers' Central Cooperative Society
Ltd., *New Building, Middleman Street, Marsa*.

MAURITIUS: Mauritius Cooperative Union,
Dumat Street, Port Louis.

MEXICO: Confederación de Cooperativas de la
República Mexicana, C.C.L., *Av. Cuauhtemoc 60,
5e Piso, Mexico 7, D.F.*

NEW ZEALAND: Hutt Valley Consumers' Co-
operative Society Ltd., P.O.B. 5006, *Naenae*.

NIGERIA: Cooperative Union of Eastern Nigeria
Ltd., *Cooperative Bank Buildings, Milverton Ave.,
Ibad*.

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, 3rd Floor, Dacca 2*.

West Pakistan Cooperative Union, 5, *Court
Street, P.O.B. 905, Lahore*.

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.

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*.

PHILIPPINES: Central Cooperative Exchange Inc.,
P.O.B. 1968, *Manila*.

POLAND: Central Agricultural Union of "Peasant Self-Aid" Cooperatives, *Kopernika 30, Warsaw.*

The Central Union of Building and Housing Cooperatives, *Ul. Jasna 1, Warsaw.*

The Invalids' Cooperative Union, c/o Central Agricultural Union of "Peasant Self-Aid" Cooperatives, *Kopernika 30, 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.*

SCANDINAVIA: Nordisk Andelsforbund, *3 Axelortv, Copenhagen V.*

SINGAPORE: Singapore Cooperative Union Ltd., *Post Box 366; Office and Library: 3-JJK Clifford House, Singapore 1.*

SWEDEN: Kooperativa Förbundet, *Stockholm 15.* Affiliated retail societies (1965): 338; membership: 1,323,000; total turnover of distributive societies: Kr. 5,083 mill.; total turnover of K.F.: Kr. 3,817 mill. (Kr. 2,660 mill. sales to affiliated societies); own production: Kr. 1,834 mill.; total capital (shares and reserves) of K.F. and affiliated societies: Kr. 1,099 million, surplus included.

Kooperativa Kvinnogillesförbundet, *Stockholm 15.* Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund (H.S.B.), *Flemingatan 41, Stockholm 18.*

Affiliated Building Societies: 186; with individual members: 250,000; number of flats administered by local societies: 220,000; value of real estate: 8,000 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, 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 1.*

Genossenschaftliche Zentralbank, *Aeschenvorstadt 71, Basle.*

COOP Lebensversicherungs-Genossenschaft *Basel, Aeschenvorstadt 67, Basle.*

International Cooperative Bank Co., Ltd., *Aeschenvorstadt 75, P.O.B. 348, 4002 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.: The 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., "Centrosoyus", *Tcherkassky per no. 15, Moscow.* Consumers' societies (1961): 17,500; members: 43.1 mill.; stores: 321,000.

YUGOSLAVIA: Glavni Zadruzni Savez FNRJ, *ul. Knez Mihajlova 10, Belgrade.*

ZAMBIA: Eastern Province Cooperative Marketing Assoc. Ltd., *P.O.B. 108, Fort Jameson.*

COOPERATIVE STATISTICS - 1965

Detailed statistics of all British cooperative societies, showing membership; capital and other liabilities; stock-in-trade and other assets; number of employees, their salaries and wages; sales; average rate of dividend, and other particulars.

Price 12s. 6d. by post 13s. from the
COOPERATIVE UNION LTD.,
Holyoake House,
Hanover Street, Manchester 4.

Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

VOL 60 — No. 2

MARCH 1967

CONTENTS:

	Page
COOPERATIVE MOVEMENT IN HUNGARY, Jenö Szirmai	66
THE GHANA COOPERATIVE MOVEMENT AND THE NKRUMAH REGIME, E. F. K. Atiemo	76
COMMENTARY, J. H. O.	79
TWELVE YEARS OF COOPERATIVE PAWNSHOP, Tadao Ishiguro	89
MURRAY D. LINCOLN, 1892-1966	93
NATIONAL CONGRESSES IN 1967	94
BOOK REVIEW	94

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

Editorial and Administrative Office:
11, Upper Grosvenor Street,
London, W. 1. Tel. Grosvenor 5991-3

The Review is published also in French and German — Annual subscription to each edition £1.



COOPERATIVE MOVEMENT IN HUNGARY

by Jenő Szirmai

*President of the Federation of the
Hungarian Cooperative Societies*

FROM the beginning of the 16th to the last third of the 19th century, Hungary's history was characterised by an incessant struggle for the country's national independence. Large-scale industrial development, a characteristic feature of the 19th century, did not reach Hungary up to the end of the century, and even later only the branch of industry linked to agriculture was developing.

In agriculture, basically the system of big estates existed up to the end of the Second World War; namely, approximately half of the cultivated area was in the hands of landowners representing only 1 per cent of the po-

pulation. The existing feudal characteristic of agriculture was the source of grave social problems. It was due to this that the western type of democratic development was delayed by half a century and even this development was very limited. The efforts to achieve actual democracy were realised in the council republic which followed the first republic established in 1918. After its defeat, the fear of democracy was prevailing. It was characteristic of the time that, up to 1939, Hungary had an open election system and that only one quarter of the population possessed the right of suffrage.

Between the two world wars, indus-

trial production started to increase, but industrialisation was influenced by foreign capital, predominantly by that of German origin. Light industry was developing, but heavy industry hardly at all. The unhealthy system of big estates remained almost untouched. In spite of the industrialisation, the economic life of the country was wholly dominated by agriculture from which the larger part of the national income was derived. The number of the landless people in the rural areas exceeded 3 millions, almost one-third of the total of the population.

During the Second World War, 40 per cent of the national wealth was annihilated. Industry was almost entirely destroyed, the majority of farms left without livestock, and a particularly grave situation was created by the great loss of cattle and draught animals.

After the war, a great social and economic transformation had begun. In the course of the land reform, 3.5 million hectares of land were distributed to 642 thousand families. There was a great upswing in the development of industry. The task in hand was not merely to rebuild the old industry, but to change its entire structure and to establish such industrial branches which were hitherto non-existent or little developed. The dominating role of agriculture came to an end. The share of industry in the national income today is more than 60 per cent and 26 per cent of the approximately 10 million inhabitants of Hungary, living on nearly 100 thousand square kilometres, work in agriculture; 60 per cent of the total employed population work in industry.

The facts mentioned above cannot be disregarded when dealing with the development of the Hungarian cooperative

movement. The initiative to establish cooperatives in Hungary was taken hundred years ago. The first Hungarian cooperative, however, is considered to be the Credit Cooperative in the District of Pest, which was established just 80 years ago in 1886. The "Hangya" Cooperative, rallying chiefly rural consumers' cooperatives, was established in 1898, while "Általános Fogyasztási Szövetkezet", the General Consumers' Cooperative of the workers, was founded in 1904.

On the pattern of the German Schulze-Delitzsch cooperatives, efforts were made already in the 80's of the last century to establish an artisans' cooperative movement. In the first years of the 20th century, agricultural cooperation was started, but remained relatively ineffective. Besides all these, there existed several wine-cellar, distillery and insurance cooperatives, the activity of which was generally seasonal.

The consumers' cooperatives were the backbone of the Hungarian cooperative movement. According to 1938 data, there were nearly 1,500 consumers' cooperatives with almost 750,000 members. The workers consumers' cooperative was up against the unfavourable attitude of the governments of the time hindering its activities in many ways. By decree, in 1939, the cooperative was dissolved and its assets transferred to the "Hangya" Cooperative.

According to 1937 data, the retail trade turnover of the consumers' cooperatives amounted to 7.5 per cent of the total of the country's retail trade turnover. In spite of some positive features, these cooperatives could not embody the cooperative idea in Hungary because of a general lack of democratic principles. Besides subjective factors, democracy was extensively hindered by

the then prevailing semi-feudal system of big estates and the fascist character of the state power.

The main field of activities of the "Hangya" cooperatives was in rural areas. They played an important part in supplying the rural population. The trade network of the "Hangya" extended nearly over the entire country. To a somewhat smaller extent, these cooperatives also dealt with the marketing of products of peasant members. There were many small-holders among the members, but the leadership was almost everywhere in the hands of the well-to-do strata of the villagers, wealthy peasants and landowners.

In evaluating the activities of the "Hangya" cooperatives, one must take into account the role of the centre, whose leadership consisted of representatives of the ruling classes. Due to this fact, particularly from the end of the 'thirties, the centre was a willing tool of the state leadership which became more and more fascist and finally completely serving Hitler both materially and socially. To possess an even more secure safeguard, the Government appointed a commissioner to the "Hangya" leadership.

We have to mention two other cooperative branches which, regarding their range of activities and strength of their total membership, did not reach the level of the consumers' cooperatives, but, from a Hungarian point of view, their role can be regarded as important. Both cooperative branches, credit and dairy cooperatives, had a national centre, the National Central Credit Cooperative and the National Hungarian Dairy Cooperative Centre. In establishing the centres and creating their funds, an important share was taken by the State, e.g., 90 per cent of the share

capital of the NHDCC was in the hands of the Ministry of Agriculture. Thus, State influence was extraordinarily strong in the cooperatives.

Apart from the cooperative organisations mentioned above, and some of the insignificant or passing ones, one could find in Budapest and in the larger provincial towns some organisations which regarded themselves as cooperatives, but had nothing to do with cooperation; it served their purpose better to be called by this name than by that of a limited company.

The devastation of the Second World War did not spare the cooperatives. The majority of their wealth was annihilated during the war and in the inflationary years following it. The political transformation that followed the war, putting an end to the fascist political system, and the land reform, abolishing the semi-feudal system of big estates, paved a new way for our cooperative movement. The establishment of a democratic Hungarian cooperative movement could be realised only after hard work, incessant fight and as a result of internal transformation.

During the post-liberation years, any development which took place was due to the establishment of cooperatives by the new small-holders. At the beginning, the task of these cooperatives was handling machines, implements and buildings distributed during the land reform and, only to a smaller extent, they dealt with the marketing of products and trading in cooperative shops. They increased in number and their activity was more and more dominated by marketing, consuming and purchasing. In 1948, their number was more than 2,500 and together with nearly 1,400 "Hangya" cooperatives, cooperative associations played an important

part in supplying the rural population and helping agriculture.

The general assemblies held in 1948-49 in almost every village in the country brought about essential changes. At these assemblies, the democratisation of the cooperatives was put on the agenda together with the realisation of uniform village cooperatives. The above-mentioned 2,589 village cooperatives and 1,380 cooperatives operating within the framework of the "Hangya" merged, and 2,900 uniform village cooperatives came into existence. Following these general assemblies, the Federation of Hungarian Cooperative Societies (SZÖVOSZ) was established in April 1949, and shortly afterwards its first Congress was held.

Since 1948, the farming cooperatives developed within the framework of the uniform village cooperatives as one of their special sections. From 1951, the bigger farming cooperative groups formed independent cooperatives.

In 1948, the development of artisans' cooperatives made greater strides and, in 1949, they had 11,060 members and 143,618 in 1956.

After 1948, the Hungarian cooperative movement made its progress in the right, democratic direction, and especially after 1957, both its economic and social importance grew and spread into every field of cooperation.

At present, the Hungarian cooperative movement consists of three basic branches.

Farming cooperatives are structurally independent and cultivate about 80 per cent of the country's land. At present, the number of cooperatives operating in Hungary is 3,413. The forming of county and national associations to safeguard the interests of the farming cooperatives has been going on.

Artisans' and homecraft cooperatives are organised as autonomous territorial and national associations. Their total number is 1,142, with a membership of more than 190,000. Their share in the total industrial output of the country amounts to 5 to 6 per cent.

Among the *cooperatives operating within the Federation of the Hungarian Cooperative Societies*, the most important role is played by the 600 consumers', marketing and purchasing cooperatives. Their activity comprises cooperative shop trading, catering, purchasing and marketing of agricultural products, services, industrial production, organising and promoting of allotments of the members of farming cooperatives and those of individual farmers and urban horticultural units. Their activity covers the whole country and there is not one locality in Hungary without a cooperative or a cooperative shop. The range of their sphere of activities is wider than that of similar cooperatives in other countries.

The country's 369 savings cooperatives, having a membership of more than 368,000, belong to the Federation. The deposit stock is more than one thousand million forints. Their activities and operations are the same as those of the Raiffeisen banks. They grant credit chiefly for purchasing high priced consumers' goods, for building houses and for promoting the development of allotments.

Approximately 1,500 specialised farming groups were formed for particular agricultural purposes (vineyards, fruit production, apiary, etc.), with about 70,000 members, and 68 independent specialised cooperatives or mountain communities with 36,000 members. The activities of these specialised groups are carried on as one of the branches of



Cooperative snack-bar near Lake Balaton



Exporting fruit abroad

Sorting and grading of tomatoes at Budapest Central Cooperative



Extracting honey at a mobile cooperative apiary

Consumer goods on display in shop at Csongrád



Cooperative amateur dance group entertaining on 1966 International Cooperative Day



Tomatoes gathered and sold on the spot by producer to cooperative buyer

some consumers' cooperatives.

An Outline of the Activities of Consumers', Marketing and Purchasing Cooperatives

Retail Trade

Both in its volume and in its significance, the retail trade is one of the most important fields of activities of the consumers' cooperatives. Approximately 30 per cent of the turnover of the total retail trade of the country is transacted by 15,323 cooperative shops. The 1965 retail trade turnover amounted to more than 21,000 million forints, of which 60 per cent was transacted by specialised shops. There are 23 department stores; 12.3 per cent or approximately 2,000 shops have adopted modern methods of selling (self-service, self-selection). The number of cooperative shops operating in towns is steadily growing. In Budapest, there are about 800 cooperative shops.

The catering activity of cooperatives has also its significance. More than 30 per cent of the national turnover is handled by cooperatives, with a value of 4,500 million forints in 1965. The number of cooperative catering units is 6,547. More and more care is taken in developing and refining the level of these units, and, lately, the cooperatives in recreation and tourists' centres have done their best to develop and improve their catering activities. Many new catering units have been built which not only display a conspicuous up-to-date character but bear the characteristics of the given region and country-side.

Purchasing and Marketing of Agricultural Products

The bulk of the purchasing activities of cooperatives is composed of vege-

tables, fruit and potatoes. In addition, these cooperatives purchase hay, straw, eggs, poultry, rabbits, pigeons, beans, honey, poppy seed, herbs, cocoon, live and shot game, and feathers. State organisations purchase farm produce, corn and fodder, livestock (cattle, pigs and sheep) and industrial plants. Cooperatives manage both in towns and villages the majority of fruit and vegetable shops.

Similarly, a cooperative foreign trade enterprise undertakes vegetable and fruit export, as well as the export of live and shot game. The larger part of purchasing vegetables and fruit is made by means of production and marketing contracts with farming cooperatives and individual farmers.

Industrial Producing and Servicing Activities

In 1965, the production value of 2,900 small-scale plants or workshops amounted to 1,500 million forints. The most significant activity was the production of soda-water and of soft drinks, distilling and preservation.

Servicing covered such fields as lending bigger machines and implements, repairing radio and television sets and household appliances, and dry-cleaning. Repairs are being done in cooperation with the artisans' cooperatives. They encourage the cultivation and plant protection of private orchards in rural and urban areas. One of the branches of servicing is to supply allotments and individual farms with saplings, seedlings and chicks. All over the country, there are 19 cooperative incubator stations.

Foreign Trade Activities

The annual turnover of the three foreign trade enterprises established by the Federation is approximately 80 mil-

lion U.S. dollars. HUNGAROFRICT deals with the export of vegetables and fruit and MAVAD with that of live and shot game, frogs and snails. It is the task of HUNGAROCOOP to export industrial goods.

Cultural and Educational Activities

Educational and cultural work plays an important role in the activities of our cooperative movement. Four higher trade schools operate under the immediate and direct control of the Federation, providing specialist training and awarding a Final Certificate. There are also two vocational schools for apprentices whose task is to train skilled workers. Having finished their studies, the apprentices receive a skilled worker's certificate.

In addition to these, a College operates under the auspices of our Federation. At the Faculty of Economics there is a Cooperative Department, as well as a separate cooperative section in the university's economic refresher course. Besides school training, various courses organised by county federations widen the range of cooperative specialist training.

The activity of 139 bookshops within the framework of the consumers' cooperatives can be regarded as important, but in places where a bookshop would not be sufficiently profitable, the work is taken over by about 8,000 commission-agents. The number of independent cooperative cultural groups is 420, several of them having visited foreign countries, such as Bulgaria, Czechoslovakia, Denmark, Greece, Italy, etc. The cooperatives also give material support to help the spreading of cultural life in villages and towns.

The above facts and especially the wide range of activities of the Hun-

garian consumers' cooperatives demonstrate the outstanding economic role played by the cooperatives in Hungary. Furthermore, their social significance is of great importance; for one-quarter of the population of the country is a member of one of the Federation's cooperatives. A high percentage of the members is actively participating in the guidance, leadership or control of the cooperatives. There are about 71,000 functionaries on boards, supervisory boards, committees, local executive committees, control commissions, and in various committees of the members.

Organisational Structure

Anybody, without discrimination, can be a member of a cooperative who, on the principle of open membership, is the holder of at least one share. The supreme organ of the cooperative is the *general assembly* which elects the board, the supervisory board and the delegates to the district and makes decisions in matters of great importance.

The cooperatives form a *district federation*; its members are the basic cooperatives. Its supreme organ is the quadrennial assembly of delegates which elects a committee of 15 to 20 members, a supervisory board of 5 to 7 members and the delegates to the county. It is the task of the committee to elect the board of 5 to 9 members from its own rank and file.

The members of the *county federation* are the district federations. Its supreme organ is the quadrennial assembly of delegates which elects a committee of 25 to 35 members, a supervisory board of 5 to 9 members and the delegates to the national congress. The board of 5 to 11 members is elected from among the members of the committee.

The membership of the Federation of

the Hungarian Cooperative Societies (SZÖVOSZ), as a *national federation*, consists of the county federations. Its supreme organ is the quadrennial congress which elects a national council of 60 to 70 members and a supervisory board of 5 to 12 members. The board of 5 to 15 members, the special committees for trade, catering, purchasing and breeding small animals, the savings cooperatives and the Cooperative Scientific Council are elected by the national council.

Several centres and enterprises were established by the Federation to promote the work of the cooperatives. In addition to the foreign trade enterprises already mentioned, transport and packing material enterprises, an institute for cooperative technical designs, a technical bureau for developing vegetable and fruit storage, an economic bureau for management and trading activities, a research institute and a documentation library give maximum aid to the work of cooperatives.

Relations between Party, State and Cooperatives

The relations between the cooperatives and the State are regulated by the provisions of the chapter of the Civil Code of the Hungarian People's Republic dealing with cooperatives. The cooperatives are independent; there is no state or ministerial organ which supervises the activities of the Federation in general. Even the model by-laws are accepted by the congress of the Federation and the national council respectively. But, of course, the official general economic regulations apply to the cooperatives as well, as, for instance, the measures in respect of prices, price margin, taxes, health legislation, standardisation of weights and measures, etc.

The cooperatives draw up their plans themselves; they are then gathered and put together as a whole by their higher organs for the purpose of coordinating and fitting them into the national plan laid out by the National Planning Board.

Various kinds of state subsidies help the cooperatives. Long-term investment credits at a low rate of interest and short-term loans for the purchasing of goods are given and special tax exemptions are granted to the cooperatives. Though the material subsidy is significant, it does not affect the independence of the cooperatives. There will be an ever increasing number of such cooperatives which can manage their economic affairs without bank credit; 95.5 per cent of the fixed assets of the consumers' cooperatives and 44.2 per cent of the current assets are in their own possession. No obligatory Party decisions are made for the cooperatives. A great number of active communists work together, of course, with all the other members of the cooperatives for the realisation of socialism bearing always in mind the cooperative principles and independence.

The Hungarian cooperatives belong to the little men, to the workers. The interest of the members is in harmony with the aims and interests of the Party and the Government, namely, to realise and build up socialism in Hungary and, to that end, they promote and take active part in the development and socialist work of construction. The great socialist transformation meant for the people of Hungary the building up of a society free from misery, poverty and unemployment, which, however, may also have its economic problems, but given our progressive development, these are far from being insoluble.

International Relations

During the past years, our Federation has built up wide-spread international relations with 80 organisations in 55 countries. One can register with satisfaction that the policy of peaceful coexistence can be properly realised in the field of international relations among cooperatives. It can be stated that we have recently carried on a fruitful exchange of experiences with the cooperatives of almost every European country through mutual visits of delegations. Cooperative leaders having visited our country got acquainted with the activities of our cooperatives, while we could acquire very useful special and technical experiences abroad which contribute to the improvement of our work. We have also collaborated with foreign cooperative scientific research institutes.

We are making every effort of collaborating to a much greater extent with the cooperatives of the developing countries. With our modest means at our disposal, we joined the ever increasing world-wide programme of giving aid to these countries. Two international seminars were organised by us for cooperative functionaries of the developing countries. The visit of a high-ranking delegation of our Federation to the leading cooperative organisations in five African countries in January 1965 served the widening of direct connections by affording the possibility of examining more successful forms of giving aid and finding possibilities for economic collaboration. A Hungarian cooperative expert, employed under contract by the International Labour Organisation of the United Nations, worked as an adviser in Mali. At present, two of our experts are in Burma and, in the near future, other experts

are going to be sent abroad.

A Tunisian and a Burmese scholarship-holder of the ILO studied the activities of the Hungarian cooperatives and took part in special technical courses. On the basis of a bi-lateral agreement within the framework of the aid-programme, five young cooperative workers from Kenya received practical and theoretical instructions for a year.

It can, therefore, be stated that the Federation of the Hungarian Cooperative Societies does not only support but actively participates in the international collaboration among cooperatives. In its international relations, it serves with all its strength the policy of peaceful coexistence.

The limited space of this article does not allow us to give a detailed analysis of our movement and make the reader thoroughly acquainted with it, but even this short survey may permit a glance into the activity of the cooperatives belonging to the Federation.

We are very pleased by the decision of the Central Committee of the International Cooperative Alliance in April 1966 to admit our Federation among its members and, by doing so, we feel a just claim was fulfilled. We strongly believe that both our economic and social relations will be strengthened with this possibility.

Our Federation intends to collaborate with all those cooperative organisations which strive for the interests of millions of little men, while continuing to safeguard the autonomy of each cooperative organisation. The Federation will participate in the realisation of all joint programmes which examine the possibilities of promoting collaboration, of strengthening the unity of the ICA, and which serve peace and better understanding among peoples.

THE GHANA COOPERATIVE MOVEMENT AND THE NKRUMAH REGIME

by E. F. K. Atiemo,

Secretary, Alliance of Ghana Cooperatives Ltd.

THE Government of President Nkrumah of Ghana was toppled on February 24th, 1966 by a military coup under General Kotoka. It fell nearly ten years after Ghana—the first African country to do so—freed itself from European rule and achieved independence in 1956. In the autumn of 1960, the Alliance of Ghana Cooperatives had been summarily dissolved by Ministerial Order and its property was confiscated. In 1966, the reformed Alliance of Ghana Cooperatives was faced with the task of building up a democratic and independent cooperative movement.

Cooperatives had first been started in Ghana in the 'thirties, nurtured by an expatriate government whose Registrar of Cooperatives was an advocate of colonialism. In the years before the end of the Second World War, the people of a fast changing country were growing dissatisfied with a government controlled from Whitehall. The ex-servicemen who returned as heroes were looking forward to a bright future, determined to make good at all costs.

All over the world, socialists and co-operators were preaching against the exploitation of man by man; but they were moderates faced by extremists looking for spectacular success. Ex-

patriate firms in Ghana, as elsewhere, were secretly afraid of cooperatives and saw in them a real danger to monopolistic trading in developing countries. They thought that, if they could drive a wedge between the politicians and the cooperatives, they would be safe for a time.

After the country's independence, the original Gold Coast Cooperative Union, established in 1952, changed its name to Alliance of Ghana Cooperatives in 1957. It grew steadily under a Ghanaian General Secretary, and the Ghana Co-operative Marketing Association, the Ghana Cooperative Bank and the Co-operative Wholesale Establishment were also founded. Some 600 affiliated societies had a total of about 60,000 members, many of them illiterate but nevertheless expert with the hoe and the cutlass on their agricultural holdings.

Cooperatives in Ghana were mostly rural but very powerful economically. When their six-storey bank was built with their sweat and toil, it was a real skyscraper in Ghana and a symbol of hope and industry. It worked in conjunction with the National Bank, the Bank of West Africa and Barclays and cleared some £8 million in a season's trading. The reserves of the bank were gradually mounting and confidence in

it was growing.

The Cooperative Marketing Association had built itself up, on its own merits, as the bulwark of the cooperative movement in Ghana. It outstripped the expatriate firms and, between 1945 and 1960, was marketing 40,000 tons of cocoa a year, one-fifth of the country's production.

The Cooperative Wholesale Establishment, though not so outstandingly successful, was nevertheless making headway in consumer trading and showing occasional surpluses. In West Africa, goods are traditionally handled by many middlemen, including a large army of women and pavement and street sellers. Expatriate traders took advantage of this system making wholesaling very difficult for Ghanaian business men and for consumer cooperatives and causing accounting difficulties. The C.W.E. was not able to build up a large trade under the prevailing conditions of intense competition and became riddled with the new politicians. It was wound up in 1953.

The Alliance of Ghana Cooperatives was concerned with education, publicity and information and often found itself in direct conflict with the authorities. This was a difficult beginning in a politically revolutionary period and, by irony of circumstances, the Alliance, faced with its own teething troubles, had to muster the courage to cope with a political octopus.

In spite of all these difficulties, the Alliance built up a fine reputation and was the first all-African cooperative movement, south of the Sahara, to be accepted into the International Co-operative Alliance as a full member with a seat on the Central Committee. It was even able to sponsor the training of its officials at the Cooperative Col-

lege at Loughborough and at the C.W.S. Bank in Manchester, England, and to run its own courses at home, including Easter Schools at the University of Ghana. It built up a good library, operated the Audio-Visual Cinema Van presented by the I.C.A. and was able to do much for cooperative education in spite of the troubles created by the Nkrumah régime.

In 1954 and 1955, friction between the cooperative movement and the Nkrumah régime came to a head. The Jibowu Commission was set up to investigate the affairs of the Cocoa Purchasing Company which had been established by the Nkrumah Government as a direct economic challenge to the long established and successful co-operatives. The Commission's exposure of inefficiency, the embezzlement of funds and irrecoverable loans are now history. At the hearings of the Commission, many of the régime's high officials, including even the first gentleman of the land, were called to give evidence. It was not surprising that co-operatives were later "shown where power lay".

Cooperatives were credit-worthy and were paying as much as £40,000 a year in interest to expatriate banks in order to market £6 to 8 millions worth of produce. Their own Marketing Board, influenced by the Nkrumah Government, would not grant them a revolving credit as it could have done, but the Cocoa Purchasing Company had more than £2 millions to play with during the season. Most of the short- and long-term loans of the Cocoa Purchasing Company to farmers were never repaid and had to be written off.

After 1956, when the Jibowu Commission had exposed the Cocoa Purchasing Company, the cooperatives were

hounded down. After an ineffective series of meetings between the Nkrumah Government and the cooperatives, the movement collapsed in 1961. Cooperators went into the wilderness to lick their wounds.

Some faint-hearted cooperators changed sides and were used by the United Ghana Farmers' Council Cooperatives—a return of the Cocoa Purchasing Company in another guise—to continue the destruction of the Ghanaian peasant cocoa farmer who had made Ghana the first cocoa growing country in the world with one-third of the world production to its credit.

The treatment meted out to “cooperators” and others is beyond description. Instead of the Management Committees of genuine cooperatives, a “Chief Farmer” system was imposed from above. The corruption and cheating that followed were a lesson for the chicken-hearted who had abandoned their principles.

The second advent of true cooperatives is now echoing through the country. The National Liberation Council announced that the “king crop”, cocoa, would be purchased by the State Cocoa Marketing Board and by cooperatives under the Ghana Cooperative Marketing Association and that an immediate licence would be granted to cooperatives.

Cooperatives have lost buildings and assets worth about £4½ millions and many members through death and despair; but the true cooperators are on

the scene again to build up their shattered movement. The Ghana cooperative movement is conscious of its shortcomings. It has nothing to show for its past achievements except the will to make good. Compared with the sister movements in Nigeria, Sierra Leone, Kenya and Tanzania, the Ghana cooperative movement has lost everything, but the cooperative slogan stands and hope remains.

The Cooperative Marketing Association is being reorganised and transformed into an effective, stream-lined business organisation. Business men, not necessarily trained in a cooperative society, are to be brought in at higher levels and qualified young cooperators promoted to assume greater responsibility. Staff at all levels are to be sent for short courses to cooperatives overseas. Managerial staff are to go to other cooperatives in Africa, especially to West Africa, to exchange views and review the problems of West African cooperatives. Cocoa farmers are to be trained in new and scientific methods which will improve yields and quality, and experimental cocoa farms are to be set up in various parts of the country which will be more accessible than the Research Institute at Tafo.

The cooperative system produces no millionaires; under it, no great individual accumulations of wealth are possible. Yet it is able to finance its numerous, varied and great enterprises and have capital to spare.

COMMENTARY

Retirement of Howard A. Cowden

HOWARD COWDEN, a tall, soft-spoken and thoughtful man, who might be taken for a benevolent professor of an agricultural college, is very well liked and respected by everyone and admired for his work and personal qualities.

One of nine children, Howard Cowden was born on a 500-acre farm. Already in his early childhood, he came to realise that not all of the best conceived plans of hard-working people ran a smooth course. Conversation in the Cowden home centred most frequently round the difference between the price for what the farmer bought and that for what he had to sell.

After a year at the Missouri State Teachers' College, a short course at the University of Missouri, and some years as a teacher at a country school, Howard Cowden organised an egg-marketing cooperative in Missouri, out of which grew the Producers' Produce Company of Springfield. Now it is one of the largest egg and poultry plants in the country.

After many years as Secretary of the Missouri Farmers' Association, Cowden resigned and devoted his attention to organising a cooperative to help farmers to improve their position as consumers of petroleum products. The result was the Consumers' Cooperative Association, one of the pioneer petroleum cooperatives in the country and now one of the 500 largest industrial corporations in the United States. After 32 years of active leadership in this field, Cowden also served the Nationwide Insurance Companies and, at all times, has kept up his interest in international cooperative development. Early in 1934, he went to Europe for the first time and made contact with the International Cooperative Alliance as well as with many leaders of cooperatives, a step which led to CCA's exporting lubricating oil to European cooperatives. On his second trip to Europe in 1937, he proposed to the ICA Congress that a world cooperative should be formed "to take the profit out of one of the most troublesome com-

modities in international trade", namely, oil. Due to the Second World War, nothing much could be done, but in Zürich, on October 1st, 1946, it was agreed by the ICA delegates that the International Cooperative Petroleum Association should be founded and start business. Today, the ICPA, with Headquarters in New York, has a membership of 37 national and regional organisations in 24 countries. It is from the presidency and the Board of the ICPA that Mr. Cowden retired.

Howard Cowden's other interests are too many to be listed here, but some should be mentioned, like the Foundation for Cooperative Housing on whose Board of Trustees he is, the American Freedom from Hunger Foundation, the United Nations Speakers Bureau and many others. For his many contributions to the success of cooperative planning, he was awarded the honorary degree of Doctor of Law by St. Francis Xavier University, Antigonish, Nova Scotia.

All of us in International Cooperation hope that Howard Cowden will live long and happily in his Normandy-style farm home.

New President of the Cooperative League of the USA

As successor to Jerry Voorhis, Stanley W. Dreyer has been named by the League's Board of Directors. Stanley Dreyer, only 35 years old, will be the youngest head of American cooperation. His appointment became effective in January 1967 upon the retirement of Jerry Voorhis as President and Executive Director of the League.

Jerry Voorhis became Executive Director of the League in April 1947 after having been a Congress man for ten years for the Los Angeles area of California; only two years ago, he was made President as well as Executive Director on the retirement of Murray D. Lincoln.

As President, Dreyer will be Chief Executive Officer of the League, a national federation which includes in its membership some 18 million American families.

The young President comes from a 320 acre farm where cooperatives are as familiar as irrigation water. Stanley Dreyer joined the Cooperative League staff as Assistant Executive Director in March 1962. He came to this post from the Bank for Cooperatives in St. Paul, Minnesota, where he started work in 1956 as a business analyst and became Assistant Vice-President, being responsible for developing new business, preparing educational programmes and maintaining good member rela-

tions. He obtained his master's degree in agricultural economics at the University of Minnesota, with special attention to cooperatives and his bachelor's degree at the University of Colorado in Boulder. In 1953, Stanley Dreyer went to Ecuador as an international farm youth exchange delegate. He spent six months in that country and lived and worked with six farm families gaining practical experience and acquiring knowledge and use of Spanish, both of which have been of tremendous help to him in his work with the Cooperative League. Stanley W. Dreyer, together with Jerry Voorhis, has taken an active part in the development of the Organisation of the Cooperatives of America and his work has often taken him to South America. He has also visited Algeria, and Tunisia. Dreyer is Executive Director of the Fund for International Cooperative Development, an agency which, under a contract with the U.S. Agency for International Development (AID), is helping to establish banks for cooperatives in Latin America. He also is Executive Secretary of the Cooperative Foundation, which receives and invests funds donated for promoting cooperatives.

All cooperators wish Stanley W. Dreyer success in this important office as President of the Cooperative League at a time when holding such an office must demand everything a person can possibly give to it.

***New Chairman
of I.C.A.
Women
Cooperators'
Advisory Council***

Mrs. Sirkka Räikkönen, the new Chairman of the I.C.A. Women Cooperators' Advisory Council, is working as Secretary for Consumer Matters at the Cooperative Union (KK) in Finland. The post she occupies was created in 1964 and reflects the trend in many cooperative movements to understand the problems of the consumer and to spread information as far as possible. She is the mother of three sons and a daughter, whose ages range between 13 and 18, and knows the difficulties presented to a woman who wishes to give her family full opportunities as well as to make her personal contribution in the outside world.

For 21 years, Mrs. Räikkönen has worked for KK in various posts, for example, as Women's Guild Secretary, as Secretary to the Director General, and assisting in the editorial duties connected with the organisation's weekly publication. As a result of her wide knowledge of consumer affairs, she is a member of the Consumer Council appointed by the Finnish Government and of the Inter-

Scandinavian Committee on Consumer Matters which comprises three members appointed by each of the Nordic Governments. She is also the Finnish representative on the I.C.A. Consumer Working Party. Her paper on "Informative Labelling in Scandinavia" introduced in Basle in 1965 was outstanding in its clear presentation.

In addition to her professional qualifications, Mrs. Rääkkönen is already well known by Women Cooperators in many lands. She was a member of the Central Committee of the former International Cooperative Women's Guild. As an accomplished linguist, able to speak English, German and Russian, besides her own Scandinavian languages, Mrs. Rääkkönen is particularly well suited to lead the Council.

British Agricultural Cooperation- 100 Years Old

This year is the centenary of the Agricultural Co-operative Movement in England.

Edward Owen Greening, President of the I.C.A. from 1895—1902, was a co-founder of the British Agricultural Co-operative Movement when he and his associates had formed the Agricultural and Horticultural Association Ltd.

His associates included two barristers, an estate agent and two Members of Parliament. The objects of the Agricultural and Horticultural Association were: (a) to enable shareholders, by combining their purchases, to buy at the lowest wholesale prices all sorts of agricultural and horticultural implements and machines, seeds, feed for sheep and cattle and other things required in agriculture or horticulture; (b) to check the sale of inferior and adulterated articles by vesting in the shareholders the absolute control over the agency through which they purchased; (c) to adopt and carry out certain agreements between Edward Owen Greening, of the Central Co-operative Agency, Manchester, and various leading agricultural machinists and implement makers for the sale of their manufactures to the said E. O. Greening or his nominees on the terms usually given to the most favoured agents.

The new Association was registered as a Company on July 10th, 1867, but not under the Industrial and Provident Societies Act 1862. The reason for this was obvious, as the Act restricted a member's shareholding to £200, whereas the Articles, though they do not specify, clearly envisage that it would be higher than this. This strange registration raises the question as to whether

the Association was a true cooperative. However, from a close look at the Articles, it appears that interest on shares was not to exceed $7\frac{1}{2}$ per cent and that "the balance of profits was to be returned to the purchasing shareholders in proportion to the profits realised upon the business transacted on their account by the Association in the preceding half year". Voting also was so controlled that no fully paid-up member would have less than ten votes (on a shareholding of £10) or more than 25 votes (on a shareholding of £300). On the written evidence there is no reason to doubt that the Association was intended to be operated according to cooperative principles and the fact that it was generally accepted by contemporaries as being a cooperative body provides further confirmation of this.

Greening was indeed a great mixture of ideals and common sense, coupled with a tremendous organising ability. He was still a young man of thirty when the Agricultural and Horticultural Association was formed and he was appointed its Managing Director. The Association built up a substantial trade in a very short time, but took a very hard knock in the great agricultural disaster of 1878/79. At that time, it lost over half of its share capital, and in the collapse of some cooperative societies which it aided, it lost more money. None the less, the Agricultural and Horticultural Association survived for many years and only ceased to operate in 1915, when war-time difficulties brought it to an end after nearly half a century of operation.

This was the first venture by British farmers into cooperative trading and its centenary this year should not go unnoticed!

Directory of Travel Facilities and Accommodation

If you are looking for a one-family house on the beautiful lake Päijänne in Finland, or a modest hotel in Argyllshire, Scotland, the Directory of Travel Facilities and Accommodation of Member Organisations of the I.C.A., which are in the cooperative travel business, may be of help to you. Surely a step in the right direction was taken when, in 1966, the I.C.A. sent their circular letter to all Member Organisations asking for information about their tourist and travel services and the accommodation they offer. The response has been most gratifying and has made the compilation of a Directory of tourist and travel facilities and accommodation offered by agencies owned or controlled by cooperatives possible.

Tourism has become a major factor in international relations and in the national economies of many countries. The International Union of Official Travel Organisations (IUOTO) estimates that the annual world expenditure on domestic and foreign tourism in 1964 came to approximately \$53,000 million (about £19,000 million), or 5 per cent of the total consumer expenditure. The amount spent on domestic tourism is estimated at \$40,000 million (£14.3 million). From 1950 to 1963, the number of tourists abroad per year rose from 25,281,400 to 90,863,900, an increase of 259 per cent.

Regrettably, the replies from Member Organisations show that cooperatives in Asia (except Japan), Africa and Latin America still lack the necessary organisation, capital and facilities for showing visitors the beauty of their countries and their cultural heritage. In 1964, twelve countries accounted for 82 per cent of the total world tourist expenditure and 65 per cent of all tourist receipts. Tourist arrivals also display a marked disparity between the developed and developing countries, as shown by the following figures (supplied by IUOTO) for arrivals in 1964:

Asia and Australasia (24 countries)	2,000,000
Africa (13 countries)	1,600,000
Latin America and Caribbean (16 countries)	4,000,000
Europe (27 countries)	77,000,000
Middle East (8 countries)	2,100,000
North America (2 countries)	19,000,000
	<hr/>
Total	105,700,000
	<hr/>

Twenty-nine countries in Europe and North America accounted for 96 million arrivals, and 61 countries in the rest of the world for only 9.7 millions.

It is clear from the information received that cooperative tourist agencies *do* more than ordinary travel bureaux. They devote much time and energy to make it possible for people of the lower income groups to travel and enjoy their holidays away from home and for members and customers to secure the maximum value for their money. A vacation away from home is still a luxury for many, especially for those with families, due to the expense involved in travel and accommodation. Therefore, it is gratifying to see cooperators in a number of countries turning their attention to this problem by arranging holiday funds, family holiday facilities, youth

hostels, etc.

Tourism offers tremendous possibilities to the cooperative movement, both in the field of economics and in the sphere of human relations. Cooperators the world over have much in common. There is no activity more appropriate than tourism for giving expression to the basic cooperative ideals of mutual understanding, fellowship and self-help, and no organisation is as well placed as the cooperative for bringing people of different nationalities together and making it possible for them to get to know each other.

It is hoped that the Directory, priced at 5s. Od. including postage, available in English from the I.C.A., will not only help the world cooperative movement to become acquainted with the tourist and travel facilities offered by Member Organisations of the I.C.A., but will serve, if only in a modest way, to inspire cooperatives to link and expand existing services and to establish new services where none exist at present. The I.C.A. would be grateful for additions to this Directory from Member and non-Member Organisations, which could be used for an eventual enlargement and revised edition of the Directory.

Edward Topham

Mr. W. P. Watkins was kind enough to let me have the following on Mr. Edward Topham:

The death of Edward Topham at the end of October 1966 will be deeply regretted by cooperative journalists of a certain seniority in many countries and not by his British colleagues alone. He had already been in retirement for seven years, but it seems only yesterday that he was giving his last and his finest speech to the International Cooperative Press Conference at Var Gard, Saltsjobaden, just before the Stockholm Congress of 1957. No one who was present will forget the speech and the impression it made.

Topham was the regular representative of the British Cooperative Union at all the Press Conferences convened by the I.C.A. from 1929 until his retirement. He had already had a distinguished career in regional journalism before he succeeded T.W. Mercer as the Cooperative Union's editor in 1927 and took over the Union's "Cooperative Review", which Mercer had created. In Topham's hands, the "Review" became less academic in contents and appearance and really started a new career as the official organ of the Union, which was consciously

becoming to an increasing degree the technical service organisation of the retail consumers' societies.

Topham was a man of deep and generous humanity who was enthusiastically in favour of international action of every kind that would enhance the effectiveness of the Cooperative Press. When the I.C.A. revived its international press conferences after 1945, he was one of the foremost in advocating a permanent press committee for the Alliance.

It was a bitter disappointment to him that, after the idea was accepted and press committees were set up, they tended to fade away into inactivity. He was one of the keenest participants in the one and only Press School to be organised by the I.C.A., held at Grange-over-Sands in 1949.

A little earlier, he had written, in collaboration with his Union colleague, the late John Hough, an account of the Cooperative Movement in Britain which was published as a brochure by the British Council. In its original English version, the brochure had a world-wide circulation, but its value, as a clear, up-to-date and brightly-written description of the British Cooperative Movement a hundred years after the Rochdale Pioneers, led to its publication in nine other languages, including Arabic, Chinese and Persian.

UNESCO and UNICEF- 20 Years

Twenty years of existence of any organisation generally calls for a fresh look at such organisations and a reappraisal of their work and accomplishments.

In the case of the United Nations Educational, Scientific and Cultural Organisation (UNESCO), it must be said that it has fully justified its existence and has done more than most organisations in leading humanity towards freedom, liberation and world responsibility.

During its early years, UNESCO's work was mainly concerned with the encouragement and organisation of the pursuit, examination and interpretation of knowledge in the fields of education, science and culture, as well as the encouragement of the exchange of ideas between peoples. This practice of intellectual cooperation has become more widespread and forms, in the words of UNESCO's Director-General "the understructure of the first world civilisation".

From the 1950's onwards, UNESCO has considerably developed its operational activities and it is in this work that we, as cooperators, come into contact with UNESCO.

From 1950, UNESCO's programme has increasingly become more practical and much of its operational work in the field of development is included within the United Nations Development Programme. At present, about two-thirds of UNESCO's total resources (and the budget for 1967/68 is over \$62,000,000) is accounted for by operational assistance for the developing countries.

UNESCO recognises the I.C.A.'s consultative status as a Category 'A' non-governmental organisation, and this means that the I.C.A. is entitled to consultation about UNESCO's programme and its operational activity. With the great emphasis placed on education in the Cooperative Movement, it is natural that our closest working relations should be with UNESCO's Department of Adult Education. This Department has dealt, amongst other things, with the Workers' Travel Tours, the Teacher/Learner Grants and the Youth Leader Grants; from all this, the I.C.A. has benefited very considerably. Last year, for example, 49 workers' groups from 22 countries were given travel grants by UNESCO and, of these, 15 were from cooperative organisations. The I.C.A. was awarded a grant for a three-month study tour of youth work in three European countries, taken up by a member of the Canadian Cooperative Movement. Twelve cooperators were given Teacher/Learner Grants, and the I.C.A. was asked to arrange a group programme for 7 English-speaking cooperators. Within the Department of Adult Education is the Literacy Division and with UNESCO's great drive in the Campaign Against Illiteracy, there is scope for the teaching of "functional literacy" by some cooperative organisations. The Department of Mass Communications is another branch in which the I.C.A. has an interest and, in the field of technical training and development, we are searching for ways of collaboration with the Department of Application of Science to Development. The increasing attention being given by UNESCO to the access of women to education, science and culture is yet another sphere in which the I.C.A. is increasingly becoming involved.

Our 215,000,000 members are congratulating UNESCO on its 20th birthday and are hoping and planning for even greater cooperation between UNESCO and the I.C.A.

Another international agency, which was fashioned after the Second World War, gaining some human recompense for that war, completes its 20 years of activity,

namely, the United Nations Children's Fund. UNICEF receives 20 per cent of its aid resources from individuals, and 117 governments contributed to its 1966 budget which was augmented by money raised by citizens' committees in 21 countries.

UNICEF's origin stems from the post-war U.N. Relief and Rehabilitation Administration (UNRRA). In 1946, the United Nations General Assembly, on winding up UNRRA, decided that its \$30 million assets might help to meet the continuing emergency at least for children and that a new agency should do this job, and this is how UNICEF came into being on December 11th, 1946.

UNICEF's mission was so successful that, after helping in war-torn Europe, it was able to take on new assignments and its commitment now is to all children of the world with the emphasis on long-term welfare work. Its work was well rewarded—and rightly so—and its Executive Director, Henry Labouisse, accepted the 1965 Nobel Peace Prize on behalf of UNICEF. Today, UNICEF's programme includes projects around the world in nutrition, disease control, sanitation, education and vocational training. A telling example in the nutrition field shows that there are areas in the world today where children between the ages of 1 and 4 still die at rates 20 to 50 times higher than in industrially advanced countries. The advance is essentially a matter of diet. UNICEF's answer is not just to send them dried milk; the long-term problem lies in local production and not in relief from afar, and this is UNICEF's work.

As cooperators, surely we believe UNICEF and the children it serves deserve our continuing support. Let us do more nationally to aid this great Organisation.

J.H.O.

TWELVE YEARS OF COOPERATIVE PAWNSHOP

by Tadao Ishiguro,

Director,

*Hyogo Labourers' Cooperative Society,
Kobe, Japan*

"A Scene"

ONE gloomy winter morning, a weary looking housewife rushed into our office with a baby on her back, and demanded a loan. She placed on the counter a few kimonos (Japanese dresses) as a pawn.

"I want 6,000 yen. My baby must be hospitalised at once. The hospital requests that amount in advance."

I was quite at a loss, because the estimated value of the kimonos was far beyond the amount which she needed.

She continued to plead with tears in her eyes, saying, "I am sure I will pay back the money in four months. At this moment, I must have that amount. Please lend me for heaven's sake."

By her strenuous plea, I was compelled to comply with her request.

On a fine spring day in the same year, I received a visit at our office from a bright looking woman in full dress with a cheerful little boy in her arms. She said: "We were saved. Our boy recovered quickly as you see now. We are very much obliged for your kindness. This is the money to be paid back. Please accept it."

I scarcely remembered the earlier scene. But it did not take long before I recalled that this was the woman who

had pawned the kimonos that gloomy morning.

Eventually, I congratulated them on her boy's complete recovery with all my heart, and also praised her for her firmness in keeping the promise. At the same time, I reflected to myself that this was a good example of the contribution of our business to our fellow man.

Brief History

Just twelve years have passed since the first cooperative pawnshop was established in Japan in 1955 by the Hyogo Labourers' Cooperative Society. Around that time Japan had not yet completely recovered economically from war-time devastation, so that most of the labourers were suffering from low earnings and, naturally, they felt much difficulty in keeping even a minimum standard of living.

The establishment of our pawnshop was well-timed to meet the demand of the labourers, and needless to say, it was welcomed by them to a great extent.

Thus, our first pawnshop was opened in Kobe City on the 10th February, 1955. We believe this was the first pawnshop which was managed in a cooperative system not only in Japan but also in all the world. The appear-



Office of Kasugano Pawnshop,
Kobe City

ance of this new type of pawnshop was a public sensation, and was the occasion of much comment in the newspapers and on the radio.

With this success, we established two other pawnshops successively in the cities of Himeji and Aioi in the same year. After this, we also opened two more pawnshops in the cities of Kobe and Toyooka in 1960 and 1964, so that now we have five pawnshops all in Hyogo Prefecture.

From the outset, the Hyogo Labour Bank showed a special interest in our business. By the decision of their Board of Directors, they encouraged us not only spiritually, but also by giving us a special allowance on loans. Every pawnshop of our society is now situated adjacent to a branch office of the Hyogo Labour Bank. Thus we nourish the strong tie between us.

Trade Unions in Hyogo Prefecture also showed a keen interest in our business, and they made great efforts in propaganda, in collecting members and shares of our society. We have now more than 70 trade unions affiliated with our society. As a rule, they send their representatives to our general meeting, so that they are well acquainted with our business, and this gives them a good knowledge when they try to introduce our pawnshops to their fellow-members.

We started our business with a membership of 638 and a share capital of Yen 417,200 (£417), but now we have a membership of about 14,000 and a capital of about Yen 65,000,000 (£65,000) including loans.

Needless to say, our pawnshops are managed entirely under a cooperative system. Anybody who wishes to take advantage of its pawnshops is first requested to become a member of the Society. Then he can have the loan from the pawnshop on the security of his property with the interest rate less than half of that of a private-owned pawnshop. Each member has the right to vote at the meeting. We also allow them a joint membership. Thus, all our business is conducted democratically.

Several Difficulties we Faced

Despite the glistening start of our pawnshop, we faced several difficulties from the beginning.

1. Under the Cooperative Law, there were some discrepancies of interpretation on the provisions of the Act among the officials of the Government whether the pawnshop managed by the cooperative society is lawful or not. After several negotiations with them, we finally settled the matter.

2. The activities of the cooperative



Articles stored in Warehouse
of Kasugano Pawnshop

society were interpreted generally by the officials of the local government to be restricted to a single city or town. By this restriction, we felt much inconvenience when we wanted to go into other cities in the same prefecture. So we asked them several times to widen their interpretation of the Act, and we succeeded in it.

3. We met several opposition movements from private-owned pawnshop traders. They agitated against us, saying, that pawnshops managed by cooperative societies are not lawful, and the low interest rates which we charge on loans affect them severely in the conduct of their business. Needless to say, these protests were unreasonable and groundless, and their force of opposition declined gradually in spite of their strenuous efforts.

4. During the first three years, we faced several difficulties inside our business. The shortage of share capital, lack of skilled managers and employees, and big distances between branches increased the difficulties of doing our business. Naturally, we had a continuing red balance for these hard years. But as a result of the perseverance and assiduity in our efforts, the balance fortunately turned black from the fourth



year. Even now, this experience guides us in the proper conduct of our business.

How our Daily Business is Conducted

Each member can have a loan from the pawnshop on the security of his property. The kinds of property which can be accepted by the pawnshop are as follows: clothings, watches, cameras, jewels, furniture, radio and television sets, air conditioners, refrigerators, tools and machines, musical instruments, telephones, shares and public loans, land, houses, etc.

The properties which are presented to us are carefully judged and valued by our specialists, and thus the amount of money to be loaned is settled. The loan is expected to be paid back within

the settled term at one time or by monthly instalment with an interest rate of four per cent.

All articles, except real property, are stored in our warehouse which is carefully protected from the danger of fire, water and insect damage. When the loan is not paid back, the pawn left at the shop is sold by auction.

The annual surplus derived from the business at the end of the fiscal year is paid back as a dividend to each member in accordance with his loans. The following are some statistics of membership, loans and interest received starting from 1955 to 1965.

Membership, Loans and Interest received

Year	Membership	1955 - 1965	
		Loans Yen	Interest received Yen
1955	2,311	13,155,630	911,319
1956	3,257	22,148,230	2,765,220
1957	4,056	21,592,200	2,935,757
1958	5,106	34,172,750	4,044,225
1959	6,258	45,628,950	5,725,652
1960	7,426	48,046,800	5,949,399
1961	8,811	67,499,750	7,503,652
1962	9,951	94,216,650	10,401,018
1963	10,916	99,635,900	12,135,031
1964	12,010	114,824,600	12,977,606
1965	13,839	137,895,150	15,544,097

Our Influence upon Others

The society, as the originator of the cooperative pawnshop, has been encouraging other societies to establish the same type of pawnshop. As a result of our effort, there are now 13 pawnshops in 5 prefectures which are all run in the cooperative system. We have a national federal organisation, the Union of Labourers' Cooperative Pawnshops (Zenkoku Rodoshichiko Kyogikai), which came into being in 1958.

Because of our unique and well-managed business, the Society has had many visitors from not only other parts of the country but also from abroad.

Especially, visitors from India, Indonesia, Malaysia and Burma showed such a keen interest in the organisation of our pawnshops that our hope is to see the same kind of pawnshops established in those countries in the near future.

There are two other types of pawnshops in Japan: pawnshops owned by private traders and pawnshops run by local governments. The former have been declining in number and in volume of business during the past seven years. In 1958, there were 21,539 pawnshops, but now there are only about 18,000. The latter also are similarly declining. There are now about 700 public pawnshops while there were 848 at the peak in 1960.

We cannot tell whether our competition has contributed to the decline of their businesses, but it is true that many of them are studying our managing system.

Our Future Efforts

First of all, efforts will be made to increase the number of our pawnshops in other cities of Hyogo Prefecture. Happily enough, our board of directors has just decided to establish a new pawnshop in Amagasaki City by this autumn, so we would have one more shop, making six in all.

We shall also do our best to encourage other societies to establish the same type of pawnshop. There are now thirteen pawnshops run by five cooperative societies, and our hope is to see at least one pawnshop established in every prefecture in the near future.

We are also trying to enter into other social welfare activities, such as management of a maternity hospital, a nursery home, a recreation centre and so on, so that the Society may contribute to the welfare of the nation.



MURRAY D. LINCOLN 1892-1966

Murray D. Lincoln, who died on 7th November, 1966 at the age of 74, was one of the giants of the people's self-help movement in the United States. His life's work was based on the principle that "all people have the right to control their own money and institutions and they can best do it through the Cooperative Movement".

Mr. Lincoln's cooperative convictions were formed in his early years among the farmers of New England where he was County Agricultural Agent, one of the first such appointments in New England. After one or two other jobs, he moved to Columbus, Ohio, to become the first Executive Secretary of the Ohio Farm Bureau Federation which made great strides under his management.

Subsequently, Murray Lincoln devoted himself entirely to organising cooperative insurance. The "Nationwide" group of cooperative insurance organisations, which he founded, comprises four companies covering motor, fire, life and

general risks and is one of the most prominent insurance organisations in the United States. Mr. Lincoln was President of Nationwide until 1964.

His deep sympathy with the needs of ordinary people led Murray Lincoln to engage in many other self-help organisations. He pioneered rural electrical cooperation for farmers; he was President of the Cooperative League of the U.S.A. from 1941 until 1965; and he was the first President of CARE (Cooperative for American Relief Everywhere) formed in 1945 to provide food and other necessities for war refugees.

Murray Lincoln also served cooperation in the international field. He was already a member of the Central Committee of the I.C.A. when, in January 1946, he was elected to the Executive Committee and, in October of that year, he became its Vice-President, a position he held for two years. He remained a member of the Central Committee until 1957.

NATIONAL CONGRESSES IN 1967

<i>Australia</i>		
Cooperative Federation of Western Australia	Perth	10th-11th April
<i>Canada</i>		
Cooperative Union of Canada	Ottawa	29th-31st May
<i>Denmark</i>		
Faellesforeningen for Danmarks Brugsforeninger (FDB) ..	Arhus	30th May
<i>Eire</i>		
Irish Agricultural Organisation Society Ltd.		2nd May
<i>Federal Republic of Germany</i>		
Zentralverband deutscher Konsumgenossenschaften (ZdK)	Bonn	22nd June
<i>Finland</i>		
Kulutusosuuskuntien Keskusliitto (KK)	Helsinki	1st-3rd June
Suomen Osuuskauppojen Keskuskunta (SOK)	Helsinki	7th-8th June
<i>France</i>		
Fédération Nationale des Coopératives de Consommation	Strasbourg	19th-24th June
<i>Great Britain</i>		
Cooperative Union Ltd.	Douglas, Isle of Man	29th-31st May
<i>Hungary</i>		
Federation of Hungarian Cooperative Societies	Budapest	15th-17th May
<i>Sweden</i>		
Kooperativa Förbundet (KF)	Stockholm	5th-6th June
<i>Switzerland</i>		
Verband schweiz. Konsumvereine (VsK)	Interlaken	16th-18th June

BOOK REVIEW

"Cooperative Societies Act, 1925, and the Rules made under it"

as applicable to West Pakistan with effect from 30th April, 1965, amended up-to-date.

Price: Rs. 4/-.

By Shaikh Muhammad Muslim, Secretary, W. Pakistan C.U.

The provinces, states and administration of West Pakistan merged into a single union as the Province of West Pakistan in October 1965. For a country like Pakistan consisting of two

separate territories, at a distance of 1,000 miles from each other, the creation of a single government was ruled out. Unification of West Pakistan has been a great step forward, greatly benefiting all people of that region. Unification resulted in the resources of the government of West Pakistan being now available to all, and an over-all revision of the land revenue system on an all-West Pakistan basis has greatly aided all cultivators in that area.

The policy declaration of the Government of

Pakistan sees the cooperative movement as a most effective instrument which helps greatly to accelerate the country's economic development, and full support is given by the Government to the country's cooperative sector. At present, as stated in the West Pakistan Cooperative Review of October 1964, there are 28,511 cooperative societies in West Pakistan and, considering the average number in a family is five, the impact of the movement in that area is 17 per cent of the total population.

It is for those and others still to join that the ordinance known as the Sind Cooperative Societies Act of 1925, now revised, will have a

most beneficial application in furthering co-operation in West Pakistan.

The author of the booklet explains in simple language the workings and implications of the new law and prior cooperative enactments. He is well known in the cooperative sector of his country for his knowledge of cooperation in general. Shaikh Muhammad Muslim has succeeded in presenting a difficult cooperative legislation in a most clear and concise way, helping to make a very difficult subject easily understandable for his colleagues who have to work out this law in the field.

J. H. O.

Cooperative Union Trade Guide

DOMESTIC CENTRAL HEATING

The latest in a series of Trade Guides, compiled by a specialist working party to assist Cooperative Societies' Trade Development in domestic central heating matters. Similar in style to previous guides, it contains forty-eight pages and includes tables to show trends of fuel used in central heating and other relevant fuel comparisons. An appendix gives names and addresses from which further advice and information can be obtained.

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

Obtainable from

COOPERATIVE UNION LTD.,

Holyoake House,

Hanover Street, Manchester 4.

... "no man is an island" ...
least of all a "CO-OPERATOR"



YOUR Concern and interest in world-
wide Co-operation is stimulated by
the I.C.A. through the pages of:

REVIEW OF INTERNATIONAL COOPERATION

published bi-monthly in English, French
and German, subscription £1 0s. 0d. p.a.,

Post Free.

Order Your Copy From:

**PUBLICATIONS DEPARTMENT
INTERNATIONAL COOPERATIVE ALLIANCE,
11 Upper Grosvenor Street,
London, W.1.
England.**

AFFILIATED ORGANISATIONS

ALGERIA: Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 8, rue du Cercle Militaire, Oran; also at - 21, rue Edgar Quinet, Algiers, and 9, rue Mathurin Régnier, Paris 15.

ARGENTINA: Federación Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires.

Asociación Argentina de Cooperativas y Mutualidades de Seguros, Belgrano 530, 5 Piso, Buenos Aires.

Intercoop, Editora Cooperativa Limitada, Florida 32. Oficina 42, 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 (1965): 456,200; turnover: consumers' societies: Sch. 3,473 mill.; wholesale (G.Ö.C.): Sch. 1,688 mill.; department stores: Sch. 597 mill.; own production: consumer societies: Sch. 411 mill.; G.Ö.C. and subsidiaries: Sch. 421 mill.

Bank für Arbeit und Wirtschaft, A/G, Seitzergasse 2-4, Vienna I.

Zentralkasse der Konsumgenossenschaft, Theobaldgasse 19, Vienna VI.

Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösendorferstrasse 7/11, Vienna I.

1965: Affiliated organisations: 319 (comprising 207 societies and 112 associations); membership 115,596; dwellings administered 246,663 (comprising 107,229 societies and 139,434 associations); balance at 1964: 26.7 milliard Sch. (divided as to societies Sch. 12.5, associations Sch. 14.2).

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 (1964): Frs. 1,176 mill.; reserves: Frs. 5,000 mill.; insurance funds, life: Frs. 15,000 milliards.

Fédération Nationale des Coopératives Chrétiennes, 129, rue de la Loi, Brussels.

(1964): 1,336 shops; turnover: Frs. 1,303 million; dividends: Frs. 60 million; Savings Bank: 1,930 branches; 388,000 members; deposits: Frs. 7,024 mill.; Insurance Society: 210,000 policy holders; premiums: Frs. 310 mill.; reserves: Frs. 800 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, Chaussee 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.

Société Coopérative Fédérale de Belgique, 83-85, rue Vanderschrick, Brussels.

BRAZIL: Aliança Brasileira de Cooperativas (ABCOOP), Ave. Franklin Roosevelt 39-12°, Sala 1216, Rio de Janeiro, G.B.

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 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 Andelsenskabber (Andelsudvalget), H. C. Andersens Boulevard 42, Copenhagen V.

Representing 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1964): D.Kr. 14,300 mill.

Det Kooperative Faellesforbund i Danmark, Frederiksborggade 50, Copenhagen S.

Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprises: 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 Osuuskauppojen Keskuskunta (S.O.K.), Vilhonkatu 7, Helsinki 10. Affiliated societies (1966): 318; members: 533,031; wholesale turnover: Fmk. 1,145 million; own production of SOK: Fmk. 231 million. Yleinen Osuuskauppojen 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; turnover: Fmk. 1,606 mill.; own production: Fmk. 248 mill. Osuustukkukauppa (O.T.K.), P.O. Box 10120, Helsinki 33, Hämeentie. 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, 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, Paris XVI. Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88, rue de Courcelles, Paris VIII. Confédération Générale des Sociétés Coopératives Ouvrières de Production, 83, rue de Courcelles, Paris VIII. Banque Coopérative des Sociétés Ouvrières de France, 88, rue de Courcelles, Paris VIII. Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, 129, Bd. St. Germain, Paris VI. Fédération Nationale de la Coopération Agricole, 129, Bd. St. Germain, Paris VI. Caisse Nationale de Crédit Agricole, 91-93, Boulevard Pasteur, Paris XV. Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, Foyer Coopératif, 17, rue Richelieu, Paris 1er. Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 31, ave. Pierre 1er de Serbie, Paris XVI. L'Association Bâticoop, 6, rue Halévy, Paris IX. Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, 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. Grossverkaufs-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 Lebensversicherungs A.G., An der Alster, (2) Hamburg I. Deutsche Sachversicherung "Eigenhilfe", Steinstrasse 27, (2) Hamburg I.*
- GREAT BRITAIN:** *Co-operative Union Ltd., Holyoake House, Hanover Street, Manchester 4. Affiliated societies (1965): 704; membership: 13,032,771; retail societies' share capital: £ 243,840,861; retail sales: £ 1,096,376,175. 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., Ministry of Education and Social Development, 41, High and Cowan Streets, Kingston, Georgetown.*
- 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. Samvinnufélagá, *Reykjavik.*
- INDIA:** National Cooperative Union of India, *72, Jorbagh Nursery, 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 Sevvmor Esfand, Rue Artèche, Teheran.*
- The Credit and Housing Cooperative Society of Iran, *20-22 Shahabad 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 the 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-Kaikán, 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 Malaya, *8, Holland Road, Kuala Lumpur.*
- Federation of Cooperative Housing Societies, *8, Holland Road, P.O.B. 499, 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 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.*
- 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.*
Invalids' Cooperative Union, *Kopernika 30, 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.*
- SCANDINAVIA:** Nordisk Andelsforbund, *3 Axelortv, Copenhagen V.*
- 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); 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.*
International Cooperative Bank Co., Ltd., *Aeschenvorstadt 75, P.O.B. 348, 4002 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 pefno. 15, Moscow,* Consumers' societies (1961): 17,500; members: 43.1 mill.; stores: 321,000.
- YUGOSLAVIA:** Glavni Zadružni Savez FNRJ, *Terazije 23/VI, Belgrade*
- ZAMBIA:** Eastern Province Cooperative Marketing Assoc. Ltd., *P.O.B. 108, Fort Jameson.*

Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

VOL. 60 — No. 3

MAY 1967

CONTENTS:

	Page
WORLD FOOD PROGRAMME, Talks with Dr. B. R. Sen	102
RECENT SOUTH-EAST ASIAN SEMINARS.....	103
<u>FEASIBILITY STUDIES FOR COOPERATIVE PROCESSING, Branko Zlataric</u>	<u>105</u>
INDUSTRIAL COOPERATIVE SOCIETIES IN INDIA, K. C. Jain	110
COOPERATIVES IN THE ARCTIC, P.D.	115
COMMENTARY, J.H.O.	123
MARGERY HILL, J.H.O.	128
36TH INTERNATIONAL COOPERATIVE SCHOOL	130
SUCCESS AT KUNDIAWA, Renata Cochrane	131
COOPERATIVE HOUSING IN CHILE, Walter Sommerhof	135
BOOK REVIEWS.....	141

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

Editorial and Administrative Office:
11, Upper Grosvenor Street,
London, W. 1. Tel. Grosvenor 5991-3

The Review is published also in French and German — Annual subscription to each edition £1.



WORLD FOOD PROGRAMME

Talks with Dr. B. R. Sen

THE three chief officials of the International Cooperative Alliance, the International Federation of Agricultural Producers and the International Confederation of Free Trade Unions visited the FAO on the 21st and the 22nd March for discussions with Dr. B. R. Sen and leading officials. The object of the visit was to consult on any further steps which the three international non-governmental organisations might take in support of the World Food Programme, Freedom from Hunger Campaign and various FAO programmes concerning hunger, food production and food surpluses.

The officials of the FAO explained their aims and purposes and the publicity which they would like to have through the non-governmental organisations.

The Indicative World Plan hopes to present a first outline in time for the 1968 World Food Congress and then to make a continuous study as a guide to the FAO staff in determining priorities and as an assistance to bilateral action and national planning.

The World Food Programme has not achieved its targets in money and food pledged by Governments for 1966, 1967 and 1968, being short of about \$100 mil-

lion. A pledging conference for 1969 and 1970 will probably be needed early in 1968 to ensure continuity and the requirement is unlikely to be less than \$100 million per annum.

The Freedom from Hunger Campaign is active:

- a. in publicising the Indicative World Plan for Agriculture and promoting study and understanding of its aims and purposes;
- b. in increasing availability of food by encouragement of production, anti-waste, etc.;
- c. in increasing involvement of young people; and
- d. in the field of education.

The FAO/Industry Cooperative Programme is increasing the role of private enterprise in developing countries and that of cooperative societies.

A UN/FAO Study is planned for a multilateral food-aid scheme.

The FAO has for consideration of its member Governments the setting-up of a \$500 million Food Production Resources Pool to make important agricultural inputs available quickly to areas in need (fertilisers, machinery, insecticides).

The break-through has at last been made in international realisation of the very real and immediate problems of

RECENT SOUTH-EAST ASIAN SEMINARS AND CONFERENCES

AT the end of 1966 and the beginning of 1967 a series of seminars and conferences was arranged in South-East Asia by the ICA Regional Office and Education Centre, New Delhi, in conjunction with the National Cooperative Union of India.

The first seminar, held from 5th to 20th December in Bangalore on "How to establish a Cooperative Processing Plant", was attended by delegates from Ceylon, India, Japan, Philippines and Singapore, as well as representatives of ECAFE, ILO, AARRO, the Cooperative Institute of Management, Pakistan, the National Cooperative Development Corporation, India, and the Cooperative League of the USA. The ICA Secretary for Agriculture, Mr. Branko Zlataric, was also present, and a summary of the paper which he gave appears on page 105.

The seminar was devoted to the study of techniques for establishing a cooperative processing plant, using as illustrations sugar cane, milk and fruit proces-

hunger, but as yet no clear understanding exists of the solutions available for attacking these problems. The three international non-governmental organisations are now studying at the secretariat level the support which they can give to the UN/FAO programme in this field and they were extremely grateful for the time devoted to these consultations by Dr. Sen himself and his chief officials.

W. G. A.

sing. Study visits to industrial enterprises engaged in processing of agricultural produce followed the seminar.

Cooperative Marketing was the theme of the second conference held from 15th to 21st January, 1967, in New Delhi, attended by representatives from Ceylon, India, Japan, Korea, Singapore, Thailand and the United Arab Republic, as well as ILO, FAO, IFAP and AARRO.

Management is a crucial factor in the success of cooperatives, so the conference concentrated on important fields of management, such as fixing priorities for operations, techniques of commodity procurement for domestic and foreign trade, financial planning, sales promotion and policy-making administration.

The Conference emphasised the great need for integration between primary societies and their federations and techniques for achieving such integration were outlined in panel discussions.

Two major aspects of marketing were discussed: procurement and sales. The procurement operations of the federations called for a sound organisational network, close integration with the primaries, and provision of the necessary credit facilities to, as well as maintaining intimate contact with, the producers, through supply of production inputs, extension services etc. An aggressive approach in marketing would call for processing activities to supply goods of the kind desired by the consumer. In this connection the great importance of grading of commodities, packaging, ad-

vertising and establishing business contacts with wholesale suppliers, or, in some cases, even own sales outlets were emphasised by the Conference.

Cooperative Insurance in India: Problems and Prospects. A national seminar on Cooperative Insurance was organised by the ICA Regional Office and Education Centre in collaboration with the National Cooperative Union of India from 6th to 8th February, 1967. Participants were from the Union Cooperative Insurance Society, Ltd., the Cooperative Fire and General Insurance Society, Madras, the Cooperative General Insurance Society Ltd., Hyderabad, the Indian Ministry of Food and Agriculture, Community Development and Cooperation, and four members of the ICA Reinsurance Bureau. Subjects discussed included the economic size of a cooperative insurance society; the problems of such societies in India as a result of the entry of the Life Insurance Corporation of India (State Corporation) into the general insurance field, and reinsurance questions.

It was felt that the overwhelming majority of premiums received by cooperative insurance societies in India still originate from cooperative enterprises in contrast to the situation in Europe and the USA. The expansion of the business of a cooperative insurance society in India, therefore, depends greatly upon the expansion of a cooperative movement as well as the extent of competition among the cooperative insurance societies for such cooperative business. To this picture should be added the entry of the Life Insurance Corporation of India in the general insurance field and a recommendation of the government to cooperative organisations, which receive directly or indirectly substantial government

assistance, that they should insure with the LIC. In the context of this situation, the seminar discussed the possibilities of concerted action amongst the various cooperative insurance societies in India and recommended that the National Cooperative Union of India should constitute an All-India Committee on Cooperative Insurance. The tasks of this committee would include making representation to the government regarding the problems of insurance cooperatives vis-à-vis the LIC and development of a concerted programme of activities for mutual advantage. The participation of the ICA Reinsurance Bureau was appreciated by the participants from India.

— * * * —

FEASIBILITY STUDIES FOR COOPERATIVE PROCESSING

by **Branko Zlataric**,
ICA Secretary for Agriculture

This article is a shortened version of the lecture "How to conduct a feasibility study for establishing a cooperative processing plant", which was given by Branko Zlataric, Agricultural Secretary of the I.C.A. at the Seminar on "How to set up a Cooperative Processing Plant", held in Bangalore from 5th to 20th December, 1966. The full text may be obtained from the I.C.A., price 2s. 6d.

COOPERATIVE processing is much favoured in developing countries because it is often profitable and helps to sustain farm incomes; but cooperative organisations sometimes find it difficult to raise the necessary capital. They are not always well informed about the kind of projects for which finance is most likely to be available; and this is sometimes used as an excuse for not working out a feasibility study. Even when such studies are worked out, the market research upon which the profitability of a proposed plant must very largely depend may be neglected.

Investors usually have other possibly more profitable opportunities for investment and must be assured that a project is sound and will bring them an adequate return on their capital. Whether they are private concerns, national governments or international organisations, they need to be convinced that the organisation in which they are being asked to invest is well managed and that the predicted return on their capital will in fact materialise. They are not usually technically qualified; but well realise the need for technical advice on whether

an investment is likely to prove profitable.

Thus the initiative in any project is likely to come more from producers with ideas about development rather than from the suppliers of capital. This is natural and in the interests of developing countries, but the producers need to be able to demonstrate that their ideas are sound. For example, there was a case last year where over \$7,000,000 were collected in a European country from private sources, but no sound economic project was found (and there was argument about what should be done with the money). Recently the U.N. Special Fund approved the investment of \$400,000,000 for projects involving land reclamation, irrigation and drainage, water conservation, and food processing based on pre-investment surveys which in the above case resulted in investment of nearly 40 times the cost of the surveys.

Cooperative organisations in developing countries wishing to undertake processing realise that some of the capital as well as much of the equipment is likely to have to come from other countries. The additional capital may come from foreign cooperatives or companies; or governments or their agencies such as US/AID; or private foundations such as the Ford, Rockefeller and Friedrich Ebert foundations; or from international agencies such as the World Bank and the International Development Association. But the availability of funds from abroad, even as credit, is subject to restrictions and currency re-

gulations in most developing countries. For this reason, and because development projects usually have to be fitted into national plans and because foreign providers of capital will need government guarantees, it is important that cooperatives should work closely with their own governments when planning a project or a feasibility study.

Economic and Marketing Analysis

A feasibility study can be defined as a complete analysis of the economic and technical viability of a project and an assessment of the scale of likely profitability. It involves collaboration with consulting engineers and other technical specialists and combines a full demand analysis with estimates of maintenance and operating costs made in the light of all the technical considerations. Pre-investment studies, on the other hand, cover only the non-technical aspects of a project and are chiefly concerned with demand analysis.

The problems of feasibility studies can be conveniently illustrated by the cane sugar industry in which cooperatives have had considerable experience.

A feasibility study for sugar processing, after describing the project, should draw on the lessons of experience elsewhere and go on to deal with the general prospects of the industry and particular local problems.

Particularly important for the prospects of a sugarmill project are recent trends in sugar consumption and population growth, especially in towns. So is the "income elasticity of demand" for the product, the extent to which higher incomes may result in an increase in the demand for sugar rather than for other products. Demand will also be affected by quality, packaging, advertising and promotion.

Market research and advertising will need particularly careful study where exports are envisaged. World sugar prices are low and exports are subsidised by some governments. The export of frozen fish from India to Europe, for example would require particularly thorough market research and sanitary control measures, and would probably involve promotional expenditure, if the product is unknown.

The supply of raw materials is as important as the availability of markets. A sugarmill may have its own mechanised plantations and undertake irrigation or harvesting. Supplies from independent farmers must be such as to meet the needs of the factory. Investment in agriculture may be as high as in the factory itself. The price at which supplies can be obtained will be crucial for profitability. In some cases prices are guaranteed by government—as with sugar prices in India—or protected, as in Nigeria. The general economic policy of the government, particularly on foreign exchange, on employment and on the use of machinery and fertilisers in agriculture will need to be considered in a feasibility study.

Size and Location

The choice of size for a proposed factory will depend upon its 'break even point' which in turn will depend on investment cost, supplies, capacity, prices, optimum output, sales and net profits. A substantial scale is often essential: with a sugarmill an output of at least 30,000 tons a year is usually necessary for it to be economic. In some cases a larger factory might be technically more efficient: but size is limited by markets and supplies of raw materials. Investment in a larger plant will reduce cost proportionately more than investment

in agriculture.

The location of a sugar factory may be governed mainly by supplies of raw materials drawn from a radius of twenty miles or so. In other cases local markets may be more important. Supplies of manpower, water and power electricity are also relevant, as are road, rail and port facilities.

Cost and Profitability ✓

The capital cost of a project can be divided into two parts. Fixed capital comprises land and permanent equipment. Except for land, most fixed assets are subject to depreciation, obsolescence and wear, and the term depreciation is used to cover the decline in the value of fixed assets for any reason. Working capital is required to finance production and distribution. All costs and proceeds have to be taken into account in order to establish profits.

Every business needs to make a profit and new investment projects also have to show a profit. Basically, profit is the gain made by a business over a certain period of time, usually a year. Profitability can be measured in a variety of ways, and one way is by the length of the 'pay back period', the time required for the income resulting from the investment to equal the original cash outlay.

Secondly, proceeds per pound of outlay can be established by the total proceeds being divided by the amount invested. A more elaborate variation of this is to determine the average annual proceeds per pound of outlay. And thirdly, there is the conventional return on investment method of assessing profitability which measures it by the ratio of a firm's income to the book value of its assets.

None of these methods takes account

of the timing of cash proceeds. Nor do they bring the element of interest into the picture or take account of the fact that capital could have been invested elsewhere, even on deposit account. These methods of investment appraisal have now been largely superseded by more sophisticated ones based upon the discounted cash flow concept.

Each year the 'cash flow' is discounted to its 'present value'. Discounted cash flow calculations may be difficult without the help of a computer, but they lead to better investment decisions and are being widely adopted in manufacturing industry. They are not a substitute for thorough feasibility studies and accurate estimates of market prospects, but make them much more convincing.

In the cane sugar industry the use of the D.C.F. method of investment appraisal has the advantage of taking the timing of investment and the return thereon into account. It also takes account of inflation and devaluation and the long time needed to set up a sugar factory and to get it into full production, and provides an accurate way of assessing the earning power of an investment.

On the other hand, other and simpler methods are still useful. In developing countries bad management may lead to losses in agricultural operations, and a comparison of costs with those incurred in other developing countries is often useful.

Social Advantage

We have been concerned so far only with profitability in the narrow commercial sense. But in developing countries governments are usually involved in plans for industrialisation and investment programmes and may have to take account of the social advantage of projects and their impact on the growth

of the economy as a whole, foreign currency earnings, employment policy and defence interests. This makes feasibility studies more complex. In addition to profit, they have to take the economic and social impact of a project into account and may call for government support.

The Sangli industrial combine in India is an example of a cooperative project in which social advantage played an important role. The main enterprise was a sugar factory which repaid its loan from the government and financed an irrigation scheme which helped to improve sugar cane and other crops. Subsidiary workshops were established and the development contributed to the regeneration of the whole area. Similarly, the Anand cooperative dairy in Gujarat started as a small scheme, and with international help properly used, did much to improve the living standards of over 100,000 families. A cattle development programme has been launched and a rice mill will probably follow.

Finance and Organisation

World sugar prices are low, and the profitability of a new sugar factory in a developing country is very doubtful. Moreover, those who provide finance will want to know what organisation is responsible for the execution of the project and management of the factory, and to be satisfied about the competence of its future management. Initial capital is unlikely to be available from private sources and will have to come from government backed investment banks or development banks or from international agencies such as the World Bank, the IDA and the UN Special Fund. When a project has established itself, public funds may be repaid and private capital raised, as by the issue of deben-

tures. A cooperative sugar factory may require £5 millions in capital, half of it in foreign exchange for the purchase of equipment abroad, and a project of this kind can only be launched by a stronger cooperative organisation.

The raising of capital for cooperative processing is much easier if the cooperative is able to provide part of the capital from its own resources. In industrial countries established cooperatives may raise capital in the market by forming companies. A majority of the shares in such companies would be held by the cooperative, and the private contribution of additional capital would mean that greater resources would be available. In a similar way, foreign companies and cooperatives have helped to provide capital for cooperative processing plants in some developing countries.

But in developing countries partnership between strong and healthy cooperatives and governments or governmental corporations is usually a better arrangement. In India the National Cooperative Development Corporation initiates cooperative investment projects, finances them or acts as an agent in providing finance. Companies formed by cooperatives and with either private or governmental minority holdings provide a flexible form of financing well suited to cooperative processing.

The Indian government helps to finance cooperative sugar plants in a similar way. It guarantees the Industrial Finance Corporation the loans the latter grants to cooperatives, and government banks make loans to cooperatives and individuals to enable them to acquire shares in the factory.

In Latin America governments grant revolving credits to cooperatives by taking up shares. Such credits can either be renewed or repaid so that the prop-

erty passes into cooperative hands. The recent FAO/Industry Cooperative Programme has given the opportunity of some new forms of package deals between cooperatives, private businessmen and governments in setting up industries based on agriculture.

Expert Advice

A balanced, integrated feasibility study cannot be prepared without expert advice. The experience has been that feasibility projects have not been approached in that way often enough; the marketing element especially has been missing. An economist specialising in marketing, a food technician and a financial expert will all be needed. An agricultural technician will also be required if increased agricultural output is required, and it may be necessary to obtain the services of specialists from other countries. However, the financial expert may be cut out if either the economist or the food technologist is conversant with cost and accountancy problems.

Advice may be needed on types of equipment, specific processes of production, patents, licences etc., and also on assistance and credit for the purchase of equipment. The suppliers of plant usually provide the skilled labour to set it up, and will also make available experienced workers to help run it. But managers and skilled workers should be drawn from, or trained immediately in the country in which the plant is situated and from its cooperative movement. One of the suppliers of equipment may be appointed main contractor and arrange for expert technical advice, or a technical consultant could do the job and advise on types of equipment and even on credit.

If finance is obtained from interna-

tional organisations such as UN agencies, they will also be able to help with feasibility studies and the provision of experts. But they will require some kind of pre-investment study or at least precise information about the scope of the proposed feasibility study—whether national or regional, for example; or whether the economic analysis of a plant, or its project evaluation is required. In 1965 the FAO and the World Bank established a Joint Secretariat at the FAO Headquarters in Rome to help developing countries with the identification and evaluation of investment projects.

It would be a great advantage if national cooperative organisations could set up some kind of technical agency to help the establishment of cooperative processing plants with feasibility studies, know-how and capital. The Indian National Cooperative Development Corporation is a good example of collaboration between cooperatives and the government in this field.

Governments and international agencies have recently shown increased interest in agricultural cooperatives. The establishment of development banks in Africa and Asia and the recent granting of loans to cooperatives by the World Bank have, however, only touched the fringe of the problem so far. The pity is that they are approached mostly about big schemes and often consider cooperatives not to be financially sound organisations. Emphasis by cooperatives on self-help, good organisation and good management will do much to encourage help from outside. The appointment of an officer responsible for technical assistance at the I.C.A. Regional Office for South-East Asia will do much to stimulate the growth of the cooperative movement in this field.



INDUSTRIAL COOPERATIVE SOCIETIES IN INDIA

by **K. C. Jain,**

*Deputy Director National Cooperative
Union of India.*

COOPERATION as an economic system was introduced in India in 1904, but its application generally remained confined to the field of agriculture. Soon after Independence, however, the role of cooperation in the development of cottage and small scale industries was duly emphasised by the Government of India in their Resolution of 1948 on Industrial Policy. This was later reflected in the directive principles of the Constitution, which laid down that the promotion of cottage industries on a cooperative basis, especially in the rural areas, should be the responsibility of the State. The Industrial Policy Resolution of 1956 raised the role of cooperation by developing an industrial cooperative sector. Implementation of the policies thus laid down gave the much needed impetus to the cooperatives in the industrial sector, as is evident from the following figures. At the beginning of the First Five Year Plan, i.e. in 1951, the number of industrial cooperative societies stood at 7,101. By the end of the Second Five Year Plan in 1961, that number had risen to 33,256, and during the Third Five Year Plan the progress made has been even more encouraging, for, on 30th June, 1964 the

number of these societies reached the impressive figure of 46,794. In other words, the increase in the number of societies from 1951 to 1964 was more than 550 per cent. Similarly, the membership and working capital which stood at 766,000 and Rs. 70.53 million respectively in 1951, reached 3,009,000 and Rs. 871.93 million during 1964. The working capital per member, which stood at Rs. 92 in 1951, jumped to Rs. 289 in 1964, i.e. an increase of 240 per cent.

In order to assess the progress of industrial cooperative societies and to make a detailed study of their problems, the Government of India set up two Working Groups in 1957 and 1962 respectively. These groups made recommendations with far-reaching consequences and the working of industrial cooperatives is steadily being oriented in the light of their recommendations. All industrial units make use of the usual factors of production, but a broad distinction can be drawn between the industries depending more on labour, i.e. labour intensive industries, and those with heavy capital outlay, i.e. capital intensive industries. In view of the fact that the artisans and workers

who come forward to form industrial cooperative societies are persons of small means, most of the industrial cooperative societies in India are of the first type.

Types of Industrial Cooperative Societies

The mode of working of industrial cooperative societies varies according to the services they propose to provide for their members. Some societies provide only certain services while others undertake joint production. Functionwise, industrial cooperative societies can be divided into the following categories:

- a) *Industrial Service Cooperative Societies*
These societies do not undertake direct risk of production but help their members by providing them with specific services. The services include supply of raw materials, tools and equipment and helping the members to market their produce, etc. Most of the societies also provide technical guidance.
- b) *Workshop Cooperatives*
These societies own workshops, as well as the necessary tools required for production, and bear the entire risk involved in undertaking production. The production is carried on in the common 'shed' of the society, the workers are provided with raw materials, tools etc. and are required to manufacture goods according to the requirements of the society, which then sells the finished products. The workers, who are normally the members, are given wages either on a daily or piece rate basis. Profits are distributed as a bonus to the members in proportion to the labour contributed by each.

In some societies the members are allowed to take the raw materials to their respective homes but if they do so, they carry on the production as per the directions given to them by the society. The finished products are delivered by the members to the society, the only difference being that in this case, the goods are produced by the members in their homes, while in the former case, the production is carried on in the workshop of the society. This system has certain obvious advantages. The society need not invest money in owning and equipping a workshop; the members can also utilise the services of the other members of the family. In the cooperative



Top:
Workers of the Modern Jewellers' Cooperative Industrial Society show their wares

Below:
Ch. Brahm Perkash, National Cooperative Union of India, (left), inspects Zari goods made by the Zar-Dozi Cooperative Industrial Society

sector most of the industries are of a traditional type, hence the members of the family also know the craft and can contribute to increasing production.

c) *Common Facilities Workshops*

Before the products are ready for marketing, they generally have to undergo one or two specialised processes. Plants and equipment for specialised processing are costly and small societies cannot afford to install them for themselves alone. Therefore, some societies have set up common facility workshops where the societies can bring their products for processing. One society has installed a calendering (finishing) plant to assist its members to get their products calendered. Another society has set up a wire mill for the benefit of the 'Jari'* goods producers' cooperatives. Another example is a Cooperative Bicycle Assembly Plant at Ludhiana.

d) *Cooperative Industrial Estates*

A recent development in this field is the establishment of Cooperative Industrial Estates by groups of small industrial units. These societies purchase and develop the land or take it on lease, lay out roads, provide water and other facilities etc. Some of them also undertake the supply of raw materials, set up common facilities workshops and provide transport services.

Finance

Cooperative societies, in addition to normal commercial financing channels can obtain funds from the State Governments, all of which provide financial accommodation to industrial cooperative societies under the State Aid to Industries Act. Funds are provided both for block capital as well as working capital purposes. In order to help rural industries, the Government of India established in February, 1953, the All India Khadi and Village Industries Board which was later re-named All-India Khadi and Village Industries Commission. This Commission has evolved several patterns of assistance and liberal assistance is available through it to the Khadi (hand woven and hand spun fabrics) and village industries.

The main sources of industrial co-

* Jari is embroidery with gold and silver threads.

operative societies as far as finances are concerned is the cooperative bank. In some States separate Industrial Co-operative Banks have also been established. In those States where Industrial Co-operative Banks have not been established, Central Co-operative Banks are being encouraged to ear-mark part of their funds for financing the industrial cooperatives and to allow representation of the industrial cooperatives on their boards of management. Financial assistance is provided by the Government to the Co-operative Banks for appointing qualified Deputy Managers and Cost Accountants to expedite the disposals and loans applications from the industrial cooperative societies. In addition to the above, the State Bank of India also finances cooperative societies whenever Co-operative Banks are unable to do so. All these institutions give loans to industrial cooperative societies at a very concessional rate of interest ranging from 2½ per cent to 5 per cent.

In order to strengthen the share capital structure of the industrial co-operative societies, which is the foundation of any society, the Government gives loans to the members of industrial cooperative societies for the purchase of shares. Loans are given to the individual members through their societies. The members invest the loan amount in the share capital of the society and repay the Government in small instalments. In other cases, and especially in the case of federations and the apex bodies, the Government directly participates in the share capital of the society. Government share capital contribution may be equal to or greater than the share money raised by the members and has to be repaid within a period of five to ten years.

In order to safeguard the interests of

Cooperative Banks, guarantee schemes have been started. Under one scheme, 90 per cent of the loss suffered by Cooperative Banks in financing the industrial cooperative societies can be made good by the Government. Similar protection is available under another scheme called 'Credit Guarantee Scheme', which is operated through the Reserve Bank of India.

Supply of Machinery

The National Small Industries Corporation, an autonomous body under the Ministry of Industry, provides machinery to industrial cooperative societies on hire purchase. The societies have to pay 20 per cent of the cost of the machinery as a first instalment at the time when their application for the supply of machinery is sanctioned. The balance of 80 per cent and the interest thereon has to be repaid in small instalments. State Small Industries Corporations also help the societies in the same way.

Training and Technical Assistance

Considerable emphasis is being laid at present on training and technical guidance. Technical training is provided by the National Productivity Council which is an autonomous body under the Central Government. In the States there are Local Productivity Councils also. These Councils, in addition to providing training, also undertake techno-economic surveys to guide various industrial units. Arrangements are made for the provision of technical-cum-business management training by the Central Small Industries Organisation through its network of Small Industries Service Institutes and Extension Centres. The National Cooperative Union of India also provides business/management training for the office bearers of indus-

trial cooperatives and departmental staff dealing with industrial cooperatives. This Union has also launched a pilot project for the education of members and managing committee members of cooperative societies. This training is designed to enable the members to run their societies in a business-like manner and derive full advantage from them. Education of the members and management committee members is conducted by the educational instructors in separate classes for members and committee members. The duration of the members' class is three days whilst that of the management committee members lasts for five days.

Marketing

For marketing their produce the industrial cooperative societies have joined into federations at regional and State levels. To facilitate the marketing of the produce of small industries, State Governments run sales centres. The Khadi and Village Industries Commission also runs many showrooms and sales depots where the products of industrial societies in their charge are displayed and sold. The National Small Industries Corporation also helps the industrial cooperative societies to participate in the Government Purchase Programme. A special establishment of the Government of India, called Directorate General of Supplies and Disposals, is responsible for making the purchases on behalf of the Central Government. Industrial Cooperative Societies can register with the Directorate General of Supplies and Disposals through the National Small Industries Corporation. The Directorate General of Supplies and Disposals gives a 15 per cent price preference to the industrial cooperative societies.



COOPERATIVES IN THE ARCTIC

CO-EVER helps in the Northern Territories of Canada

CANADA is celebrating her centenary in 1967 and will be showing the achievements of her technology at the great exhibition at Montreal, Expo 67. There will also be shown at the exhibition products from the Canadian North, which have been made available during the last seven years by the action of the Canadian Government in encouraging the development of Eskimo and Indian cooperatives. If the latest technologies have given them the fourth highest living standard in the world, Canadians also recognise the very real value of the cooperative method and of traditional skills.

Cooperatives were first established in Canada about a hundred years ago; and although the Co-operative Union of Canada was only founded in 1909, the growth of cooperatives has been very rapid indeed. There are more than fifty different kinds of cooperative in Canada and the C.U.C. has recently joined with the C.C.C.—the French-speaking *Conseil Canadien de la Coopération*—to form “Co-operatives Everywhere” or “CO-EVER”, an organisation to assist in the formation of cooperatives both in the Canadian North and in other countries.

Cooperatives in Canada owe very little to government support and encouragement. Even today there is no federal legislation on cooperatives and they are taxed on less favourable terms than in most other countries. In 1958, however, the Canadian Government decided that encouraging the formation of cooperatives would be an important way of helping the Eskimos and Indians of the North to raise their living standards, and appropriate legislation was passed by the Council of the North West Territories. These territories include all parts of Canada north of the sixtieth parallel, except for the Yukon Territory and

The photographs and much of the material for this article were kindly supplied by the Canadian Department of Northern Affairs.

Ungava or New Quebec, the northern part of Quebec Province. There are about 25,000 people in the North West Territories of whom about 9,000 are Eskimos. There are also about 2,500 Eskimos in Quebec and a further 1,000 or so in other provinces and in the Yukon Territory. Most of Canada's 200,000 registered Indians live in the south, as do a further 200,000 Canadians of Indian descent.

Carvings and Handicrafts

In recent years, much interest has been aroused in southern Canada by the carvings, prints and handicrafts of the Eskimos and the sale of these in the south has become an important source of income to the Eskimo people. They first became widely known after a visit by the Canadian artist, James Houston, to the Eskimo community at Povungnituk on the western coast of Ungava in August 1948. Eskimo carvings were exhibited by the Canadian Handicrafts Guild in Montreal in 1949 and were sold out in three days.

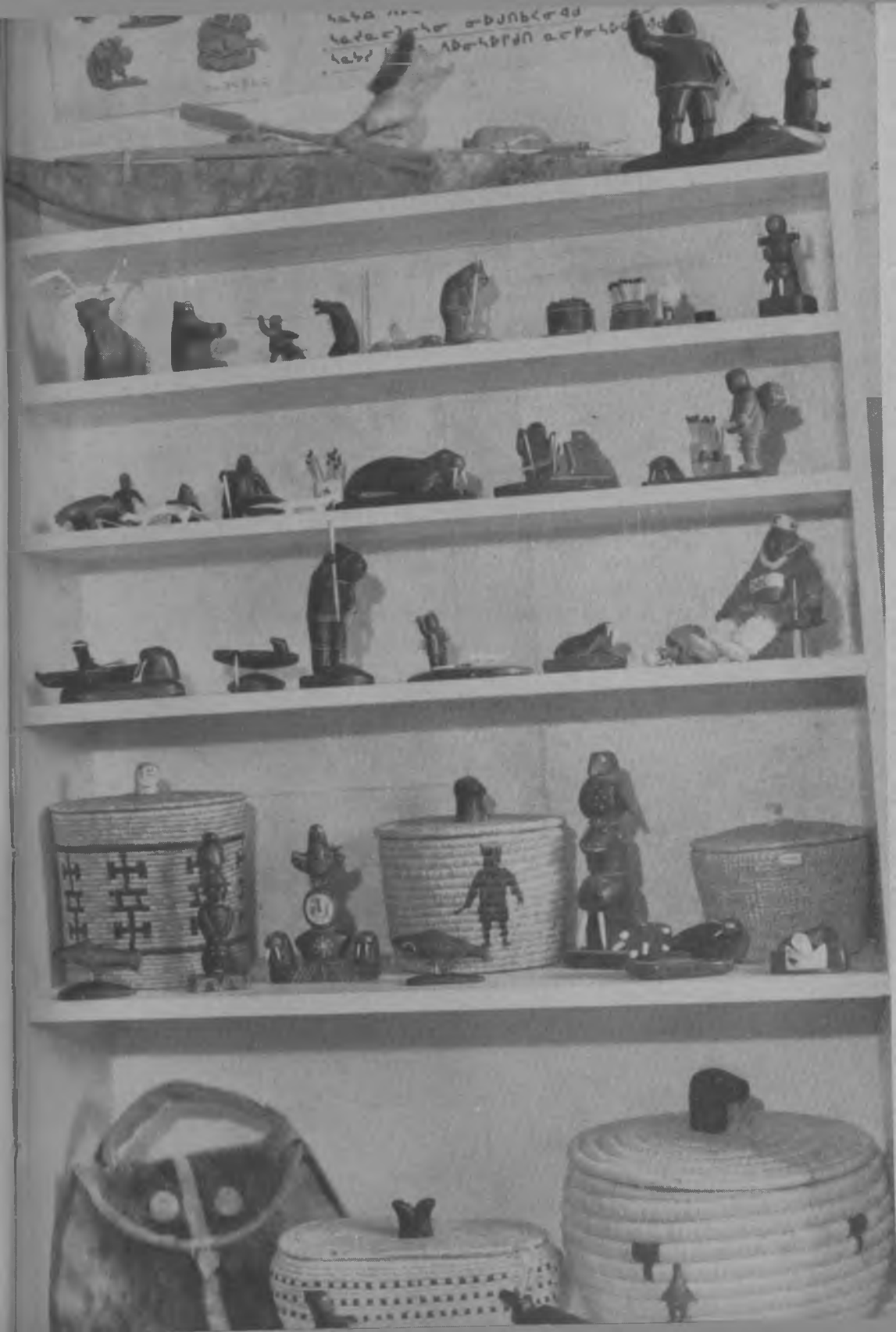
By 1952, more than twenty thousand Eskimo carvings had been brought to the south. There were many exhibitions, as at the Royal Ontario Museum, at the National Gallery of Canada in Winnipeg in 1964, and in New Brunswick in 1965. The Department of Northern Affairs and National Resources actively encouraged the Eskimos to produce carvings, mainly in soapstone and ivory; and also prints from stone and sealskin stencils and a wide variety of handicrafts. The quality of the carvings naturally varied but many of them were widely acclaimed in the south by people qualified to judge. Production increased sharply as Eskimo carvings became known and sought after in the U.S.A. and Europe as well.

First Eskimo Cooperative

Before 1958 there were no cooperatives in the Canadian Arctic. It was in that year, ten years after Mr. Houston had collected his first carvings, that the first Eskimo cooperative was founded at Povungnituk. It was founded largely on the initiative of Fr André Steinmann and after 1962 received active support from the *Conseil de la Coopération du Québec* and the Quebec Government. It was very successful and had 247 members at the end of 1965 and made sales in that year of \$379,000. As well as marketing carvings, it operates a retail store, a print shop and a sewing shop and caters for tourists. It is closely associated with a credit union formed with the help of the *Fédération des Caisses Populaires Desjardins*, the French Canadian credit union organisation. By the end of 1965 the members of the credit union had contributed \$5,134 to its resources by their carvings.

In 1959, nearly three hundred years after the Hudson Bay Company received its charter, the Canadian Government began to make funds available for cooperative development in the Arctic through its Department of Northern Affairs and National Resources and the Eskimo Loan Board. Four field officers with cooperative experience were appointed by the department and the number was later increased to six. Twelve cooperatives had been incorporated by 1961, 19 were in operation by 1963 and 25 by the autumn of 1966.

In 1963 a conference of Arctic cooperatives was held at Frobisher Bay on the east coast of Baffin Island attended by representatives of sixteen cooperatives. This conference recommended that more field workers should be appointed and that more information about co-



Handwritten text in a non-Latin script, likely Inuit or Eskimo, located above the canoe.



operatives should be made available through a quarterly bulletin, the radio, film strips and in other ways. It also made recommendations about training and paid special attention to the marketing of furs, carvings, prints and handicrafts. A special committee with representatives from the Federal and Provincial Governments and from southern cooperatives was set up to study the problem of marketing.

By 1964 eight of the twenty cooperatives established across the Arctic had their own consumers' stores and two others engaged in bulk buying on behalf of their members. Purchases from the cooperative wholesale in the south, Federated Cooperatives Limited and the *Fédération des Magasins Co-op Québec*, amounted to well over a quarter of a million dollars. Half the working capital of the established cooperatives was their own and not borrowed, and turnover in 1964 by Arctic cooperatives amounted to over \$1,000,000. In 1965, Arctic Cooperatives, with help and capital from the Co-operative Union of Canada, set up the company, Canadian Arctic Cooperatives, to help market cooperative products from the North West Territories in the south. The progress of cooperatives in the Canadian Arctic in the early sixties is graphically described by Miss Edith Iglauer in her book *'The new People'*. *

Second Arctic Conference

In April 1966 a second conference of Arctic cooperatives was held, this time at Povungnituk. It was attended by dele-

gates from 22 Arctic cooperatives and from four settlements which were then preparing to form cooperatives, and by Mr. Jon Evans, Chief of the Industrial Division of the Department of Northern Affairs and National Resources, Mr. Alex Sprudz, its Supervisor of Cooperatives, Mr. Ralph Staples, President of the Cooperative Union of Canada, Mr. E. Bernier representing the Quebec Government and by Mr. A. St. Amant, who spoke on behalf of the *Conseil de la Coopération du Québec*.

Nine of the cooperatives which sent delegates to the conference were established in Northern Quebec or adjacent islands such as Port Burwell and the Belcher Islands. Delegates also come from Port Harrison and Wakeham Bay which were in the process of forming societies. Most of the cooperatives in Northern Quebec produce carvings though some have no local soapstone. Several have cooperative stores and some are engaged in fishing or doll-making or the collection of eiderdown. Bobby Snowball of Fort Chimo told the conference how his society was sending 25,000 Oookpiks* to Expo 67.

Mr. St. Amant told the conference how the *Conseil de la Coopération du Québec* and the Quebec Government had helped the development of cooperatives in Northern Quebec since 1963. Much of this help had been provided through the Povungnituk Cooperative Association, the *Pêcheurs Unis de Québec*, the *Fédération des Magasins Co-opératives* and also the credit union organisation of French Canada. It was generally agreed that it was a pity that

* *The New People—The Eskimo's Journey into our Time*, Edith Iglauer, 1966, Doubleday and Co., Inc., New York.
Jonathan Cape, London, 28 shillings.

* The Oookpik is an Arctic owl. Made in seal-skin by Jeannie Snowball, an Eskimo artist, the Oookpik has become so popular that it has been adopted as a Canadian symbol. Ed.



Prints and a soapstone carving
by Eskimo artists

Dipping char for quick freezing



Preparing for another fishing season



there were two cooperatives in the Great Whale River area, and assurances were given that the possibility of amalgamating the them would be explored.

The Mackenzie Cooperatives

Delegates to the conference from the six cooperatives in the Mackenzie River area included the skilled carver, Charlie Klegenberg, from Coppermine, on the northern coast and Elijah Menarik of the Housing Cooperative at Inuvik and the Canadian Broadcasting Corporation. Mr. Menarik told the conference of many plans for the further development of cooperatives at Inuvik, a new town on the eastern side of the Mackenzie delta. On its western side was the fur garment cooperative at Aklavik, which was planning to establish its own tannery instead of sending skins to Winnipeg; and another fur garment cooperative was in process of formation at Tuktoyaktuk, 1,300 miles from Edmonton and on the shore of the Beaufort Sea.

Further south, at Fort Franklin on Great Bear Lake the members of the Great Bear Cooperative Association are not Eskimos but Indians. The Association was represented by the formidable Father Fumoleau and had the enterprise to mimeograph its own money. Mr. Staples told the conference that he was afraid to open letters from Father Fumoleau in case they burst into flames. The cooperative at Fort Resolution on Great Slave Lake had its own timber mill and had been helped by the Indian Affairs Branch as well as by the Cooperative Union of Canada, and that at Rae on the other side of the lake had only just been formed at the time of the conference but supplied its chairman, Mr. Edward Zoe.

Two important cooperatives on Victoria Island, north-east of the Macken-

zie delta, were also represented at the conference. That at Holman Island specialised in prints and tapestries, while the one at Cambridge Bay on the other side of the island was primarily concerned with fishing. A total of eight cooperatives from the western Arctic were thus represented at the conference together with one in process of formation.

The North East

The third group of cooperatives sending delegates to the conference included those from Baffin Island, Keewatin and the Far North. The one at Frobisher Bay on the east coast of Baffin Island produced fish on a large scale and also carvings and could become the biggest of all Arctic cooperatives. The cooperative at Cape Dorset on the south coast of the island specialised in prints. Its printed fabrics have won an award from Canada's National Design Council and are to be used in the Canadian Pavilion at Expo 67 and sold in the U.S.A. and in Europe.

The most northerly cooperative represented was that near the base at Resolute on Cornwallis Island. The cooperatives at Whale Cove on the western side of Hudson Bay and at Igloodik on the mainland six hundred miles further north were represented, as was the settlement at Pelly Bay near the Magnetic Pole. There were thus five established cooperatives from the North East represented. The settlements at Repulse Bay on the mainland and Pond Inlet on the north coast of Baffin Island were unable to send delegates.

After hearing reports from 22 cooperatives and four settlements in its first week, the Povungnituk Conference discussed problems of policy in its second week. Mr. Staples emphasised the value of government loans with investment su-

Another polar bearskin goes to the Co-op



Material for a dress from the Co-op

Entering purchases at Kikitaovak Eskimo Co-op



pervised by cooperative experts from the south. Mr. Woodward, Cooperative Development Officer at Frobisher Bay, spoke of the possibility of the government guaranteeing loans from southern cooperatives with funds to invest, and delegates agreed that both possibilities should be explored. Mr. Staples made clear to delegates the essential difference between cooperative organisations and companies like the Hudson's Bay Company. The conference also recommended more government help with transport and with educational work both by the provision of experts by southern cooperatives and by the interchange of people. A resolution from Mr. Menarik called for a committee to help the formation of cooperative stores in the north; but the conference was mainly concerned with problems of marketing and supply.

Canadian Arctic Cooperatives Limited

Most Arctic cooperatives are multi-purpose, being concerned with the marketing of the products of the north, with the supply of requirements from the south and with productive activity. Mr. Evans of the Department of Northern Affairs and Mr. Staples of the C.U.C. had envisaged a single cooperative marketing organisation to succeed the temporary organisation, Canadian Arctic Products; but Mr. St. Amant, speaking on behalf of the *Conseil de la Coopération du Québec*, said that the Povungnituk cooperative was doing excellent work and argued the case for two cooperative marketing organisations, one in Northern Quebec and one in the North West Territories. There was much lively discussion and on the day before the conference ended, it was agreed that five delegates from the east and five

from the west should discuss the matter privately in the evening.

On the last day of the conference, Mr. Menarik of Inuvik announced that the ten delegates had reached agreement and proposed that a single marketing and supply organisation should be formed with three branches or federations in the Mackenzie district, in Keewatin and the North East and in Northern Quebec. The organisation would be called Canadian Arctic Cooperatives Limited, would have its headquarters in Toronto or Ottawa and offices in Edmonton and Montreal, and would be managed under contract by the Cooperative Union of Canada and the *Conseil Canadien de la Coopération* or the *Conseil de la Coopération du Québec*.

There was some discussion about how the plan would work out in detail. Mr. Staples was doubtful about having government representatives on the board of the new cooperative as proposed in the resolution. The delegates from the west were clearly anxious to go ahead and form their own federation and hoped that the new marketing organisation, unlike Canadian Arctic Products, would pay half the price agreed for goods on their delivery. The resolution was moved by Charlie of Frobisher Bay and seconded by George Annahatuk of Payne Bay, Northern Quebec. Only delegates were allowed to vote and the resolution was carried unanimously.

The delegates then broke into their theme song. The outlook, which had seemed uncertain to some during the discussion, became much clearer. Difficulties were recognised; but the cooperatives of the Arctic had become strong enough to market the products of the North through their own organisation. There was new hope in the North.

P. D.

COMMENTARY

**Dr. Andreas
Vukovich**
*A life for and in
Cooperation*

FOR thirty-two years Kommerzialrat Dr. Andreas Vukovich has piloted Austria's Cooperative Union, "Konsumverband", with great energy, tact and wisdom, from almost complete destruction in the 1930's, through hazards and difficulties, to success in the post-second world war period.

In early manhood, Dr. Vukovich became actively engaged in cooperative work, gaining his experience as a trainee in the GöC (Cooperative Wholesale Society) and at the outbreak of World War I, was appointed head of a department. After 1918 he was entrusted with the difficult task of ensuring that the members would continue to make use of the resources of their Movement to build up cooperation in their new country, now independent after the break-up of the Austrian Monarchy.

After completing his university studies and spending some time in England, Dr. Vukovich was put in charge of the Austrian Movement's press and education work, and since 1934 he has directed the business of the "Konsumverband". Since then, he has become internationally known as a member of the ICA Central Committee where his wisdom and experience have always been greatly appreciated. He is continuing to be one of the Austrian Movement's representatives on the Central Committee.

Whoever has met Dr. Vukovich has come to realise his great energy and has learned to appreciate his deep knowledge. If there is any one person truly qualified to write the history of the Austrian Cooperative Movement over the last five decades, that person would surely be Dr. Andreas Vukovich. Cooperative historians everywhere would welcome such a story, should he ever find time to do it.

We wish Dr. Vukovich much happiness and long life to come.

**Nationalrat
Ernst Herzog**

On the cinema screen only the greatest artists have succeeded in portraying "the little man"— that greatest of human beings; and even in the cinema, only Charlie Chaplin, the greatest of them all, succeeded really.

In real life, such an example of "the little man" is seldom found; most people show to the world a "working face" and one, or many different faces at other times . . . only the really great are themselves at all times. One such is Ernst Herzog, who, at the end of 1966, retired from the Presidency of the Administration of V.S.K. and who at all times represented, be it in the Swiss Parliament, in his trade union activities, or in his cooperative work . . . "the little man".

At his cradle no fairy bestowed wealth and success on him. He was born into a poor worker's home where there was not money enough to send the bright boy to high school or university.

Ernst Herzog was apprenticed to a master joiner, and all his life he has remained proud of his connection with the Swiss Woodworkers. Their economic betterment was therefore his first consideration, when, before he was 25 years of age, he was elected President of their Union. From that time on he worked constantly for the improvement of Swiss working-class conditions.

Early in life, Ernst Herzog was attracted to cooperation and became a Director of A.C.V., the largest of the member societies of the V.S.K. In 1941, a most critical time in Swiss national life, he was elected to the Administration of V.S.K., which, for the last fifteen years as Administrative President, he has guided with great ability. He has also been and still is, a member of the ICA Central Committee. The offices he held in the cooperative sector are too many to enumerate here. A few, such as the Presidency of the *Genossenschaftliche Zentralbank* (Cooperative Central Bank), of the Storage and Shipping Cooperative St. Johann and of many housing cooperatives, must, however, be mentioned.

There is no aspect of Swiss Economic activity, whether on the employees' or employers' side that did not involve Ernst Herzog. His advice was always gladly given, and in spite of many demands on his time, he remains a most accessible human being, always finding time for others.

At all times Ernst Herzog upheld the three pillars which formed his background: his political activities, his trade union work and his devotion to cooperation. For about 30 years he served as a respected member of the Swiss Parliament.

We in international cooperation join his Swiss friends and colleagues in wishing him a happy retirement.

The resignation of Heinrich Meins from the Board of GEG, the German Cooperative Wholesale Society, of which he was chairman until August 1966, means a loss for the German Consumers' Cooperative movement, since he had exerted considerable influence on its development for almost two decades.

Cooperation was part of his life, as his parents were keen cooperators. While he was studying law, Mr. Meins made contact with the German Cooperative Movement and worked for a few months for the GEG. However, in 1933 when he hoped to gain his first legal experience within the *Zentralverband*, he was for political reasons not acceptable to the leaders of that organisation. His political convictions also prevented him from joining the legal profession and in 1935 he started his career in an industrial cooperative.

It was not until the end of the Second World War that Heinrich Meins became actively involved in cooperative work. In 1945 he became legal adviser to the re-established GEG and it was he who helped to restore its cooperative character. He was entrusted by the British Military Government with the difficult and arduous task of re-allocating capital and property to their rightful owners. This was only part of the much more difficult task of reviving and firmly establishing a new German cooperative movement.

In September 1948 in the General Meeting he was elected to the management of GEG in Hamburg and he became its Vice-President in 1949. After the death of Gustav Dahrendorf in 1954, Heinrich Meins succeeded him as chairman.

His interests in the German cooperative movement reached far beyond the work of the GEG. As early as 1948 he became an honorary member of the Executive of the newly-established *Zentralverband*. It was Heinrich Meins who assisted in the formation of the deep sea fishing cooperative as well as the "*Bank für Gemeinwirtschaft*".

In 1954 he was elected to the Central Committee of the ICA. In this capacity he worked for closer collaboration, particularly in the economic field, of European cooperatives. It was due to his initiative that the Cooperative Wholesale Committee was formed within the ICA. He was a leading member of the Executive of the CWC and later became its Vice-President and in 1960 its President. The Executive was instrumental in setting up EURO-COOP in which the Cooperative Wholesale So-

cities of the Common Market countries collaborate.

Cooperators in all parts of the world will join us in wishing Heinrich Meins well in the future.

Cooperative fertiliser plants for India

In 1966 the U.S. Government's Agency for International Development (AID) made an agreement with the Cooperative League of the USA, under which the League would send a team of three fertiliser experts to India. This team was to prepare an analysis to assist the Government of India, cooperatives, and the AID mission in India to make a preliminary statement of the probable feasibility of a fertiliser plant or plants being owned and operated in India by the cooperative sector as a bona fide business venture.

The three experts sent in September 1966 were: Howard H. Gordon, William H. Mitchell, a production and distribution specialist and Albert J. Soday, a chemical engineer. They produced a report at the end of 1966 which declared that it would be feasible for the Indian and U.S. cooperative movements, acting together, to set up cooperative fertiliser plants in India with help from the Government of India and Indian banks, U.S. AID, the World Bank and the International Finance Corporation.

The team was convinced that India's land resources were basically adequate to feed her people, given adequate irrigation, educational and seed improvement programmes and huge quantities of fertiliser. Projects would, accordingly, be feasible with Indian and U.S. cooperatives finding 30 per cent of the capital.

The team pointed out that American cooperatives had considerable experience in the field and that it would be desirable for management contracts to be arranged between Indian and U.S. cooperatives so that experienced people could manage the plants in the early stages while local people were being trained.

The survey team had doubts about priority being given to plants of 200,000 ton capacity, as envisaged by the Government of India, for transport, financial and technical reasons; but thought that plants of 70-130 tons a day capacity could be established under cooperative ownership on inland locations in Maharashtra, Gujerat, and Uttar Pradesh—and larger plants on coastal sites. Supplies of naphtha from refineries and of some natural gas were available. Deposits of rock phosphates could be exploited, but potash would have to be imported.

The Cooperative Fertiliser Survey Team was helped in its work by Dr. A. C. Felder of the Cooperative League and by people from the U.S. AID, New Delhi, the Government of India and from the National Cooperative Development Corporation, from the National Cooperative Union of India and from many Indian cooperatives.

Festival Year of the Finnish Cooperative Movement

The three central organisations of the Finnish Cooperative Movement celebrate their 50th Anniversaries on the following dates: The Cooperative Union KK on 12th November, 1966, the Cooperative Wholesale Society OTK on 12th December, 1967 and the Kansa-Companies in 1969. For practical reasons these central organisations decided to arrange a joint festival year for the whole Cooperative Movement, which began on the anniversary of the KK and will end on the anniversary of the OTK in December 1967.

In order to celebrate this great event in Finnish cooperative history, the three organisations commissioned the Cooperative Institute of Helsinki University to write a three-part history of the Finnish Cooperative Movement starting from its beginnings in 1916. The first part of the Cooperative Movement, was screened for the 50th anniversary of KK, and the first volume, leather-bound, was handed to the President of Finland, Mr. Urho Kekkonen, as a token during a commemoration meeting. In order to make this event known throughout Finland a special issue of "*Me kuluttajat*" (*We Consumers*), a cooperative periodical, was distributed to 1,400,000 households throughout Finland. Two more special issues of the paper have been planned for similar distribution during the festival year.

On the 50th anniversary of the KK, its Board of Administration held a festive session, at which the new film "*The Decades of Progress*", illustrating the development of the Cooperative Movement, was screened for the very first time. At that meeting, the Board of Administration decided, among other things to buy a camp area in Central Finland near a beautiful lake, to serve as a centre for cooperative camping and educational activities. From 26th June to 9th July, 1967, there will be an international youth camp arranged to which young cooperators from fifteen countries have been invited. The programme of the camp will include, besides active pioneer life, excursions to the neighbouring regions, lectures on the life and

people of Finland, on its cooperative movement, etc.

During the festival year, a series of special offers will be arranged in all cooperatives. Several non-food and food articles will be offered to the members at considerably reduced prices and the slogan for these special offers reads: "It pays to be a member of a coop".

The actual jubilee month will be May, 1967. Exhibitions, competitions, demonstrations etc. will be arranged in several parts of Finland and the festivities will culminate in the Jubilee Congress in the National Theatre in Helsinki. The President of Finland has promised to honour the occasion by attending the opening ceremonies of the Congress.

Another interesting feature of the Jubilee year activities is that KK will arrange, in collaboration with local motoring organisations, motoring competitions in ten localities for the general public. The number of cars in Finland continues to increase and people should become increasingly interested in different activities connected with motoring and especially car rallies. It is therefore expected that many people will participate in the motoring competitions, arranged to promote the skill of car drivers and, it is hoped, also to draw attention to the activities of the cooperative movement. J. H. O.

MARGERY HILL

AT the end of June, the ICA senior editorial assistant, Miss Margery Hill, will have retired after serving the Alliance for exactly eighteen years.

Margery Hill came to the ICA in 1949, having previously worked for some years as foreign correspondent of an important insurance office with extensive continental and South American business. During the war years she had a thorough grounding in the editorial department of the famous publishing house Jonathan Cape, where she worked as Mr. Cape's secretary and assistant to the various readers.

At the end of hostilities, and only a



Margery Hill

little way along Bedford Square, Miss Hill joined Europa Publications as general editor of their International Yearbooks. Often she remembers editing

the well-known Diary of Current Events, which gave her entrée as 'press' to the re-opening of Covent Garden Opera House, to all London concerts and exhibitions at a time when, after its heavy pounding, London came gradually to life again. It was here, engaged in writing a book, on the Middle East, that I met Miss Hill and was tremendously impressed by her abilities, both editorially and linguistically and I recommended her, through the then Director of the Alliance, Mr. Thorsten Odhe, as a possible valuable addition to the ICA Staff. For eighteen years Miss Hill has proved this to be a fact and through the years, requests to Margery Hill such as 'What is the translation of a workers' productive society in Spanish?' or 'What is the English for Grosseinkaufs-Gesellschaft?' were always promptly answered from her deep knowledge of the cooperative field, which she made her own on joining the Alliance.

Too many are the publications she has edited and assisted in preparing—the Film Bulletins, the Press Directory, International Cooperation—and from

time to time she has, editorially speaking, held the fort and done the general editor's work to the satisfaction of all concerned. For the most part of her service to the ICA she also edited the "Review of International Cooperation" and in her spare time translated the Raiffeisen novel 'A Man Conquers Poverty' from German into English.

Much more could be said of Miss Hill's work for the Alliance—the hours spent on ICA work after office work was done, her great kindness and concern for her fellow-workers, and her great ability as a gardener.

In spite of her hearing handicap, she remains tremendously appreciative of music in all its forms, and we know that in retirement her days will be filled with all the things she has had to push back during her working life. Her colleagues past and present and all her friends at home and abroad wish her long, happy and active years to follow her many interests. She will always be gratefully remembered at the ICA.

J. H. O.

Publicity for

INTERNATIONAL CO-OPERATIVE DAY

Saturday, 1st July 1967

A list of the Co-operative Union's range of posters, pelmets, flags, badges and other material for Co-operative Day celebrations is obtainable free of charge from the

**CO-OPERATIVE UNION LTD. - HOLYOAKE HOUSE
HANOVER STREET - MANCHESTER 4**

36TH INTERNATIONAL COOPERATIVE SCHOOL — POLAND

The International Cooperative Alliance has accepted an invitation from the Central Agricultural Union of "Peasant Self-Aid" Cooperatives to hold the 36th International Cooperative School in Poland in 1967. The School will be held from 26th October to 4th November 1967 at the Centre of the Polish Academy of Sciences at Jablonna, near Warsaw.

The theme of the School is

"The Collaboration of Cooperative Organisations, Locally, Regionally, Nationally and Internationally".

This subject is of increasing interest and importance to cooperatives of all types in all countries. "Must close collaboration between cooperatives lead to integration?" "Why in some cases is centralisation urged, and in others, decentralisation?" These are just two examples of the topics which will be discussed at the School. The subject is of particular relevance in view of the enunciation of a further principle of cooperation, that of "Cooperation between Cooperatives", at the 23rd ICA Congress at Vienna in 1966.

During the School visits will be kept to a minimum in order to allow more time for study and discussion. After the formal end of the School, a four-day visit to Polish cooperative societies has been arranged to give the students an opportunity of seeing something of the Polish Cooperative Movement. The visit will start on the morning of the 5th and conclude on the evening of the 8th November.

The fee for each participant will be £62.0.0d., covering lectures, interpretation, accommodation, meals and excursions. An additional charge of £15 will cover the four-day visit to cooperatives through the provinces of Poznan and Wroclaw.

Nominations together with a remittance for the appropriate amount should reach the ICA headquarters not *later than 31st July 1967*.

SUCCESS AT KUNDIAWA

A TRIUMPH OF COOPERATION *

by **Renata Cochrane.**

AT the end of 1965, three new districts were established in the Territory of Papua and New Guinea. One of these was the Chimbu—formerly part of the Eastern Highlands with headquarters at Goroka. More intensive administration was needed to keep pace with the large population (165,700) and rapid economic development. Two factors had contributed greatly to progress, the coffee-growing potential of the Chimbu added to that phenomenally successful venture, the Kundiawa Coffee Society.

For some time the Chimbu people had been grumbling about the price they received for their coffee. It became evident to them that itinerant coffee buyers were reselling the beans at a much higher price. The Chimbus (small growers for the most part) wanted to be able to sell direct to a market, thereby getting a better return for their product. But how were they to do this?

The possibility of progress through co-operation was first brought to the notice of the Chimbu people in 1963 by the Territory's Registrar of Cooperatives or the Territory's Cooperative Registrar Mr. E. O. Graham. The object of his visit was to find out if the Chimbu people were interested in forming a Co-operative Society to buy and operate a

coffee processing factory near Kundiawa. This factory, built by the Highlands Produce Buyers Ltd, was to be put up for sale. The managing director of the firm was the well known pioneer, Mr. Jim Leahy. His nephew, Mr. Michael Collins, was the factory manager.

Jim Leahy had first gone to the area in 1934 to join his brothers Mick and Dan after their startling discovery of the Wahgi Valley during the previous year. He had a deep feeling for the Chimbu people and Mr Graham had already found out that he was well disposed towards the idea of the factory passing into Chimbu hands.

Enthusiastic Response

The initial response was enthusiastic and soon afterwards, Mr. Eric Pyne, then Assistant Registrar of Co-operatives for the New Guinea mainland, discussed the matter in greater detail with Chimbu leaders, who assured him their people were anxious to find a way to progress quickly. Thousand were already growing and selling coffee, but most of the cash from these sales was being hoarded. The leaders believed that once the people understood the purpose of the new venture, they would certainly find money to buy the factory. All that was needed was time for the leaders to talk to their people.

During the next two months, the leaders talked to the people about the project—a factory that the Chimbus them-

* From *A Case Study of the Formation and Operation of the Kundiawa Coffee Society*, published by the Kundiawa News in the Chimbu Survey 1965.



The factory at Kundiawa

selves could own and operate. Many live in isolated hamlets and homesteads and not all could be visited, but there are many traditional meeting places and all over the District men could be heard yodelling out the news across valleys, inviting people to meet and listen.

On 23rd January, 1964, four Co-operative Officers arrived in Kundiawa. It was a moment of local history. Mr. Barry Bond, Acting Assistant Registrar for the New Guinea mainland, stationed at Goroka, had this to say: "The Chimbus, when we first came to them, were a people desperately anxious to make up for lost time, painfully aware of their backwardness and wildly keen to take part in an enterprise of their own. We began to help them to collect share capital, averaging two village groups and meetings per day. The people turned up with their money and contributed freely, to the extent that we collected an average of £1,000 per day, mostly in single shillings. While some of the more cautious contributed £5 only and then stood back to see how things went, others contributed £50 and £100, while Auwei of Sina Sina contributed nearly £500 and Bimai of Watabung £600. Some of these higher amounts were to be regarded as status symbols."

Many of the shillings were stuck together with pig grease in long columns

and wrapped in leaves. There were even some German marks. Not a few of the shillings were handed over by old men, anxious to have their names written in "The Book", for posterity. This big book, containing the names of Co-operative members, became a symbol of progress. The old men felt that the Chimbus were no longer a "rubbish people"—something great was happening to them. Their ancient bones might well be in the ground before this new thing grew up, but they wanted their sons to remember that they had helped in the venture.

By mid-February, when well over £13,000 had been collected, 38 men met at Kundiawa and resolved to apply for registration as a co-operative, to be called the Kundiawa Coffee Society Ltd. To qualify for membership, each man was to buy ten shares of £1 each. At this initial meeting, the men between them contributed £570. The resolutions were signed by seven men and the papers sent to Port Moresby. As soon as the infant society was registered, it would be in a position to negotiate for the factory.

Share collections went on. In the late afternoons, tired Co-operative Officers gathered to count the money. Sometimes it took them until 10 p.m. Many of the grease-encrusted shillings had to be boiled in water and detergent before they could be rolled into £2 lots. A bank clerk was flown from Port Moresby to help.

On 18th March, 1964, a general meeting called at the Waiye Local Government Council Chambers attracted 1023 shareholders to hear the news that the Society had been duly registered.

The Directors were elected unanimously. They were Kondom of Waiye, Bimai of Watabung, Siwi of Kerowagi, Auwei of Du, Kone of Chuave and Yauwe Moses of Elimbari. All these were men

of influence. The Directors then elected a Chairman by secret ballot. The choice fell on Kondom, Chairman of the Waiye Local Government Council and a former member of the Legislative Council.

Mr. Graham told the meeting that the price asked for the factory was £35,000. Members had already subscribed £25,000, but the Society would need at least £52,000 to buy the factory and provide sufficient working capital. Mr. Leahy was prepared to give the Chimbu people first choice as buyers.

The Chimbuses were not daunted by the size of the sums, but decided to ask the Bank of New South Wales for an overdraft of up to £25,000.

Mr. Graham also advised that if the Society were to be successful, the Directors would have to employ a really efficient manager. He said: "The prestige of the Chimbu people is at stake in this matter. Everyone in Papua and New Guinea will soon know that the Chimbuses are going to own and operate a coffee factory".

A few days later, the Society advertised the position of coffee buyer and manager at Kundiawa and eventually appointed Mr. Michael Collins to the job—the first time that an indigenous organisation in Papua-New Guinea had employed a European.

Formal Transfer

On 15th April, 1964, Mr. Leahy came to Kundiawa to formally hand over the factory. Some 2000 excited Chimbuses watched him accept a cheque for £35,000 handed over by the Chairman of the new Society. Kondom said: "This is a proud moment for my people. They are starting something new—buying, processing and marketing coffee—by working together in a Co-operative. I am sure they will make a success of this new



Gathering coffee beans

business."

The Chimbuses, a vigorous and excitable people, are hungry for progress. Their capacity for careful hard work is shown by the patchwork cultivation of their mountainside food plots (sometimes so steep as to appear almost like hanging gardens). Their natural shrewdness helped them quickly to adapt to the new ideas of a money economy and political development. With a population density of 130 to the square mile, they are seldom far from their neighbours and, most important, the many different groups living from Gembogle to Elimbari and from Gumine to Watabung have realised that they have a great deal in common.

The idea of running their own Co-operative caught the imagination of these craggy, square-faced, cheerful, noisy mountaineers. They found they had really got something. The next move was to keep it going. With an ever-increasing number of shareholder-planters, more and more coffee came pouring into the factory. The factory was enlarged. New trucks were bought. Young men with a reasonably good education were sought out and sent to the Co-operative Education Centre at Port Moresby to be trained as coffee buyers and were put to work as soon as they returned.

They set out at 6 a.m. with a box of money, bumped all day over hazardous mountain roads, and came back with trucks heavily loaded with coffee.

Up to 28th April, 1965, the total share capital collected was £78,787. However, following the rapid expansion, the capital to asset ratio was beginning to cause worry. Co-operative Officers and their helpers mounted another share collection drive and in less than three months, collected more than £30,000 extra capital.

Transport Difficulties

However, the need for increasing capital was only one of the many problems facing the Society. There was always the difficulty of getting the crop to market, as heavy rain frequently dislocated traffic, especially on sections of the road near the Daulo Pass.

As an alternative, Co-operative Officers looked into the possibility of trucking the coffee to Mount Hagen, a hundred miles away. The Society also successfully tendered for land adjoining the Kundiawa airfield with a view to erecting a bulk storage shed. Commercial use of Caribou aircraft, introduced by Ansett-M.A.L., means that 5000 lbs. of cargo can now be uplifted from Kundiawa at one time. The 2000 feet airstrip was formerly serviced only by Cessnas.

The industry is a symbol of progress to the Chimbu people, but there are many thinking people who are concerned by the development of a "one-crop" economy. There is the ever-present risk of a fluctuating world market and the undeniable fact that the Chimbu people are short of land and that further coffee planting can be introduced only at the risk of reducing their agrarian self-sufficiency.

The Administration had given much

thought to the problem. For some time, the Department of Agriculture had been urging the people to take on cattle raising. Young Agricultural Officers, several of them Papuans and New Guineans, are showing the people how to fence their land and sow pastures. Some of the leaders, notably Bimai of Watabung and Narre Mate of Womai, have taken the initiative and have started small herds of their own. There are now sixteen native-owned cattle projects, totalling about 127 head. Long before this, the Catholic Mission at Mingende had been actively promoting not only cattle-growing but pig-raising among their helpers.

New Industries

Another new industry, the growing of pyrethrum for insecticides, has been firmly established. This, however, is not so much to supplement the growing of coffee as to provide a cash crop for people living at altitudes over 7000 feet, where coffee does not flourish.

The present factory is stretched to the utmost. The Society has appointed a firm of consulting engineers to investigate plans and specifications of the various types of machinery available. Acting on their advice, the Society intends to install the most efficient machinery and to make the factory as fully automated as possible.

Whatever the doubts and dilemmas, no one can deny that up to the present the Kundiawa Coffee Society has been an unparalleled success.

The factory has been enlarged and equipped with electric power and the most up-to-date machinery for sorting, grading, drying etc. A new garage and repair shop has been built and extensive staff quarters provided.

Total share capital is now about £90,000 and in a little over twelve

COOPERATIVE HOUSING IN CHILE

Walter Sommerhof,
*General Manager,
Cooperativa SODIMAC
Ltd., Santiago.*

THERE are one Federation and five auxiliary societies in Chile, all founded within the last five years. In a relatively short time great progress has been made, though there is still a long way to go; the institutions in question are well aware that they leave much to be desired. Their growing importance, however, is such that they merit a greater degree of help from private or national authorities in the field of housing.

Spectacular Progress

During the last few years the cooperative housing movement has advanced spectacularly in Chile. In 1951, there were 17 housing co-operatives; in 1960

months up to 28th October, 1965, the factory had bought more than 2700 tons of parchment coffee for £630,000. During the same period, the factory sold nearly 2000 tons of processed coffee for £800,000. £21,000 has been paid to shareholders as dividends and rebates and a bonus share issue of £16,000 was declared.

The spectacular growth of the Chimbu people's first venture into big business is emphasised by the fact that the Kundiawa factory, in its last year of operation before the co-operative takeover, sold 378 tons of processed coffee.

there were 226 and at the end of 1965 there were 540, with 180 others in process of formation.

The number of active members in the housing co-operatives is assessed at some 45,000, of which about 20 per cent live in the co-operative housing estates. More than 35,000 co-operators are therefore still waiting for their own homes; the ever rising numbers of co-operatives mean that the waiting lists grow longer too.

As shown in the following table, it is estimated that prior to 1963 the number of co-operative housing units built was less than 2,000, whereas during the last three years 6,575 units were built, bringing the total to 8,538 in all:—

	Aux. Societies included:	Aux. Societies excluded:		Total:
		AAP	CORVI	
Prior to 1962	—	—	—	500 ⁽¹⁾
1962	341	—	1122	1464
1963	987	—	953	1940
1964	2602	89	412	3103
1965	1003	24	505	1532
Totals	4933 ⁽²⁾	113	2992	8538

(1) Estimated figure.

(2) 95 per cent AAP credits and 5 per cent CORVI credits; not including CORVI credits for urban improvements.

Co-operators themselves have made an important contribution to these projects through personal efforts and savings.



A group of houses built with the help of "Invica"

There is the example of the 3,368 units built with the help of INVICA and TECNICOOP: out of a total of 66,130,000 *escudos* (December 1965 rate) in investments, 22 per cent was furnished by the co-operators themselves. In all other projects, with very few exceptions, the percentage has been above 20 per cent; in the case of building operations carried out with the help of ALICOOP the rate was more than 50 per cent.

Apart from this there is the fact that the co-operatives agreed to lower the standards of their housing units, in many cases contenting themselves with supplying the units without refinements, so as not to increase their long-term engagements while at the same time ensuring the best possible return on their own funds or on funds from outside the movement. This necessitated extra effort on the part of the co-operative community in order to finish their units and this they did once their dwellings were occupied.

It is estimated that 3,668 units will be

completed in 1966, including those which were commenced earlier than this date. Furthermore, the Housing Corporation has signed agreements and has obtained, in principle, all the direct loans necessary for the building of 1,948 dwellings for the year 1967.

Co-operatives with more than 5,000 units and which are in receipt of aid from the auxiliary societies and have drawn up their plans, acquired the land and command sufficient funds to begin work, are at this time waiting the granting of the necessary credits. At the moment, it is not known from what sources these will be forthcoming; the grand total is almost 90m *escudos*.

From previous statistics, the lack of continuity in co-operative projects can be discerned, despite the fact that the movement itself has enjoyed continuous growth. In 1965, for instance, there was a drop of 50 per cent compared with 1964. The current year has picked up and is level with 1964, but if we take into account the fact that the majority

of housing units will be completed during the first half of 1966 and that there is a dearth of credits for the future, a new drop in activity is to be feared.

Strengthening Members' Confidence

For successful operation, every economic function must be assured of continuity. The foregoing dictum is of prime importance in strengthening community members' confidence in the ultimate success of their efforts within a specified time, as well as preserving the spirit of enterprise of the co-operatives themselves so as to ensure that they get and keep the specialised personnel necessary and avoid financial loss. Continuity cannot be maintained unless it is realised that the co-operative movement has a vital function to perform in seeking a solution to the housing problem; long-term programmes have to be laid down and the necessary financial resources for their execution provided on an annual basis.

From the previous sets of statistics supplied by INVICA and TECNICOOP, both auxiliary societies, we can see that the cost of working-class dwelling units, based on the index as at 31st December 1965, averages 192 *escudos* the sq.m. Dwellings for white-collar workers average 352 *escudos* per sq.m. These costs compare very favourably with dwellings built by the private sector and those of the Housing Corporation.

There are no figures showing past years' savings in co-operatives. Based on average savings over 1965 the total was not less than 13m *escudos* and the figure for 1966 may well be over 20m *escudos*.

Another matter which the co-operatives are proud of is the fact that they have always honoured their financial obligations. Among the 68 co-operatives which have received credits from the

Savings and Loans Association, only six of them have not completely discharged their debts in respect of mortgage loans. These do not amount to more than four unpaid dividends and in most cases the amount owing is constant since it is related to the rate of savings, and withdrawals made by co-operators faced with heavy items of expenditure when moving in or when paying the final instalment on building work. The Housing Corporation has informed us that the cooperatives get better results in this respect than the average of private-sector credits.

Social Services

Turning now to social work undertaken in the cooperative housing estates, INVICA and TECNICOOP's predecessors set up 64 mothers' centres, 3 neighbourhood centres, 27 sports clubs and 13 youth centres. Some cooperatives have undertaken or promoted cooperative distribution of consumer goods.

These estates have been occupied for only a short while and it will be necessary to ensure that the leaders and managers are properly educated for their tasks as regards social work and community amenities.

Consolidating the housing movement

The following measures are necessary to consolidate the co-operative housing movement, fulfil its role properly, utilise to the full the contribution of the community as a whole, extract the maximum economic and social benefits from the system so as to solve our housing problem and ensure that the housing communities obtain the best in material and moral life in these estates:—

a) *Integration of the movement and*



"José Cardijn" housing estate built with the help of "Tecnicoop"

setting up of channels of communication with the public sector: It is essential that the housing co-operative become fully integrated in a countrywide movement along with the auxiliary societies. This would be the best method of ensuring that it acquires prestige and takes full advantage of the experience of others, apart from setting up a unified administrative system, including centralised accounting, and obtaining the maximum degree of participation by all interested parties through their own common organization. A Federation could also thereby establish a system of exchange of dwellings between members of different co-operatives so that each family's requirements as regards space and situation of dwelling can be catered for throughout life. An integrated organisation will help in carrying out a national plan for the movement as a whole, as well as determining the measures necessary for co-operative expansion, proper use of available resources and the fitting of targets. In order to achieve all this and to arrive at a better degree of coordination with the public sector it would be necessary in our view for a representative of the Housing Co-operatives Federation to be present at the meetings of the National Housing Council.

b) *Long-term planning:* It is essential that long-term planning be undertaken, as well as ensuring that adequate finance is available for its execution. Co-operative undertakings would thus be placed on the right road and their continuity ensured insofar as our economic situation allows. This would be the only way of avoiding waste of effort and loss of benefit. Integration with the auxiliary societies is necessary if we are to extract the maximum benefit from the system. To this end, the Federation, INVICA and TECNICOOP drew up in 1964 a basic programme of 25,000 co-operative dwelling units for construction over a five-year period; but this goal could very well be attained much earlier in view of the movement's increased rate of expansion. The government was supplied with a survey recently giving full details of the programme, including financing methods and the policy to be adopted, together with notes demonstrating the many advantages of long-term planning.

c) *Introduction of combined financing system:* With a view to increasing financial resources and harmonising rates of interest and periods of depreciation with the repayment capabilities of each of the various co-operatives sharing different types of membership, it is es-

sential to set up combined financing systems on the European model. For example, part of the credit needed by a co-operative will come from a low-interest loan on a long-term basis provided by the Housing Services Corporation; next, the Central Savings and Loan Fund will provide a rediscounted loan at a slightly higher rate of interest; finally, a Savings and Loan Association will provide the balance at normal rates of interest; this will allow the latter to negotiate the loan on the secondary market if they wish, or to cover it themselves against security of savings deposits. Such a system will result in a rate of interest and length of repayment period commensurate with the co-operative's capacity. Dividend payments to the three bodies involved raise no administrative problems since there is only one payment made for a large number of dwellings and it is the co-operative's responsibility to ensure that its members furnish the necessary funds for this purpose.

d) *Strengthening of auxiliary societies:* The success of the co-operative system depends to a large extent on its efficiency in technical matters. For this reason, it must be laid down that co-operatives must, in all cases, utilise the services of technical institutions well-versed in all aspects of the matter, be non-profit-making, private organisations and lastly be able to remain financially independent. It will be necessary to lay down clearly just what the responsibilities of the auxiliary societies are, to ensure that they fulfil a guiding role and that their staffs are made up of professional and technical personnel of a high order.

The auxiliary societies will have to be integrated into the co-operative movement progressively with the expansion of the movement itself and eventually

the co-operative movement will have to take over the auxiliary societies entirely.

e) *Improvements in the management of occupied housing co-operatives:* The administrative staffs of housing co-operatives will have to receive a higher standard of co-operative training. This will ensure an improvement in standards of community life in co-operative housing estates as well as in the fittings and materials used and in their proper upkeep. Both the Federation and the auxiliary societies have a very important part to play in this respect. It is essential that these bodies devise some method of advising and guiding co-operatives in administrative matters in the early days of the housing estate's occupation.

f) *Extension of co-operative legislation:* There are various types of housing co-operatives in other countries, which are very successful and, in our view, could well be equally successful in Chile. It should be possible, though the law as it stands does not allow this, to set up housing co-operatives open to all which would own the sites and would then set about collecting savings from future tenants, employing these funds to build co-operative housing estates; the type of estate and its siting would depend on the area chosen and the type of tenant envisaged. It should also be possible to encourage, with due regard to the legal aspects involved, the setting up of housing co-operatives under the auspices of non-profit making institutions or co-operative communities, forming groups of members as the building work advances. The co-operative member would come on to the scene only when the unit is ready for occupation.

The government has set itself a formidable task: nothing less than the con-

struction of 60,000 dwelling units a year. And this means not only building the units, but creating whole communities with all the necessary adjuncts. This represents an investment of more than a thousand million *escudos* per annum. Everyone is well aware that the government is unable to find this sum from its own resources; no government has resolved such a problem without the help of the private sector, and especially from those most in need of housing.

Pooled Funds

Our housing policy, in my view, suffers from a grave defect—it devotes too great a percentage of fiscal resources to the financing of direct building. This is done with a view to finding a rapid solution to some of the specific problems of the moment with which we are grappling. In order to achieve a high and sustained level of building, which is in the long run the real answer to the question, I am convinced—and other countries' experience bears me out in this—that what is needed is resolute government action to mobilize all possible resources, within the limits of economic reality, and to use them towards the construction of the necessary dwellings. In this connection, the funds supplied by the government will be pooled with those from private sectors: investments, savings, the co-operative sector, industrialists, the professions, employees, workers and craftsmen—all must join forces in the common struggle. It is only on a national scale that these efforts will have any effect, and finance is the most powerful weapon.

Co-operation is a system which can provide the greatest degree of encouragement and coordination; when this is fully understood by the population and when it is provided with technical ex-

pertise, it will bear fruit not only in the field of housing and community amenities, but also in education and in social harmony, both of which result from a more satisfying and democratic way of life. It will, of course, entail the active participation of those most closely concerned in the search for the right solution. Co-operation is the system which we must adopt to the full in our search for true progress and human well-being.

CONGRESS IN BRIEF

A concise report of the 23rd ICA Congress held from 5th to 8th September, 1966, is now available in English, French and German.

Price: 3s.6d. including postage.

Reports of all other meetings, including those of the Auxiliary Committees, are available in the November 1966 number of the

*Review of International
Cooperation.*

Price: 3s.6d. including postage.

Order from:

**Publications Department,
International Cooperative
Alliance,
11 Upper Grosvenor Street,
London W.1.**

BOOK REVIEWS

A History of the Cooperative Movement in Israel

Book I: The Evolution of the Cooperative Movement

by Harry Viteles, published by Vallentine-Mitchell, London, price 42s.

The cooperative movement in Israel has exercised a considerable influence on the thought and imagination of people from other countries. To the settled countries of Europe and North America, the novel Israeli forms of co-operation may have been mainly a stimulus to intellectual curiosity, or at most to a meditation on basic social and economic theory. To many of the newly-emerging countries, with an economy still to make, they present a much more practical challenge. Is or is not a system based on the *kibbutz* or the *moshav* the way forward for tropical agriculture emerging from tribal tenures and primitive techniques? Is the massive organisation of the *Histadrut*, which combines in a single entity not only cooperative organisation, but trade unionism, political power, capitalist enterprise and social security, a model which can be imitated in countries with limited political and industrial experience and even more limited capital resources? Such questions cannot be answered on a basis of superficial impressions, or the reading of what may be called the light literature of the cooperative movement. Only a detailed historical study of cooperation in Israel, its ideological drives and the material pushes and pulls to which it was subjected, can really explain how it came to be what it is and how relevant it is likely to be to the experience of others.

There is probably no-one living better equipped to write such a book than Harry Viteles. He has worked with and for the Israeli cooperative movement for 35 years. He was General Manager of the Central Bank of Cooperative Institutions in Palestine from 1925 to 1946. He was the first to be appointed to the Chair of Cooperation at the Hebrew University of Jerusalem. He has an unrivalled collection of relevant documents and he has spent eight years extracting from them everything of interest and significance in the history of cooperation in Israel. His approach is scrupulously detached and impartial, an invaluable quality in the historian of a movement of great complexity

and often subject to intense ideological debate.

A work in seven volumes is inevitably a source book for students rather than a simplified summary for the general reader. But in future there will be no excuse if the writer of a more condensed work makes an incomplete or partisan statement. Even if he has no Hebrew, he can now trace the progress of every organisational move, and track every doctrine back to its source or sources in Mr. Viteles' learned and comprehensive study. It is a worthy monument to two, if not three, generations of pioneers in Israel, and a clear exposition of a social and economic structure which has aroused lasting interest in many, all over the world, who have never been in Israel. They include those with problems of their own to solve as well as those whose studies lie in the field of social change and economic reorganisation, and all will benefit from the devoted labours of this pioneer of Israeli cooperation.

Margaret Digby.

Community Development Through Adult Education and Cooperatives.

The Antigonish Movement.

By Fr. Boavido Coutinho, Institute of Pastoral Sociology, Borgo S. Spirito n. 8-9, Rome, Italy.

Many cooperators will be familiar with the achievements of the Extension Department of the St. Francis Xavier University at Antigonish, Canada, in promoting cooperatives both in its own province of Nova Scotia and further afield. A new survey of the achievements and methods of the Antigonish Movement has recently been written by Fr. Boavido Coutinho and published by the Institute of Pastoral Sociology in Rome in association with the International Affairs Department of the National Catholic Rural Life Conference of the U.S.A.

The Maritime Provinces of eastern Canada were prosperous in the first half of the nineteenth century; but suffered great economic hardship between 1880 and 1930, and many of the young people migrated to other parts of Canada and to the U.S.A. This aroused much concern among the staff at the St. Francis Xavier University at Antigonish which had been founded as a Catholic Diocesan College in 1853 and attained University status in 1866.

One of the Professors at the University who

thought that it should do something about the poverty in the Province was the Rev. Dr. Hugh Macpherson who managed the University farm as well as teaching. He showed the local farmers how to clean and grade their wool instead of tub-washing it and how to market it cooperatively. The result was that in 1914 they were able to sell their wool at 28 cents a pound instead of at 17 cents.

Another pioneer of cooperation in Nova Scotia was Fr. J. J. Tompkins who was also a pioneer of adult education and was later associated with the Workers' Educational Association in Britain and with the Danish Folk High Schools. He established a People's School for local farmers and others at St. Francis Xavier University in 1921; and the following year became Parish Priest at the poverty-stricken fishing village of Canso. He organised Study Groups in Canso and Little Dover for two years, and as a result, forty fishermen were able to launch the Dover Lobster Cooperative Society with a capital of \$182. They later built their own cooperative cannery, built boats and docks, bought trucks and opened a petrol station, all on a cooperative basis, as well as establishing a cooperative store and a credit union.

Conferences were organised in 1924, 1926 and 1927 and a School of Rural Education was established. In 1928 the St. Francis Xavier University Extension Department was started, with funds of \$10,000 and with the Rev. Dr. M. Coady as its first Director. During the thirties cooperatives of all kinds spread all over Eastern Nova Scotia. As a result, the members of Larry's River Cooperative, for example, were able to get lumber for \$7.5 per 1,000 ft instead of \$37. They built their own sawmill and lobster canning factory, established a credit union and a cooperative store and built a blue-berry canning plant.

The cooperatives of Nova Scotia became world famous and Fr. Coutinho's book, "*Community Development through Adult Education and Cooperatives*", is largely concerned to explain how it was achieved in most unpromising circumstances. Its main emphasis is on the importance of Study Clubs and adult education as a means of establishing successful cooperatives in conditions of great poverty. It stresses the value of credit unions as a vehicle for education and of cooperatives as a means of community development. Fr. Coutinho draws to some extent on cooperative experience in other countries; but his main purpose is to show how Nova Scotia achieved what it did. He says the Antigonish Movement "visualises culture through lobster pots" and is concerned with Community Development as a whole; but has been for thirty years in its first stage of promoting cooperatives and is likely, according to Fr. Coady, to be primarily concerned with co-

operatives for several more decades. Fr. Coutinho quotes Fauquet's definition of a cooperative as a "free association of people engaged in an economic enterprise which they own and operate on a basis of self-help and mutual aid, with the purpose of promoting their own well-being as well as the well-being of all society".

P. D.

Cooperativas Escolares

(*School Cooperatives*), Drs. A. K. de Drimer and B. Drimer. *Federación Argentina de Cooperativas de Consumo*, Buenos Aires, 1966, pp. 221.

The authors of this book, Doctors of Sociology and Economics respectively, are in charge of the Cooperative Seminar attached to the Faculty of Economics, University of Buenos Aires.

In their introduction they state that "The satisfactory functioning of all types of cooperative societies requires the education of its members; and such education will be the more efficient the earlier it is introduced at the various levels of public instruction."

The success of school cooperatives, however, depends largely on the adequate preparation of the teachers and a clear conception on their part of the true nature of cooperation and the aims which they are setting out to achieve in starting a cooperative society among their pupils. This book provides all the information required for such a purpose. It shows the differences between a school cooperative and other organisations run for children and young people which are not part of the regular school curriculum. The Rochdale Principles are given in full and a whole chapter is devoted to the uses to which any surplus may be put. The legal provisions governing cooperatives of minors and the functions of children, teachers and parents are discussed in detail.

While giving full space to the advantages accruing from school cooperatives, whether as a means of procuring materials at fair prices, providing libraries and recreational facilities or—perhaps most important of all—encouraging thrift and foresight among children through savings and credit activities, the authors do not mitigate the problems encountered in running this type of cooperative society, more especially the psychological factors affecting its viability.

The second half of the book is devoted to the aspects of organisation, administration and functioning of school cooperatives. Their place in the educational system of Argentina is described, and a short survey is given of school cooperative developments in other countries of the Americas, in Europe, and in Africa and Asia.

There is a useful appendix on the kind of bookkeeping required and an exhaustive bibliography of works on cooperation in general and school cooperatives in particular.

M. H.



“SPOLEM”

UNION OF CONSUMERS’ CO-OPERATIVE SOCIETIES

was founded in 1908 as an association of consumers’ co-operatives. Today 261 urban co-operatives with a membership of 2,500,000 are affiliated to “SPOLEM”. Their retail trade turnover in 1966 reached the figure of 63,000 million zlotys and the value of their production exceeded 13,000 million zlotys.

The societies own —

- 22,000 retail shops
- 110 department stores
- 2,400 catering establishments
- 2,400 productive undertakings, such as bakeries, meat processing plants and others.

“SPOLEM” itself manufactures in its 15 factories —

sugar confectionery, flour confectionery, canned meats, macaroni, soap, candles, and shop fittings for self-service-shops.

“SPOLEM” has a special Department dealing with exports and imports.

- EXPORTS: Sugar confectionery and chocolates, flour confectionery, frozen rabbits, canned mushrooms, dried rennet and albumin.
- IMPORTS: Citrus fruits, groceries and spices.
- BARTER AGREEMENTS: In food and industrial products.

Enquiries to:

“SPOLEM” Grazyńy 13, Warsaw, Poland.

AFFILIATED ORGANISATIONS

- ALGERIA:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 8, rue du Cercle Militaire, Oran; also at - 21, rue Edgar Quinet, Algiers, and 9, rue Mathurin Régnier, Paris 15.
- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, Avda. Sudréz 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 (1965): 456,200; turnover: consumers' societies: Sch. 3,473 mill.; wholesale (G.Ö.C.): Sch. 1,688 mill.; department stores: Sch. 597 mill.; own production: consumer societies: Sch. 411 mill.; G.Ö.C. and subsidiaries: Sch. 421 mill. Bank für Arbeit und Wirtschaft, A/G, Seitzergasse 2-4, Vienna I. Zentralkasse der Konsumgenossenschaft, Theobaldgasse 19, Vienna VI. Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösendorferstrasse 7/11, Vienna I. 1965: Affiliated organisations: 319 (comprising 207 societies and 112 associations); membership 115,596; dwellings administered 246,663 (comprising 107,229 societies and 139,434 associations); balance at 1964: 26.7 milliard Sch. (divided as to societies Sch. 12.5, associations Sch. 14.2). 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 (1964): Frs. 1,176 mill.; reserves: Frs. 5,000 mill.; insurance funds, life: Frs. 15,000 milliards. Fédération Nationale des Coopératives Chrétiennes, 129, rue de la Loi, Brussels. (1964): 1,336 shops; turnover: Frs. 1,303 million; dividends: Frs. 60 million; Savings Bank: 1,930 branches; 388,000 members; deposits: Frs. 7,024 mill.; Insurance Society: 210,000 policy holders; premiums: Frs. 310 mill.; reserves: Frs. 800 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. Société Coopérative Fédérale de Belgique, 83-85, rue Vanderschrick, Brussels.
- BRAZIL:** Aliança Brasileira de Cooperativas (ABCOOP), Ave. Franklin Roosevelt 39-12°, Sala 1216, Rio de Janeiro, G.B.
- 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 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 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1964): D.Kr. 14,300 mill. Det Kooperative Faellesforbund i Danmark, Frederiksborggade 50, Copenhagen S. Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprises: 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 production 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; 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, 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, Paris XVI.

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

Confédération Générale des Sociétés Coopératives Ouvrières de Production, 88, rue de Courcelles, Paris VIII.

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

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

Fédération Nationale de la Coopération Agricole, 129, Bd. St. Germain, Paris VI.

Caisse Nationale de Crédit Agricole, 91-93,

Boulevard Pasteur, Paris XV.

Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, Foyer Coopératif, 17, rue Richelieu, Paris 1er.

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

L'Association Bâticoop, 6, rue Halévy, Paris IX.

Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, 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 Lebensversicherungs A.G., An der Alster, (2) Hamburg I.

Deutsche Sachversicherung "Eigenhilfe", Steinstrasse 27, (2) Hamburg I.

GREAT BRITAIN: Co-operative Union Ltd., Holyoake House, Hanover Street, Manchester 4. Affiliated societies (1965): 704; membership: 13,032,771; retail societies' share capital: £ 243,840,861; retail sales: £ 1,096,376,175.

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., Ministry of Education and Social Development, 41, High and Cowan Streets, Kingston, Georgetown.

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 Nursery, 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 Sevjom Esfand, Rue Artèche, Teheran.*
- The Credit and Housing Cooperative Society of Iran, *20-22 Shahabad 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 the 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 Malaya, *8, Holland Road, Kuala Lumpur.*
- Federation of Cooperative Housing Societies, *8, Holland Road, P.O.B. 499, 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 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.*

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.*

Invalids' Cooperative Union, *Kopernika 30, Warsaw.*

"Społem" – 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.*

SCANDINAVIA: Nordisk Andelsforbund, *3 Axelortorv, Copenhagen V.*

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 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.), *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.*

International Cooperative Bank Co., Ltd., *Aeschenvorstadt 75, P.O.B. 348, 4002 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, "Centrosoyus", *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.*

Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

VOL. 60 No. 4

JULY 1967

CONTENTS:

	Page
DECLARATION OF THE I.C.A.	152
WITHOUT BOUNDARIES, J.H.O.	154
COOPERATIVE TRADE IN SOUTH-EAST ASIA, P.D.	156
COMMENTARY, J.HO.	162
CONSUMERS AS PRODUCERS, P.D.	171

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

Editorial and Administrative Office:

**11, Upper Grosvenor Street,
London, W. 1. Tel. Grosvenor 5991-3**

The Review is published also in French and German — Annual subscription to each edition £1.



**"... Who, rowing hard against the stream,
Saw distant gates of Eden gleam,
And did not dream it was a dream ..."**

**... the entire Cooperative Movement throughout the world gained
vitality, energy, confidence and an enormous impetus from the
successful Society established at Rochdale in 1844 ...**

DECEMBER 21st, 1844

Members: 28; Common Capital: £28.0.0

**INTERNATIONAL COOPERATIVE DAY, JULY 1st, 1967
THE INTERNATIONAL COOPERATIVE ALLIANCE NOW INCLUDES
142 directly affiliated Organisations in 58 countries with 575,546 Societies,
215,487,595 Members**

**MEMBERS' TOTAL ANNUAL TURNOVER:
42,060 MILLION £ STERLING**



45th INTER COOPERATIVE

1st JULY

Declaration

*THE INTERNATIONAL COOPERATIVE
Movements, comprising over 215 million members
International Cooperative Day:*

- URGES all forces of peace in the world to act together, consistently and with energy, so that peace will be secured;
- CONFIRMS its belief in the work of the United Nations Organisation;
- DECLARES that the moral forces which stem from the hundreds of millions of Cooperators throughout the world are constantly supporting all policies, including test bans on nuclear weapons, for a realisation of the paramount need of humanity for disarmament and peace under effective and practical international control, thus releasing productive resources, now devoted to armaments, for urgent diversion to the TASK OF REDUCING HUNGER, WANT, ECONOMIC INSECURITY AND THE THREAT OF IMMINENT FAMINE, which are casting their dark shadows over the world;

NATIONAL FIVE DAY

1967

of the I.C.A.

ALLIANCE, addressing its Affiliated Organisations in 58 countries, on the occasion of the 45th

- NOTES that the gulf between the rate of economic and social progress in the developing countries and that of the industrialised countries is constantly growing wider;
- REAFFIRMS that in cooperation through self-help, mankind has a proven instrument which, if rightly applied, will bring an end to this alarming development and, in the long run, will banish poverty, hunger and ignorance; and
- ASKS cooperators all over the world to give increased support, through their cooperative organisations, to the strengthening of cooperation in developing countries and, through their Governments, to the peace-building activities of the United Nations.

WITHOUT BOUNDARIES

MAN'S worst enemy is Man himself. Again and again, he has perversely deprived himself of the benefits of his hard-earned achievements which would have increased his welfare. This not only happens when Man's failed diplomacy leads to war, but is applied to other spheres of Man's activity as well. Truly, Man has annihilated distance which has made it possible to make the whole inhabited earth accessible to all mankind for the price of an air fare, and the earth into a common home of humanity, where mankind could live like a single family.

Unfortunately, the rise of civilisation, which has brought this technological and commercial progress with it, has also brought about the institution of sovereign states. Man's potential common home on this planet is partitioned by about 125 of these states, each of them aiming at erecting itself into a separate self-contained universe and, in consequence, Man's habitat is broken up by frontiers that are deliberate man-made obstacles to human intercourse.

Some of these frontiers are, of course, less obstructive than others, and, as co-operators, we have found our passage not too often impeded, and over most frontiers we travel to be welcomed. "Anything to declare?" is rarely asked of us on crossing a boundary, but going over the border after the Vienna Congress in 1966, all of us participating in it could have stated: "Yes, the whole-hearted support of over 215 million members in 58 countries to the resolutions of the 23rd I.C.A. Congress."

The leading personalities of the national cooperative movements throughout the world, expressed our President in his New Year Message for 1967, had undertaken the further expansion of the world cooperative movement to the benefit of the huge masses of its members all over the globe. These leaders have, as representatives on the I.C.A. Central Committee and at Congress, been instrumental in shaping the policy of our international movement. They have taken decisions which can have far-reaching, positive consequences, promoting and speeding up cooperative development—provided that the decisions and recommendations which have been agreed upon will be efficiently and speedily implemented.

In respect of structural changes in cooperatives, the national delegations will have to ensure that a continuous flow of information reaches the I.C.A. on how their national achievements, or even shortcomings, are working out, so that the valuable experience of each national cooperative movement may be shared with cooperators of other nations through the I.C.A. Only through such a systematic exchange of experience in this, as well as in the field of cooperative technical assistance, can we in the cooperative sector successfully meet the requirements of our members in the continuously and rapidly changing world of today.

If it is true that the world's population would more than double in the next thirty-three years from about 3,300 million today to 7,400 million in the year 2000, then our average calorie intake per day, per person, will be at absolute starvation level. Seen in this light, the highest priority must be given to our cooperative efforts to contribute to increased support of cooperative deve-

lopment programmes in the poverty-stricken parts of the world.

Here again, as in everything we do, we must cross the boundaries offering the hand of friendship and the experience of self-help. Our Principles have again been examined and approved by the leaders of Cooperation—they have not been altered in a world of rapid and constant change. One addition has, however, been made, namely: "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." We are indeed crossing the boundaries in all we are doing.

1967 has been declared INTERNATIONAL TOURIST YEAR by the UNITED NATIONS. Tourism is expanding twice as fast as any other of the world's industries and offers tremendous possibilities to the cooperative movement in the field of economics, as well as in the sphere of human relations.

Cooperators with their ideals of mutual understanding, fellowship and self-help have for many years, and in many lands, pioneered tourism with the important emphasis on making it possible for people, especially from the low-income groups everywhere, to travel and to enjoy their holidays in the lands of others. Cooperative Travel Organisations with other members of the International Union of Travel Organisations fight constantly against high fares, the demand for visas by so many countries, the annoyance of customs checks, the exploitation of the tourist... In this field, as in others, cooperators pioneer for a world without boundaries.

J. H. O.

COOPERATIVE TRADE IN SOUTH-EAST ASIA

Prospects for Cooperatives in International Trade

THE long-term Technical Assistance Programme formulated by the 21st Congress of the International Cooperative Alliance at Lausanne in 1960 provided for the expansion of international trade by cooperatives. This was one of the subjects discussed at the Conference on "The Role of Cooperation in Social and Economic Development", held in Tokyo in April 1964, which was attended by Ministers responsible for cooperative development and by representatives of cooperative organisations, mainly from the countries of South-East Asia. One of the conclusions reached by the Conference was that a further study should be made of the present scale and character of international trade in which cooperatives were involved and the prospects of expanding it.

As a result, Mr. Walter Eisenberg, a senior Research Assistant with the Market Research Department of the Co-operative Wholesale Society of England, was asked to undertake a survey of international trade by cooperatives in South-East Asia over a period of one year and to produce a report by the end of October 1966. A summary of this report was available at the Conference on "International Trade among Cooperatives in Asia", held at New Delhi in January 1967, and the report itself is to be published in two volumes during 1967.

This report, the *South-East Asia Trade Survey*, gives a comprehensive account of the performance, problems and prospects of foreign trade by cooperatives in South and East Asia. The bulk of the report—nearly two-thirds of it—is made up of a factual survey of foreign trade by cooperatives in fourteen countries: Australia, Ceylon, Hong Kong, India, Iran, Japan, Korea, Malaysia, Nepal, New Zealand, Pakistan, the Philippines, Singapore and Thailand. Mr. Eisenberg was able to visit all these countries, but was not able to find time to go to Burma, Cambodia, China, Formosa or Indonesia. He had talks with a large number of cooperative and government officials in the various countries of the region and gave a detailed account of the extent to which cooperatives were engaged in foreign trade.

Trade in South-East Asia

Only a very small proportion of the food produced in South-East Asia is exported, but primary products—farm produce, plantation crops and minerals—nevertheless make up three-quarters of all exports. The proportion of manufactures in the exports of the region is, however, increasing and some of them go to Africa in exchange for raw materials, such as sisal and cotton.

Over half the exports of South-East Asia go to western Europe and the U.S.A., but they are far from sufficient to pay for the imports of industrial equipment from the west which are so

essential for economic development. Cereals are imported from the U.S.A. and from Australia, partly in the form of aid, but large quantities have also been sent to China and the Soviet Union, and grain surpluses in the west are not nearly so large as they were.

The exports of the countries of the region are not increasing as fast as their imports or even as fast as production, and, like the total exports of all developing countries, they are declining as a proportion of world exports. Trade between the countries of South-East Asia is declining as a proportion of their total trade, but their trade with the Soviet Union and that with the countries of Eastern Europe has increased, as has that with Australia and New Zealand. The development of synthetic materials in the west has reduced the demand for raw materials from South-East Asia. The continuing movement of the terms of trade against primary producers since the end of the Second World War has been more than enough to offset all the aid by industrial countries to developing ones.

International Cooperative Trade

Imports and exports by cooperatives form a very small proportion of the total foreign trade of the countries of South-East Asia, and most of the international trade of cooperatives has in the past been with private traders because of their dominant position in the market. In some countries, however, cooperatives are responsible for a very large proportion of the exports of certain commodities. For example, all Australian exports of wheat and dried fruits are handled by or through cooperatives as well as a large proportion of the exports of canned and fresh fruits and dairy products.

In some countries, cooperative marketing organisations export or import through government boards. In New Zealand, for example, the dairy cooperatives export through the New Zealand Dairy Production and Marketing Board. In the Maharashtra and Gujerat States in India, the agricultural cooperative marketing organisations have a monopoly in the export of bananas—they had sent 1,000 tons to the Soviet Union in 1965. India's National Agricultural Cooperative Marketing Federation imports fertilisers, seed and other farm requisites through the State Trading Corporation. It exports peas and beans to Europe and East Africa and jute bags to the Soviet Union, but its exports are not yet on a large scale. In 1964, the Travancore-Cochin Prawn Curers' Marketing Cooperative exported £200,000 worth of canned prawns and shrimps, mainly to the USA, and the Nagpur Orange Growers' Cooperative Association sent 5,000 cases of canned fruit to the United Kingdom. In 1964–65, the All-India Handloom Fabrics Marketing Cooperative exported nearly £600,000 worth of fabrics to Europe, the USA, Asia and Africa. The Madras State Handloom Weavers' Cooperative Society exported £175,000 worth of fabrics to the USA in the same year and, the previous year, the Handlooms and Handicrafts Export Corporation, a subsidiary of the State Trading Corporation, exported £129,000 worth of cooperative fabrics.

In 1964, Zenharen, the National Marketing Federation of the Japanese Agricultural Cooperatives, sent £200,000 worth of canned oranges to Europe. The Central Cooperative Exchange in the Philippines exports rice and tobacco.

Early in 1966, a delegation from the Cooperative Wholesale Committee bought £60,000 worth of knitwear in

Hong Kong on behalf of cooperatives in Britain and Germany and £200,000 worth of knitwear in Korea on behalf of consumers' societies in Sweden, Germany and Switzerland. Another delegation from the Cooperative Wholesale Committee visited the Far East in July 1966. The Cooperative Wholesale Society in England and Nordisk Andelsforbund (NAF), the Scandinavian Cooperative Wholesale Society, import rice, coffee, oil seeds, fresh and canned fruit and other commodities from South-East Asia, but not wholly or even mainly from cooperatives.

International trading between cooperatives is much more limited than international trading by cooperatives. Trade between the Cooperative Wholesale Society of England and New Zealand dairy cooperatives dates from 1921 and is carried on through the New Zealand Produce Association. Strong agricultural marketing cooperatives in Australia and New Zealand do a considerable trade with cooperatives in Britain through the Overseas Farmers' Cooperative Federation of London. The English and Scottish Joint Cooperative Wholesale Society has tea estates in India and Ceylon, but sells mainly at auctions in Colombo and in London. "COOP-TRADE", the trading company of the Japanese consumers' cooperative societies, does not undertake production itself, but nevertheless does a considerable trade with the Soviet consumers' organisation Centrosoyus. Direct imports by consumers' societies in South-East Asia, like exports by the productive departments of European wholesale societies to Asia, are not significant.

Perhaps the outstanding example of international trade between cooperative societies in South-East Asia is the agreement of March 1965 for the supply of

maize by Thai agricultural cooperatives to Japanese agricultural cooperatives. UNICOOPJAPAN is an international trading agency controlled by ZENKOREN, the National Purchasing Federation of the Japanese Agricultural Cooperatives. ZENKOREN handles about a third of the maize imports into Japan, a large part of the rest of the imports coming from the USA. CO-PRODUCT, the Bangkok Farm Product Marketing Society, agreed to supply UNICOOPJAPAN with 30,000 tons of maize in 1965-66 and later to supply 50,000 tons in 1966-67. A notable feature of this agreement was that the Japanese agricultural cooperatives agreed to provide technical assistance to Thai cooperators in the production of maize.

Though the report gives relatively few examples of trade between cooperatives, it gives many of successful exporting and importing by cooperatives, though sometimes on a relatively small scale. It makes many specific suggestions about possible markets and sources of supply and includes an appendix on trading trends and opportunities, dealing on a product by product basis with those commodities in which cooperatives are most likely to be interested.

Mention should also be made of the substantial trade between the ICPA and some agricultural cooperatives in the region. The question many cooperators are asking themselves is whether it is yet possible to form other international cooperative trading organisations along the lines pioneered by the ICPA.

Cooperative Performance

If cooperative societies in South-East Asia are to achieve a significant increase in their share of international trade, the basic need is for societies and their members to improve their own

performance. If agricultural and handicraft cooperatives are to export more, their standards must be improved so that their products are more competitive; and if consumers' and agricultural societies are to import more directly, they must operate on a sufficient scale and with sufficient skill.

The Eisenberg Report places much emphasis on managerial competence. One of the most important factors was for cooperatives to be able to operate on a sufficiently large scale; and, in some countries, this would mean the development of specialised cooperative trading agencies with commercial know-how and able to undertake market studies, and with adequate facilities for stock and quality control, bulk handling, transport, storage, training, etc. Much depends on the skill and experience of managers, on adequate grading and packing and on their ability to deliver the kind of products needed in export markets in adequate volume of the right quality and at the right price.

Private traders have been established for many years and buyers know that they are able to deliver what is required. In some trades, such as tea, coffee, copra and wool, they are dominant, and it is, perhaps, harder for cooperatives to break into markets where private traders are firmly established than it was for the latter to open them up in the first place.

Much may depend on agreements about shipping space and on the possibility of arranging for shipping space to be utilised on a return journey. As a general rule, processed products can be exported more readily than those in a raw state; and the expansion of cooperative trade internationally depends very much on the expansion of cooperative processing. It is important for cooper-

atives to be able to produce the right kinds of products. Fruits or fabrics for which there is a real demand in India or in Africa may be very different from those which can be sold readily in Europe or the USA, and this means that marketing cooperatives must help their members to produce the *kind* of products that are needed. The market for handicrafts of various kinds in the west is real but limited and export prospects might be better if production was switched to industrial components or consumer goods in which transport costs were low in relation to labour costs. Agricultural societies can supply their members with technical advice and market prospects as well as the seed, fertilisers and other material requirements.

But marketing cooperatives can do only a limited amount in supplying the products needed in export markets at the right price. Processing depends on capital being available, and the supply of produce depends on what farmer members are able to produce. Governments can make capital and credit available through cooperatives and, in developing countries, funds for cooperative development inevitably come mainly from government sources and their provision is a government rather than a cooperative decision. Land reform and irrigation programmes depend on governments, as do the provision of adequate roads or schools to combat illiteracy. Success in cooperative exporting depends on good management, but it also depends on the ability of the members of a cooperative to deliver produce of the right quality.

Responsibilities of Governments

Most governments in South-East Asia are favourably disposed towards cooper-

ative development and have actively encouraged it in various ways. There is very little evidence of any discrimination against cooperatives as such, but the balance of payments difficulties in the region have quite often resulted in barriers and impediments to the expansion of cooperative trade across national frontiers. Imports and exports are frequently licensed and controlled, and quotas usually depend on past performance. This often puts cooperatives at a serious disadvantage, not because they are cooperatives but because they are not already established as exporters or importers. Restrictions may be such that the volume permitted is not sufficient to make it worth while for cooperatives to engage in such trade. The Eisenberg Report remarks that restrictions on the scale of operations are probably the most decisive factor in inhibiting the development of foreign trade by cooperatives.

In some countries, cooperatives enjoy limited export monopolies or import duty or tax concessions. They have been used by governments in the distribution of goods in short supply, as in the distribution of aid from the USA under Public Law 480. They are used in the channelling of credit to producers, but in many countries, governments could make more use of them than they do.

There has been a significant expansion of state trading in many of the countries of South-East Asia and, in some countries, such as Burma and Cambodia, state trading organisations have a monopoly in foreign trade. In others, such as India and Pakistan, they operate on a large scale. It would be possible for governments to do more to make cooperatives agents for state trading organisations, importing or exporting on their behalf; or, on the other

hand, for the state trading organisations to act on behalf of cooperatives.

It would also be possible for governments to provide for more cooperative representation on marketing boards, commissions, export promotion councils and other public agencies. In some countries, such as the Philippines, tax concessions to cooperatives are made conditional on their trading only with their members, a condition cooperatives sometimes find difficult to meet. In Japan, restrictions on trading by cooperatives have led both agricultural cooperatives and consumers' societies to form subsidiary companies to engage in foreign trade.

Help from the West

The Eisenberg Report insists that it is not possible for consumers' cooperatives in Europe to give much to help agricultural or industrial cooperatives in South-East Asia either with capital or by agreeing to buy from them, irrespective of whether their products are fully competitive in quality and price.

European consumers' societies already buy canned food, tea, coffee, rice, sugar and other commodities from cooperatives in South-East Asia, but they do so strictly on the basis of the supplies being of a consistent quality and offered in sufficient volume at a competitive price. Most European cooperatives are facing stiff competition from private traders at home and cannot afford to buy from overseas cooperatives simply because they are cooperatives, any more than they can afford to stock only brands produced by their own wholesale societies to the exclusion of rival, heavily-advertised brands. Nor is it possible for consumers' cooperatives in Europe to provide cooperatives in South-East Asia with capital to any significant extent.

After careful feasibility studies, a cooperative processing project in South-East Asia may prove to be economically sound, and a European consumers' society may be willing to buy a substantial part of the output of a proposed plant. But the consumers' society cannot be expected to put up a significant amount of capital however sound the project may be. The capital resources of the cooperative movements of Europe are limited and are needed in Europe to enable them to compete more effectively with the chains and the combines.

What European cooperatives can do is to provide information about market requirements or sources of supply and about foreign trade regulations, tariffs and general trading conditions; and to advise on handling, marketing, processing, finance, advertising, etc. But the most important way in which European cooperatives can help expand international cooperative trading in South-East Asia is by technical assistance in management training. Men with experience in international trade can be sent to the region to help cooperatives increase their exports or imports and to train local people, while trainees could be sent from countries of South-East Asia to Japan, Australia, New Zealand or Canada, or to other countries in which cooperatives are engaged in exporting on a substantial scale, or to the departments of wholesale societies in Europe concerned with imports.

The financial resources of cooperative banks, such as the International Cooperative Bank, are very limited but, here again, European cooperatives could provide valuable technical assistance. Before an approach is made for finance to any national government or international organisation, detailed feasibility studies demonstrating that projects are econom-

ically sound are essential. More assistance in preparing such studies would make it very much easier for cooperatives in South-East Asia to obtain finance from their own governments or from international organisations, such as the Asian Development Bank, the International Development Association and the World Bank.

Role of the I.C.A.

While the I.C.A. itself cannot take part in trade negotiations on behalf of cooperative organisations, it can do a substantial amount of liaison and advisory work. The I.C.A. and its Regional Office in New Delhi will continue to collect and disseminate information about trading opportunities and keep in close touch with organisations, such as ECAFE, AARRO, FAO and ILO, and with international trade conferences of one kind or another. The new Trade Directory for South-East Asia and the Eisenberg Report itself will be of great value in facilitating contacts and trade between cooperatives, as will the I.C.A.'s close links with the Wholesale, Agricultural and other Committees.

The Eisenberg Report recommended that an officer for technical assistance and cooperative trade should be appointed at the Regional Office of the I.C.A. at New Delhi and that an Agricultural Sub-Committee should be set up for the region. Both recommendations are to be implemented and should make a contribution to the expansion of cooperative trade.

The report declared, however, that it would be premature to attempt to establish a new international trading organisation for the time being. The immediate task was to expand and strengthen existing national cooperative organisations and, when they had gained more

experience in international trade and its problems, it might then prove possible to establish a new international trading organisation which would be as successful as the ICPA. To postpone the form-

ation of such an organisation for, perhaps, ten years was necessary to ensure that it was built upon strong foundations.

P.D.

COMMENTARY

Illiteracy

AN important book in Arabic... a few hundred pounds in subsidies for important cooperative syllabus material in Spanish... a printing press for Kenya... a triennial prize for an important cooperative book... and a few gifts for occasional translation work, with cooperation being taught in the programmes of international literacy in India, Tanzania and Mali, would sum up the commitments of the world cooperative movement to the vast problem of illiteracy.

Illiteracy, surely, next to hunger, is a world problem, on the hard shell of which we have only made a dent. UNESCO estimated that about half the world's adult population—around 700,000,000—was illiterate in the 1950's, and this figure must now be revised upwards, as the population explosion is adding to the ranks of the illiterate daily.

In addition, the problem of functional illiteracy, which means the inability of a citizen to function in modern society, in the job in which he is placed and in the discharge of his duties as a citizen, must be taken into account. Illiterates in these terms must exceed one milliard today.

Once again, we are confronted with a serious denial of human rights—the denial of the right to education of a very large number of our fellow human beings. The problem is also economically hurtful, because these are the productive members of each society; it is they who are engaged in producing the national income of each country and they lack the minimum tools with which they can accomplish that task.

UNESCO has been engaged in studies and preparatory work on this sensitive human area of illiteracy for two decades. Its first action programme was set forth by the

Mexico City Conference in 1947 as a pilot project to liquidate illiteracy in the Marbial Valley of Haiti. Just last year, UNESCO launched a world campaign for literacy in all its Member States, requiring that educational and development planning should include investment in literacy and that all development projects include literacy as an integral component. As part of this campaign, with its own and United Nations resources, it has embarked on extensive cooperative projects in some six countries which will soon, it is hoped, be extended to 25.

Illiteracy is creating human solidarity. The 121 States' General Assembly of the United Nations in New York, in the name of "Human Solidarity", unanimously extolled the contribution to UNESCO's Literacy Fund of one day's military budgets from Iran, Mali, Morocco and Tunisia, and made "an urgent appeal to the conscience of the world to support world-wide efforts to eliminate mass illiteracy by providing the necessary and indispensable means to this end".

In the United Nations, the problem of illiteracy created human solidarity; can we emulate this by cooperative solidarity?

Recent discussions on structural changes in cooperatives have centred on "integration", that is, measures which transfer decision-making from hitherto autonomous subsidiary organisations to apex organs representing the whole movement, versus the "federal" concept, in which individual societies retain their sovereignty subject only to "federal" policies which are required in the interest of the movement as a whole and which are guaranteed not through sanctions, but through loyalty of the societies.

Walter Flügge, in an article in "Der Verbraucher" of 21st January, 1967, reporting on the new structural changes in the GEG, with emphasis on decentralisation, claims for decentralisation the effectiveness of a big, and the subtlety of a small, business enterprise. Mr. Flügge states that a more active turnover can only be achieved if individual initiative is permitted and encouraged in all sales and production units. Strict and central coordination of all outlets is the complement to this decentralisation. The GEG has, therefore, been divided into three operational spheres: apex business management; planning, consulting and coordinating departments; and the producing and distributing groups themselves.

The principle of decentralisation requires a clear dis-

Structural Changes in the GEG

inction between organisational policy and business policy. Management policy directives must also be orientated to economic realities and be shrewdly adapted to constantly changing conditions; they must take particular account of the latest scientific developments.

Leadership through individual decisions has been made impossible by the increase in the size of the economic enterprises, the integration of markets, the growing pressure of competition and the technical progress in industrial management. The hierarchical ladder of management responsibility has had to be readjusted to new spheres of work. Thus, the new management structure consists of the operational sector responsible for business policy, supplemented by two specialised business sectors.

The most important task of management is to decide on the aims of the enterprise. These objectives, once determined, limit the possible directions in which the operation may develop. Only after the objectives have been established can the strategy for achieving them be worked out. Each sectional business manager must formulate a strategy appropriate to his own field of work; but no operational sector stands alone, they all rely on each other for achievement of their objectives.

In addition to formulating the aims of the enterprise and its general direction, the apex business management reserves for itself the final authority on all important decisions. Fundamental decisions will be recommended by the managers of operational sectors, but made by the apex management.

The operational sectors and the regional warehouses planning department have at their disposal centralised services for planning, consultation and coordination. The primary responsibility of these services is planning for the organisation as a whole. They must, however, also ensure that the most efficient methods are applied in each field of specialised activity and that sufficient attention is given to the future development in particular sectors.

In order to rationalise operations and to ensure close cooperation between producer and consumer cooperatives, the productive enterprises and the distributive departments of the GEG were combined to form thirteen product groups. Although operations of these groups are subordinate to the general apex management, there is a large measure of decentralisation in that the group managers are given a considerable degree of independence and res-

possibility for production, distribution and purchasing within their sector; in addition, each of the larger groups has a staff manager responsible for personnel matters.

This new organisational structure requires a strong central coordination which is achieved largely through the work of the expert services on planning, consultation and coordination. These service departments have the responsibility for supervising the implementation of decisions made by the apex management, but are not authorised to issue directives to the product group. In cases of differences of opinion, the decision lies with the apex management.

The object of this reorganisation was to adapt the GEG to the changing economic circumstances and thus enable it to solve the tasks of the future. Its success will depend on a high degree of insight, activity and initiative from all those participating in it.

Dr. Werner Franke
New Business
Manager of
the GEG

Dr. Werner Franke, on taking up his position as business manager of the Wholesale Society of the German Consumers' Cooperatives, returns, as it were, to his own home ground. Dr. Franke had been active in the GEG for about two decades, when, in 1956, he became a member of the Management Board of the Hamburg Bank for Collective Economy, which was at that time one of the six banks for collective economy in the Federal Republic, with the GEG holding 95 per cent of its shares. After the merger of the six collective banks two years later, Dr. Franke joined the Board of Management of the new Bank for Collective Economy.

He became Chairman of the Board of Directors of two organisations founded more than a year ago, the Co-op Immobilienfonds AG (Co-op Real Estate Company Ltd.) and the Co-op Immobilien-Fonds-Verwaltung AG (Company of the Administration of Funds for Co-op Real Estate Ltd.). In this new position, he was closely connected with the current endeavours of the consumers' cooperatives to find new sources of finance for their further development. In his capacity as business manager of the GEG, he will vigorously devote himself to the further development of the consumers' cooperatives, as planning and company research are part of the main spheres of his activity.

Dr. Franke brings to his new position a wide experience and thorough knowledge of the society for which he is now working. Shortly after having completed his studies,

he joined the GEG in 1937 and was soon put in charge of the Department for Economic Accountancy. His activity was interrupted by the war when he joined the army; at the end of the war, he soon found his way back to the GEG, via a subsidiary, the Allgemeine Treuhandgesellschaft m.b.H. (the General Trust Company Ltd.). In January 1950, he returned to the GEG. Until 1956, he was assistant to the business manager of the Finance Department. As Manager of the Bank for Collective Economy, he had had the opportunity to add to his already wide experience during his ten years of activity there and is thus well equipped for his tasks in the GEG, which will be by no means easy.

Co-op Zambia

53 years ago, in 1914, Zambia's first cooperative was registered and Mr. S. K. Mutuna, the present Registrar of Cooperative Societies, asks the right and timely question: How much was contributed by cooperatives to the progress of Zambia during that length of time? The answer, in the Cooperative Newsletter No. 2, Vol. 1, seems to indicate that so far cooperation has made only a small impact on the economy of the country, but its contribution is growing year by year.

An interesting change in the cooperative sector has taken place and, since January 1967, the cooperatives of Zambia have become the responsibility of the new Ministry of Cooperatives, Youth and Social Development—a good prospect indeed for the movement to be associated with the country's future.

Zambia's cooperative training school at Luanshya has been strengthened by two new teachers and, at present, 49 Secretary/Treasurers from agricultural cooperatives are taking part in a four-month course.

Zambia's cooperative agricultural mechanisation scheme has succeeded in putting mechanised units into the field for the use of cooperators and it is now the task of the societies, with the assistance of the Mechanical Services Department's Field Workshops which are placed in the areas where agricultural machinery is used, to look after the consignment of tractors and trailers. This cooperation between mechanic and farmer should prove to be of immense value to the country's agriculture.

According to Zambia's First National Development Plan 1966—1970, "the considerable sum of £3.7 million has been provided for the development of cooperative activity of one kind or another. In addition to these pro-

grammes, it is envisaged that a number of the activities initiated by Government in agriculture (such as production schemes and settlement schemes), the Zambia Youth Services, fishing, forestry and manufacturing will eventually be taken over by some form of cooperative organisation."

There is no doubt that cooperation is taken seriously both by the people of Zambia and their Government.

Third Cooperative Trade Talks between Thailand and Japan

Further talks have recently taken place in Bangkok, attended by delegates from the agricultural cooperative movement in Japan and leaders of the cooperative movement and government officials of Thailand, to promote cooperative trade between these countries. The meeting was also attended by a number of observers, including Mr. M. Numata, Colombo Plan Expert, Mr. Robert R. Forbes and Mr. M. V. Madane, I.C.A. Regional Office.

Evaluation of Previous Meeting. Whilst reviewing the progress made in the collection and export of maize since the Committee on the Promotion of Cooperative Trade between Thailand and Japan had last met, the Japanese delegates expressed their satisfaction that the quantity of maize for export was gradually increasing. A full enquiry was made into the system of collecting maize and the financial requirements for such collection.

Plan for the Collection of Maize for 1967/68. The target of 60,000 M/T fixed for export to Japan during 1967/68 was 20 per cent higher than the previous year. The Japanese delegates, however, wanted to raise the target to 100,000 M/T. The Thai delegates were very reluctant to accept the proposal, as they thought their limited financial resources would not allow them to cope with such collections. It was finally agreed to keep the target at 60,000 M/T, but an effort will be made to collect more maize than the target fixed at present.

It was further agreed the Thai delegates should try to secure more money from their Government. The Bank for Agriculture and Agricultural Cooperatives and the UNICOOPJAPAN are proposing to open letters of credit in favour of the Bangkok Maize Marketing Cooperatives, known as COPRODUCT, sufficiently in advance so as to have the accommodation for a longer period.

Farm and Household Supply Project. Agreement has been reached between UNICOOPJAPAN and COPRODUCT that facilities for display of Japanese agricultural machinery and household goods be provided by CO-

PRODUCT in its show-room in Bangkok; COPRODUCT will demonstrate the machinery to would-be customers and act as agents for the Japanese products.

Silo Joint Venture. It has further been agreed between UNICOOPJAPAN and COPRODUCT to install silo facilities at a place yet to be agreed upon, probably at Paknam harbour in Bangkok, from where maize is exported to Japan at present.

Joint Project with ZENHAREN and UNICOOP-JAPAN for Rice Trade. The Thai delegates proposed that UNICOOPJAPAN should help COPRODUCT in exporting rice to Japan from Thailand. The Japanese delegates, however, indicated it would not be possible to put this proposal into practice, as importation of rice into Japan was handled by the Government. They suggested that the Hong Kong office of UNICOOPJAPAN might be able to help to export Thai rice to Hong Kong.

The possibility of importing bananas into Japan will be explored.

Other Projects under Discussion. The establishment of a joint chemical factory in Thailand was also under discussion. Until such a factory is established, the possibility of importing farm chemicals is to be explored.

The Thai delegation suggested a management training programme for persons handling the collection and export of maize.

The Japanese delegation agreed to consider the request of the Thai delegation to send one expert in cooperative marketing to assist the Thai marketing cooperatives. It was agreed that, if it is not possible to obtain an expert through the Colombo Plan, one would be provided by the Japanese Cooperative Movement.

A five-day study tour was organised for members of the Committee to acquaint them with the conditions relating to the trade involved in the discussions.

The leaders of both delegations emphasised the importance of closer collaboration between the two cooperative movements.

The Third Cooperative Congress of the Republic of the Sudan was held in Khartoum on 25th and 26th February last and was inaugurated by H. E. the President of the Supreme Commission. The Prime Minister, other Ministers and representatives of the ILO and of the cooperative movements of Jordan and Czechoslovakia were present and papers were presented on Agricultural Co-

Encouraging Cooperatives in the Sudan

operation, Cooperation in Developing Areas, Cooperative Education, Cooperative Banking and Consumers' Cooperation. More than 2,000 delegates from over 1,000 cooperative organisations in various parts of the country attended the Congress.

Many resolutions were adopted in the light of the discussion. One called for cooperative representation on the committee drafting a constitution and for the constitution to incorporate a clause giving the cooperative movement a conspicuous place in plans for economic development. Others called for cooperative representation on local administrative bodies and on public boards, such as the Nile Pumps Control Board and the Land Boards, for the expansion of the Department of Cooperation, for a new Cooperative Bank with financial support from the Government and a new Cooperative Institute.

The Government was urged to build more roads, and cooperative societies to build more mills for crushing oil and cold stores for preserving fruit and vegetables. The Congress also called for cooperative development in the Gezira and Nuba mountains, for more comprehensive financing from the Agricultural Bank for cooperative development and for cooperative representation on the Board of the Mortgage Bank.

But, perhaps, the most significant resolutions were those proposing that cooperatives be given priorities and privileges of various kinds. For example, it was urged that they should be given priority in rail transportation at reduced fares and that goods imported or exported by them should be partially exempted from customs duties. It was proposed that cooperatives should be given the privilege of importing and supplying such essential commodities as flour, rice, coffee, tea and textiles, that their tenders should receive special consideration by public agencies and that they should have priority in the acquisition of land at low rates of interest and in the purchase of tractors on favourable terms.

The Congress also recommended that the National Cooperative Body should form regional organisations and publish a magazine, that cooperatives be enabled to benefit from foreign loans and grants and that the National Cooperative Body should increase its contacts with foreign cooperative organisations and support the formation of an All-Arab Cooperative Federation.

The Sudan achieved its independence in 1957 and both its Government and all political parties have looked at

cooperation as a potent instrument for the development of the country. Lack of finance, however, has been the reason for many economic set-backs for a government whose resources are often restricted by the low taxable capacity of the people in an area of the world that is primarily agricultural. By 1953, the Sudan already had a Cooperative Union and, in 1956, the Union was admitted to membership of the International Cooperative Alliance, a membership that later lapsed. It is most encouraging to cooperators to see that once more cooperation is stirring in the Sudan and the hopes expressed at the Third Cooperative Congress augur well for the future.

A Computer Cooperative

In Madison, Wisconsin, U.S.A., several thousand dairymen own and control a computer cooperative, the only known one of its kind in the U.S.A. The Agricultural Records Cooperative, founded in 1959, does 85 per cent of its half-million dollar annual maintaining and processing information for its members as required by the Dairy Herd Improvement Association. The cooperative has fourteen record centres across the U.S.A., of which twelve are part of university operations. DHIA's function is to give farmers guidance in upgrading their herds in order to achieve a greater return on their investment. It is exceedingly difficult for the ordinary farmer, even the experienced one, to just look at Nancy, Prilly, Daisy and Tilly and tell if they are actually paying their way, but when a farmer gets a monthly report on each cow's production, feed consumed, feeding recommendations, totals for milk, fat and feed, enabling him to compare this with previous years' records, then computer help is certainly great.

The standard members of the cooperative are visited monthly by a computer field man, who weighs and samples milk from each cow from an evening and morning milking record, and samples are taken to the DHIA laboratory for testing.

How does such a system pay? The figures show that the average cow produces 9,000 pounds of milk per year, but the 9,000 owner-sampler members' herds are averaging 11,404 pounds. An ARC promotion pamphlet states that three to four pounds of fat per cow per year pay for this complete service, and some members have stated that an extra \$95 per cow has been the benefit to the farmer in participating in this unique cooperative venture.

J.H.O.

CONSUMERS AS PRODUCERS

ONE of the more controversial resolutions at the 23rd Congress of the I.C.A. at Vienna was from the organisation of workers' productive societies in the Netherlands, the Association of Enterprises on a Cooperative Basis. There was no time for it to be discussed adequately at the Congress and it was withdrawn, but Mr. Antoni, Chairman of the International Committee of Representatives of Workers' Productive and Artisanal Societies, suggested that the issues raised should be given full consideration.

The resolution urged 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 delegates to the Congress had not had very long to consider the far-reaching implications of the resolution, but it may have reminded many of them of the battles of a hundred years ago in the British Cooperative Movement between the supporters of cooperative co-partnership on the one hand and the advocates of consumer control over production on the other. Some delegates may have recalled that the main British initiative in the formation of the I.C.A. itself came from advocates of cooperative co-partnership, such as E. V. Neale, E. O. Greening and G. J. Holyoake, that the original first article of the Alliance

commended the promotion of "cooperation and profit-sharing in all their forms" and that representatives of profit-sharing companies were admitted to the first two Congresses.

Cooperative Production

The organisation of production on a cooperative basis was the original aim of the Rochdale Pioneers. The store in Toad Lane was established in 1844, with the object of providing capital with which to undertake production and, in 1850, the Corn Mill Society was established. Although most of the pioneers themselves were Owenites (followers of Robert Owen who was born in 1771 in Newtown, Wales), it became clear before long that a majority of the ordinary members were against co-partnership production. The Corn Mill Society became a federal society, controlled by consumers and was taken over by the C.W.S. in 1906.

In 1854, the Pioneers established the Rochdale Cooperative Manufacturing Society with J. T. W. Mitchell, later President of the C.W.S., as General Manager. It was successful to begin with and profits were shared between workers and shareholders. A new mill for both spinning and weaving was built at Mitchell Hey in 1859. But after the cotton depression of the early sixties, the "bounty to labour" was abolished in 1862 and the mill became an ordinary capitalist enterprise.

Consumers' cooperative societies grew and flourished in Britain in the second half of the nineteenth century, but most of the hundreds of attempts to form cooperative productive societies, from the self-governing workshops of the Christian Socialists in the early fifties to the Ouseburn Engineering Works on Tyne-side in 1875, ended in failure. The C.W.S. and many retail consumers' societies lost heavily in some of these ventures and the failure of the Scottish Cooperative Ironworks in 1875 brought the S.C.W.S. near to disaster. In 1873, the C.W.S. began manufacturing on its own account by setting up a biscuit factory at Crumpsall. The following year, J. T. W. Mitchell became President of the C.W.S. and, as President, expressed for twenty years with great vigour and conviction the view that production in the cooperative movement should be undertaken by consumers' societies supplying themselves with the things they need. This view was eloquently supported in 1891 by Miss Beatrice Potter, later Mrs. Sidney Webb, in her book *The Cooperative Movement in Great Britain*; by 1921, Mr. and Mrs. Webb were able to say in their book *The Consumers' Cooperative Movement* that "the old controversy as to the proper basis of cooperative organisation has definitely been closed".

Profit-sharing

In the fourth quarter of the nineteenth century, however, the issue gave rise to fierce controversy in the British Cooperative Movement. The C.W.S. was persuaded by the advocates of cooperative production to share its profits with its workers from 1872 till 1886, and the S.C.W.S. did so from 1870 until 1914. But the number of retail consumers' societies in Britain sharing their

trading surpluses with their workers declined from 241 in 1903 to 71 in 1930 and is today very low indeed. Between 1900 and 1918, no less than fifteen cooperative productive societies, including the celebrated Hebden Bridge Fustian Manufacturing Society, were taken over by the C.W.S. Today, there are only 35 cooperative productive societies in Britain affiliated to the Cooperative Union. Cooperative production has been more successful in some other countries, such as France and Italy, than it has been in Britain. On the other hand, there has not been the same insistent demand in other countries as there was in Britain for workers to share in the profits of the productive enterprises of consumer societies.

The Case against Co-partnership

Historically, the reason why so few consumers' cooperative societies have attempted to organise production on a co-partnership basis has been the democratic character of the consumers' societies themselves and the belief of a majority of their members that it would be against their interests. The compelling argument has been the failure of so many productive societies, particularly in Britain.

Today, there are more than 60,000 workers' productive societies in various countries, but there were many reasons why productive societies were less successful than consumers' societies in the nineteenth century. Production is generally considerably more risky than distribution and usually requires much larger amounts of capital per worker employed. Consumers' societies automatically attracted customers by their dividend on purchases, but productive societies inevitably found it harder to raise capital than their capitalist com-

petitors, since they could offer investors only a limited return. On the other hand, a consumers' society undertaking production directly, or through a subsidiary company, may receive a handsome return if the venture succeeds.

Cooperative productive societies frequently lacked managerial ability as well as capital in nineteenth century Britain. Robert Owen knew a lot about cotton spinning and was highly successful at New Lanark, but he had some curious ideas about agriculture and these may have had something to do with the failure of Owenite communities. The Christian Socialists, as well as the workers whose cooperative associations they helped to form, lacked business and commercial experience. Too many of the attempts at cooperative production in nineteenth century Britain were undertaken by enthusiastic amateurs and it is not surprising that many succumbed to recurrent slumps, as did the building guilds in 1922. Many private ventures also failed, but the cooperative failures were remembered while the capitalist ones were forgotten.

Even after limited liability was extended to cooperative societies in Britain in 1862, the maintenance of managerial authority in a society in which the Committee of Management was elected by the equal vote of worker members remained something of a problem. It is a problem that can be overcome, as the success of many workers' productive societies has shown, but it is not one that would arise in an acute form if the productive enterprises of consumers' cooperatives were organised with a separate legal status on a co-partnership basis. The parent consumers' society would presumably exercise an overall control in spite of workers' representation on the board of the

co-partnership society, and this would help to reinforce the authority of its management.

On the other hand, if the parent consumer society did exercise overall control, it would be able to determine the price paid to the co-partnership society for goods supplied and therefore also the size of the surplus achieved by the co-partnership society. This might undermine the incentive value of workers' participation in the profits of the co-partnership society. Moreover, the experience of consumers' societies in which workers have exercised an influence on policy suggests that workers' participation in control may sometimes reduce rather than increase efficiency.

In the main, cooperative productive societies have been most successful in industries, such as building, printing, clothing and footwear, in which capital costs are relatively low in relation to labour costs; but consumers' societies may need to undertake production mainly in industries in which capital costs are high and in which they can produce on a really large scale so as to take full advantage of the economies of scale. Consumer societies can legitimately claim that they have been wise to undertake production directly rather than by the formation of subsidiary co-partnership societies. Tax problems can arise when productive enterprises have a separate legal status.

The Case for Co-partnership

The main argument used by the advocates of cooperative production in the nineteenth century was that it was a matter of cooperative principle to end the antagonisms of capitalist production, to give workers the status of responsible producers and secure for them the full fruits of their industry. Some of

the British productive societies, such as Equity Shoes Ltd. of Leicester, were founded as a result of strikes at C.W.S. factories and, as recently as 1949, the late Dr. N. Barou declared that "the great productive enterprises belonging to the C.W.S. are cooperatively owned, but they are not cooperatively run". But today, the really crucial question is whether hiving off the productive enterprises of consumers' societies as semi-autonomous co-partnership societies would or would not help to increase the efficiency of cooperative factories and to make cooperative prices more competitive.

Consumers' societies in many countries are making structural changes to help them to compete more effectively with the chains and the combines. Are there good grounds for believing that the organisation of production by consumer societies on a co-partnership basis would help to achieve this objective? Presumably the change would improve relations with workers and increase incentive and efficiency to some extent; but the question is whether it would do so sufficiently to cover the cost of the bonus to labour.

Some capitalist companies introduce co-partnership schemes not out of philanthropy but because they believe that such schemes will increase productivity sufficiently to pay a bonus to workers and to increase the dividends of shareholders. Indeed, in Britain, unless such schemes offered a reasonable prospect of increasing the dividends of shareholders, they would be *ultra vires* and illegal, as the *Daily News* judgement in 1962 made clear. Some consumers' cooperatives which share their profits with their workers, such as the Royal Arsenal Co-operative Society, are above average efficiency, and the Rochdale Society itself

paid a bonus to its workers in 1965; but profit-sharing has not been widely adopted either in private industry or in the cooperative movement. Consumer societies are not yet convinced that it would help to make their prices more competitive.

Economies of Scale

On the other hand, it would probably help to increase efficiency if the productive enterprises of consumer societies were given greater autonomy and greater freedom to sell their output on the open market, as well as to consumer societies, in order to keep working at full capacity. As production becomes more complicated, specialisation becomes more important, and cooperative prices are likely to be more competitive if a limited range of goods is produced on a large scale than if a much larger number of items is produced on a relatively modest scale.

Wholesale consumers' societies in Britain and other countries have been signing agreements with affiliated retail societies under which the latter agree to buy a larger proportion of their requirements through their own wholesale, if the prices are comparable to what would be paid by direct purchase. This increases the bargaining power of the wholesales and helps to make cooperative prices more competitive.

However, wholesale societies cannot expect retail societies automatically to increase purchases of their own productions. Retail society purchases necessarily depend on what their members ask for, and the growth of self-service and supermarkets as well as heavy TV advertising has led many housewives to select the brand-names with which they are most familiar. Private traders are sometimes able to produce on a massive

scale and quote prices lower than those of equivalent cooperative products, while cooperative factories sometimes work at less than full capacity.

Although cooperative factories have traditionally produced primarily for the cooperative market, there would appear to be a strong case for them to be encouraged to produce also for the open market, possibly under other brand-names, if this helps them to keep working at full capacity and to keep prices competitive. The Independent Commission which reported on the British Cooperative Movement in 1958 recommended this. When Mr. Philip Thomas was appointed Chief Executive of the C.W.S. last January, he said he was in favour of C.W.S. factories producing for the open market, where appropriate, as indeed they have already been doing to a very limited extent.

The Soviet Government has recently introduced reforms which allow Soviet enterprises greater autonomy and freedom in marketing, and it is said that the new system has resulted in greater efficiency. It is sometimes suggested in the west that this is a move in a capitalist direction because profit is used as a measure of efficiency, but there is no question of production for the profit of private shareholders. On the contrary, the return paid on capital supplied by the State is limited under the Liberman system, and enterprises are said to use capital more economically because they have to pay a price for it. Moreover, the enterprise distributes a part of its earnings as a bonus on wages. Thus, it would be fairer to say that the Soviet economy is moving in the direction of cooperative co-partnership rather than in the direction of capitalism.

If workers' participation in surplus earnings helps to increase efficiency

both in private co-partnership schemes and in Soviet industry, it is reasonable to suppose that it might also do so in the productive enterprises of consumer cooperatives. In some countries, such as Switzerland, cooperative productive enterprises have a separate legal status without being organised on a co-partnership basis. It would not be difficult to make such a change to co-partnership on an experimental basis. If the factory concerned produced for the open market as well as for the cooperative market, it would make it easier for agreement to be reached about price. Risks would be considerably less than when a new productive society is established as a new, independent enterprise. Whether structural changes of this kind would in fact help to make cooperative products more competitive can only be determined by experiment. In practice, substantially greater gains might result from the economies of producing on a large scale and for the open market than from the incentive and improved relations resulting from production on a co-partnership basis. If consumer societies were to organise production on a co-partnership basis, it would be appropriate for as large a share in the surplus to go to the customer as a dividend on purchases as to the worker as a dividend on wages.

The first duty of consumers' societies is to their members, and the results of any experiments in the direction proposed by the Dutch resolution must be judged by whether they serve the members of consumer societies and enable them to obtain the things they require at lower prices. It is not enough that the status of the workers would be raised or their earnings increased—after all, any one is free to start productive societies independently if he wishes.

It is not enough for the advocates of co-partnership production by consumers' societies to say that the community as a whole would benefit from co-partnership production because productivity would be increased. It is necessary for them to show that productivity would be increased sufficiently as a result of co-partnership to enable a cooperative factory to supply a consumer society at lower prices. It would surely be useful

if one or two wholesale societies were to make a few experiments to find out whether co-partnership did in fact help to make the prices of cooperative products more competitive before the matter is debated in public. But the test of co-partnership production by consumers' organisations must be whether it is in the interests of consumers.

P. D.

COOPERATIVE UNION TRADE GUIDE

CATERING

The latest in a series of Trade Guides, compiled by a specialist working party to assist Cooperative Societies' Trade Development in catering matters.

The guide contains sixty-four pages and provides a comprehensive account of catering, ranging from buffet or snack bar facilities to establishing a restaurant and the requirements of industrial catering and staff dining rooms. An appendix provides several facsimile pages of forms for both functional and outside catering.

Price 10s. 6d., by post 11s.

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, 8, rue du Cercle Militaire, Oran. also at - 21, rue Edgar Quinet, Algiers, and 9, rue Mathurin Régnier, 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 (1965): 456,200; turnover: consumers' societies: Sch. 3,473 mill.; wholesale (G.Ö.C.): Sch. 1,688 mill.; department stores: Sch. 597 mill.; own production: consumer societies: Sch. 411 mill.; G.Ö.C. and subsidiaries: Sch. 421 mill.
Bank für Arbeit und Wirtschaft, A/G, Seitzergasse 2-4, Vienna I.
Zentralkasse der Konsumgenossenschaft, Theobaldgasse 19, Vienna VI.
Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösendorferstrasse 7/11, Vienna I.
1965: Affiliated organisations: 319 (comprising 207 societies and 112 associations); membership 115,596; dwellings administered 246,663 (comprising 107,229 societies and 139,434 associations); balance at 1964: 26.7 milliard Sch. (divided as to societies Sch. 12.5, associations Sch. 14.2).
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 (1964): Frs. 1,176 mill.; reserves: Frs. 5,000 mill.; insurance funds, life: Frs. 15,000 milliards.
Fédération Nationale des Coopératives Chrétiennes, 129, rue de la Loi, Brussels.
(1964): 1,336 shops; turnover: Frs. 1,303 million; dividends: Frs. 60 million; Savings Bank: 1,930 branches; 388,000 members; deposits: Frs. 7,024 mill.; Insurance Society: 210,000 policy holders; premiums: Frs. 310 mill.; reserves: Frs. 800 mill.
L'Économie 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.
Société Coopérative Fédérale de Belgique, 83-85, rue Vanderschrick, Brussels.
- BRAZIL:** Aliança Brasileira de Cooperativas (ABCOOP), Ave. Franklin Roosevelt 39-12^o, Sala 1216, Rio de Janeiro, G.B.
- ✓ **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 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. Andersen Boulevard 42, Copenhagen V.
Representing 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1964): D.Kr. 14,300 mill.
Det Kooperative Faellesforbund i Danmark, Frederiksborggade 50, Copenhagen S.
Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprises: 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 Gardner 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 production 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; 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, 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, Paris XVI.* Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88, *rue de Courcelles, Paris VIII.* Confédération Générale des Sociétés Coopératives Ouvrières de Production, 88, *rue de Courcelles, Paris VIII.* Banque Coopérative des Sociétés Ouvrières de France, 88, *rue de Courcelles, Paris VIII.* Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, 129, *Bd. St. Germain, Paris VI.* Fédération Nationale de la Coopération Agricole, 129, *Bd. St. Germain, Paris VI.* Caisse Nationale de Crédit Agricole, 91-93, *Boulevard Pasteur, Paris XV.* Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, Foyer Coopératif, 17, *rue Richelieu, Paris 1er.* Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 31, *ave. Pierre 1er de Serbie, Paris XVI.* L'Association Bâticoop, 6, *rue Halévy, Paris IX.* Confédération des Organismes de Crédit Mutuel, 18 bis, *Avenue Hoche, 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 Lebensversicherungs A.G., *An der Alster, (2) Hamburg I.* Deutsche Sachversicherung "Eigenhilfe", *Steinstrasse 27, (2) Hamburg I.*
- GREAT BRITAIN:** Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester 4.* Affiliated societies (1965): 704; membership: 13,032,771; retail societies' share capital: £ 243,840,861; retail sales: £ 1,096,376,175. 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., Ministry of Education and Social Development, 41, *High and Cowan Streets, Kingston, Georgetown.*
- 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 Nursery, 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.*
- The Credit and Housing Cooperative Society of Iran, *20-22 Shahabad 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 the 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 Malaya, *8, Holland Road, Kuala Lumpur.*
- Federation of Cooperative Housing Societies, *8, Holland Road, P.O.B. 499, 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 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.*
- 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.*
Invalids' Cooperative Union, *Kopernika 30, 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.*
- SCANDINAVIA:** Nordisk Andelsforbund, *3 Axeltorv, Copenhagen V.*
- 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 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., Sihlpfach, Zurich.
- Genossenschaftliche Zentralbank, *Aeschenvorstadt 71, Basle.*
COOP Lebensversicherungs-Genossenschaft *Basel, Aeschenvorstadt 67, Basle.*
International Cooperative Bank Co., Ltd., *Aeschenvorstadt 75, P.O.B. 348, 4002 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, "Centrosoyus", *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.*

Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

VOL. 60 No. 5

SEPTEMBER 1967

CONTENTS:

	Page
THE CONSUMER WORKING PARTY	182
THE THIRD ASIAN AGRICULTURAL COOPERATIVE CONFERENCE	183
DEVELOPMENT OF SOVIET CONSUMER COOPERATIVES BETWEEN 1959 and 1965	187
RESEARCH IN THE CONSUMER COOPERATIVE MOVEMENT OF THE U.S.S.R., V. Khorin	194
LEGAL STATUS OF THE SOVIET CONSUMER SOCIETIES, Yakov Glikin	199
STRUCTURAL CHANGES IN COOPERATIVES, L. S.	204
COMMENTARY, J. H. O.	218
COOPERATION IN BOTSWANA, Naomi Mitchison	227
BOOK REVIEW	231

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

Editorial and Administrative Office:

**11, Upper Grosvenor Street,
London, W. 1. Tel. 01-499-5991-3**

The Review is published also in French and German — Annual subscription to each edition £1.



THE CONSUMER WORKING PARTY

THE thirteenth meeting of the I.C.A.'s Consumer Working Party was held in London at the beginning of May and was attended by delegates from Belgium, the Federal Republic of Germany, Great Britain, the Netherlands, Norway, Sweden and Switzerland. Mrs. L. Stettner, Research Secretary of the I.C.A., was unable to be present owing to illness and her place was taken by the Director of the I.C.A., Mr. W. G. Alexander. The delegates from Austria and France were also unable to attend. The Secretary of the I.C.A. Women's Cooperative Advisory Council attended.

The main decision of the Consumer Working Party was to prepare a synopsis for a popular brochure on the whole range of consumer problems which it has been discussing. The synopsis should be ready for consideration by the meeting of the I.C.A. Executive in Prague in September. It was hoped that this brochure would be a definitive document for any cooperative movement and would be illustrated with examples from the experience of many countries. It was also decided that the Consumer Working Party should report to the I.C.A. Executive about its own activities by next February.

The second major decision of the Consumer Working Party was to recommend the holding of a Conference on "Consumer Interests in the Modern State" some time in the second half of 1968. It was considered that the I.C.A.

Consumer Conference at Basle, Switzerland, in October 1965 had been useful and had made a real impact in some countries and that it was desirable for the I.C.A. to hold conferences about consumers' problems in between its Congresses. The growth of consumer test organisations and the need for co-operatives to combine consumer orientation with business efficiency raised problems which needed to be discussed.

Mrs. T. Ström gave the Working Party a report of her visit to the U.S.A., where she had been particularly impressed by the success of the Home Economists of the cooperative society at Berkeley, California, in arousing the interest of its members in consumer problems and attracting customers. She also visited Washington and the Consumers' Union headquarters in New York and drew the attention of the Consumer Working Party to a Seminar on Consumer Education which the International Federation of Workers Educational Associations was planning to hold in Sweden in 1968 and to the work of the newly formed Committee on Informative Labelling.

The Consumer Working Party has been invited by the ZdK to undertake a Country Review of the German Co-operative Movement in Hamburg in the middle of November. The next Consumer Working Party is to be held in Hamburg at about the same time.

THE THIRD ASIAN AGRICULTURAL COOPERATIVE CONFERENCE

THE Third Asian Agricultural Co-operative Conference was held at New Delhi from January the 23rd to the 28th under the chairmanship of Professor D. R. Gadgil, President of the National Cooperative Union of India. It was primarily concerned with ways and means of encouraging the expansion of international trade between co-operative organisations in South-East Asia. The delegates to the Conference were welcomed by Mr. Brahm Perakash, General Secretary of the National Co-operative Union of India, Dr. S. K. Saxena, Regional Officer of the I.C.A. for South-East Asia, and Mr. Krishnan Chand, Secretary-General of the Afro-Asian Rural Reconstruction Organisation. These three organisations were joint sponsors of the Conference.

The Vice-President (now President) of India, Dr. Zakir Husain, was unable to open the Conference because of indisposition, but his inaugural address was read for him by Mr. S. D. Misra, Indian Deputy Minister of Food, Agriculture, Community Development and Cooperation. Dr. Husain took the view that the cooperative movement could play an important part in the expansion of trade between the developing countries of Asia, but to achieve this greater integration in organisation was needed and cooperative expansion had to be planned within the context of governmental development programmes.

In his presidential address, Professor

Gadgil analysed the problems of expanding international trade between developing countries as distinct from that between them and industrial countries. He said that the planning of economic development by developing countries had been more successful than their planning of their external trade. Two essentials were economic growth and the expansion of the market for primary produce. If the countries of South-East Asia could, in their planning of economic development, take more account of the needs and of the surplus produce of neighbouring countries, it would do much to help the expansion of trade between them. He looked forward to cooperation between the cooperative movements of different countries ultimately culminating in a universal cooperative order. He insisted that the integration of the cooperative movement in developing countries would not only help the expansion of international cooperative trade but also encourage governments to give the cooperative movement an appropriate place in their plans.

Dr. Malfettani, Chairman of the I.C.A. Agricultural Committee, declared that cooperation was a great international ideal, true and valid in all the countries of the world and uniting the peoples of every continent. The principles of cooperation were applied in many different ways and the task of uniting the agricultural cooperative

movements of the world was a formidable one. In Italy, there had been remarkable cooperative developments in the South in spite of its backwardness compared with the North.

The meeting of the family of Asian cooperators for the third time would bring an exchange of ideas which would help to promote the exchange of produce and, at the same time, strengthen solidarity. Dr. Malfettani emphasised the vital role of agricultural cooperatives in increasing food production, in helping economic development generally, and in education and said that the Conference of the Agricultural Committee at Vienna had concentrated on cooperative processing. He welcomed the decision of the Agricultural Committee to form a Sub-Committee for South-East Asia and laid much emphasis on the importance of agricultural cooperatives keeping in close touch with cooperatives in other countries. He also welcomed the formation of the Fisheries Sub-Committee.

Messages were read by Mr. P. Bose, Joint Secretary of the National Cooperative Union of India, from the Prime Minister of India, from the Minister of Cooperation and from the President of the I.C.A. After contributions from the representatives of international organisations and of participating countries, the Conference broke up into three Sub-Committees. The first dealt with Organisation and Finance under the chairmanship of Mr. Naguib Attallah of the United Arab Republic; the second with Cooperative Trade Operations under the chairmanship of Mr. S. M. Osman of AARRO; and the third with Cooperative Trade Potentialities under the chairmanship of Mr. Sadaichi Toki of Japan.

The report of the first of these Sub-

Committees emphasised the need for a strong and integrated cooperative organisation for domestic marketing as a necessary condition of successful international trading by cooperatives on a significant scale. It was opposed to the formation of any regional cooperative trading organisation at the present time and discussed the question of finance for international trade, both in national currencies and in foreign exchange, through cooperative and other banking institutions. It recommended that governments should help to reduce the risks of international trading by cooperatives, perhaps by the creation of special funds.

The report of the second Sub-Committee noted the need for fertilisers in South-East Asia reported in the trade survey recently undertaken by the I.C.A. and suggested that agreements might be negotiated in which agricultural produce was exported in exchange for supplies of fertilisers. It recognised the recent barter agreement between consumers' cooperatives in Japan and those in the Soviet Union and urged industrialised countries to reduce tariff barriers against the produce of developing ones. While the Sub-Committee insisted that the first priority should be given to increasing trade between cooperatives, it also recognised that trade between cooperatives and other organisations should be encouraged.

The third Sub-Committee, like the first, stresses the need to strengthen national cooperative organisation as a necessary condition for an expansion of international cooperative trade. This Sub-Committee called for more technical meetings between cooperative officials, for more attention to advertising and sales promotion in international trade and for government support with

finance and training facilities. It also emphasised the value of technical assistance from cooperatives in other countries in expanding cooperative processing and the need for cooperatives to make more effective use of international organisations, such as the International Cooperative Bank, the Asian Development Bank and the World Bank. It was suggested that the I.C.A. itself might be able to do more in informing affiliated organisations of trends in international trade.

The reports of all three Sub-Committees were generally accepted by the plenary session on the final day of the Conference. Mr. S. Tarlok Singh of the Indian Planning Commission commended the three reports to the Conference and said that the Indian Government would take account of the recommendations of the Conference in completing its work on its fourth Five-Year Plan. Various recommendations were made which can be summarised as follows:

International trade by agricultural cooperative organisations may be looked upon as an extension of the internal trade carried on by them. Thus, the setting up of a marketing organisation on the national level is the pre-condition for the successful undertaking of international trade.

Where a large variety of types or organisations of agricultural marketing and supply cooperatives is operating, these activities should be pooled at the national as well as at the international level. The pooling of resources and expertise can also facilitate international trade between the consumer and producer organisations in various countries.

Until the need for a regional Asian foreign trade organisation for cooperatives is explored, the active interna-

tional agencies, like the I.C.A. Regional Office, ECAFE, FAO, etc., may be used for the necessary commercial intelligence and other services.

Marketing cooperatives at all levels will have to strengthen their funds by various means. There is a great need for properly trained and experienced personnel, and they have to be trained at the national level. The quality of commodities being of utmost importance in international trade, steps for introducing higher standards of quality control need to be taken.

The business relations between apex and primary cooperatives should be on consignment basis as well as in the form of outright purchases. Long-term arrangements with farmers should be introduced through primary cooperatives for the steady procurement of exportable commodities.

Cooperatives in one country should act as agents for cooperatives in other countries wherever possible. The national marketing organisations should, in addition to normal ways or assessing of exportable surpluses, seek advice from expert bodies in this field, covering techniques of processing and packing, and the exploration of prospective markets.

The Eisenberg report pointed out that trade has been conducted between cooperatives in the following commodities: apples, peas, bananas, citrus fruit, coconut products, coffee, palm oil, consumer goods, cotton and cotton manufactures, dairy products, domestic and industrial appliances and machines, dry fruits, eggs, fertilisers, fish products, etc.

Cooperative organisations should explore these and other fields of trade, and a meeting of managers of cooperative business federations in the Asian region should be called.

The Government should assist cooperatives by providing funds for the extension of their business activities in foreign trade, especially by supplying capital for the setting up of export orientated processing units. Foreign trade should be liberalised in order to increase supplies of equipment and requisites, and to help market research, the holding of conferences, the carrying through of sales promotion activities, etc. Cooperatives should be allowed to enter into barter transactions and be given permission to import agricultural requirements based on the value of their exports. Governments should channel their foreign trade in agricultural commodities and requisites through cooperatives to an increasing extent. They should offer monopoly and semi-monopoly rights in certain commodities and certain areas to cooperatives. Priority should be given to measures which help the producers of agricultural commodities to reduce costs and raise productivity.

The more developed cooperative movements should assist cooperative movements in the developing countries to set up export orientated industries as well as to set up industries for the manufacture of fertilisers, agricultural machinery and other things needed by farmers. They should also provide experts for conducting feasibility studies and should enter into long-term agreements with cooperatives in developing

countries. Well established cooperative movements should, in addition, offer training facilities to the staff of cooperatives in developing countries.

The existing international agencies, like the I.C.A. Regional Office, ECAFE, ILO, AARRO and IFAP, may use their good offices to promote mutual contacts between different national cooperative agencies. The I.C.A. Regional Office has already set up a small Division to deal with international trade which will be strengthened if necessary. The South-East Asian Sub-Committee of the I.C.A. Agricultural Committee should also help in the matter. They should seek to influence the Governments of industrial countries towards liberalising imports from developing countries and to increase the assistance to those countries. They should provide advisory services for developing countries in the field of international trade, with the aim of creating a clearing-house of information. Such a clearing-house should be maintained by the I.C.A. Regional Office.

The I.C.A. Regional Office may make necessary arrangements for providing training for managerial personnel in collaboration with the advanced cooperative movements in developed countries which are experienced in the field.

The international agencies engaged in market research might extend their assistance to the cooperative agencies in the developing countries.

NOS. 5, 7 AND 12 OF THE 1966 "CENTROSOYUS REVIEW" CONTAIN A NUMBER OF INTERESTING ARTICLES ON CONSUMER COOPERATION IN THE U.S.S.R., WHICH CELEBRATES THIS YEAR ITS 50TH ANNIVERSARY. TO GIVE OUR READERS AN INSIGHT INTO THE STRUCTURE AND DEVELOPMENT OF COOPERATION IN RUSSIA OVER THE LAST FEW YEARS, WE FEATURE THE FOLLOWING ARTICLES BY PERMISSION OF CENTROSOYUS.

Edit.

DEVELOPMENT OF SOVIET CONSUMER COOPERATIVES BETWEEN 1959 AND 1965

The year 1965 was a landmark in the life of the Soviet people and hence also in the life of millions of Soviet cooperators: it marked the successful fulfilment of the Seven-Year Economic Development Plan. In this connection, we are publishing basic data on the fulfilment of the Seven-Year Plan by the Soviet consumer cooperatives, submitted by Andrei Balashov, member of the Centrosoyus Board and head of its Financial and Economic Department.

Trade

THE growth in the incomes of the rural population and the increase in the production of consumer goods during the period covered by the Seven-Year Plan raised the trade turnover of the consumer cooperatives by 69 per cent (in comparative prices), as compared with the increase in state trade

by 56 per cent.

As a result of this higher growth rate of cooperative trade, the rural per capita trade turnover is steadily approaching the urban.

The average yearly increase in the trade turnover of the consumer cooperatives was 7.7 per cent, reaching the record figure of 11.2 per cent in 1965.

The growth in the trade turnover of separate unions of consumer societies in the constituent republics is given below:

Republic	1965 as a percentage of 1958	Average yearly increase between 1959 and 1965
Total for the USSR, including . . .	168.4	7.7
Russian Federation	162.0	7.1
Ukrainian SSR . .	185.2	9.2
Byelorussian SSR .	183.1	9.0
Uzbek SSR . . .	162.9	7.2
Kazakh SSR . . .	174.6	8.3
Georgian SSR . .	165.1	7.4
Azerbaijan SSR .	188.0	9.4
Lithuanian SSR .	214.3	11.5
Moldavian SSR .	204.7	10.8
Latvian SSR . .	174.9	8.3
Kirghiz SSR . .	193.1	9.9
Tajik SSR . . .	164.9	7.4
Armenian SSR . .	191.0	9.7
Turkmen SSR . .	153.0	6.3
Estonian SSR . .	164.1	7.3

In 1965, organisations of the consumer cooperative system sold the population and collective farms foodstuffs and manufactured goods to the amount of 29,800 million rubles. In addition, the urban cooperative network sold the population agricultural products to the value of 1,100 million rubles.

The table below shows that the sale of valuable foodstuffs to the rural population increased most rapidly.

	per cent
Meat and poultry	230
Fish	209
Herring	163
Butter	235
Sugar	282
Confectionery	177
Vegetable oil	156
Macaroni	127
Cereals	153

There has also been a substantial change in the pattern of cooperative trade in manufactured goods. The sale of recreational and household goods has grown considerably. Furniture, for example, accounted for 1.22 per cent of the total turnover in 1958, and for 2.18

per cent in 1965; the corresponding figures for electrical goods were 0.29 and 0.75 per cent, for bicycles and motorcycles—1.09 and 1.35 per cent, for radio sets and accessories—0.70 and 1.29 per cent.

The sales of woollen and silk materials, garments, underwear and knitwear also grew at a higher rate in the countryside than in towns.

In recent years, the rural population has preferred ready-made clothes to materials, knitwear to cotton cloth. In the countryside, the sale of garments and underwear increased by over 50 per cent during the seven years.

The sale of building materials, fuels and consumer durables in the countryside has made particularly big strides. In 1965, rural dwellers bought three times more motorcars, 9 times more refrigerators and 49 times more washing machines than they did in 1958. Last year, cooperatives sold about 1,400,000 tons of cement and over 32 million square metres of window glass and other building materials.

During the septennium, the book trade of cooperative shops increased by 30 per cent; in 1965 alone, 108 million rubles' worth of books were sold.

New shops and better methods of trade improved the services rendered to the population.

The table below shows that the network of shops expanded more rapidly than that of stalls and kiosks.

	Network		Increase over seven years	
	on January 1, 1959	on January 1, 1966	Total	units per cent
Retail trade establishments including:				
shops	287,731	353,130	65,399	122.7
	236,142	284,420	48,278	120.4

The trade network expanded mainly due to the building of new shops: 62,700 shops, including 1,572 district and 9,568 rural department stores, were built between 1959 and 1965.

In 1961, cooperative organisations began to build shopping centres and large modern shops, thereby changing the structure of the trade network.

	Total retail outlets in trade network (per cent)	
	On January 1, 1959	On January 1, 1966
Department stores and specialised shops	36	53
Other shops	49.6	33.4
Small-scale retail network	14.4	13.6

Specialisation is making rapid progress in rural trade. In 1958, specialised shops accounted for 11 per cent of the trade in manufactured goods, in 1964 they handled 27 per cent of the total.

In addition to newly built shops, over 65,000 existing shops have been reconstructed and re-equipped.

The material and technical basis of wholesale trade has also expanded considerably: 3,390,000 square metres of warehouse space have been built. On January 1, 1966, the total effective warehouse space of cooperative wholesale depots comprised 9,650,000 square metres, as compared with 6,730,000 square metres at the beginning of the seven-year plan period. During that time, 8,500 new mobile shops became operative. The number of self-service and open-display shops has also increased substantially and consumer societies have over 80,000 such shops.

In 1960, 50 million rubles' worth of goods were sold on credit, accounting for 0.4 per cent of the total manufactured goods sales, as compared with

538 million rubles or 4.3 per cent in 1964.

As many as 24,100 cooperative public catering establishments were opened between 1959 and 1965, a total of 57,700 were operative at the beginning of 1966.

The network of public catering establishments in state farms has expanded appreciably in recent years. Over 1,800 dining rooms have been built by cooperators at state farms.

Last year, the turnover of public catering establishments amounted to 1,854 million rubles—a 33 per cent increase over the seven-year period. Cooperatives' own output has doubled (in prices for the corresponding years), and its share in the turnover rose from 27.2 to 40.7 per cent. The sale of cooperatives' own output more than doubled in public catering establishments of the Latvian, Lithuanian, Moldavian, Estonian, Ukrainian, Byelorussian, Uzbek and a number of other unions of consumer societies.

Production

Since 1959, the gross output of cooperative enterprises increased by 80.4 per cent and reached 2,300 million rubles in 1965.

During that time, the consumer cooperative organisation has also built up a modern food industry. More than 5,700 bakeries have been built. The capacity of mechanised bakeries has grown from 33,300 metric tons a day in 1958 to 65,000 tons a day at the beginning of 1966. Output has grown by 80 per cent and, in 1965, amounted to 9.3 million tons.

As a result of the increase in bread production and the wider assortment of bread and flour products, rural dwellers bake less at home. Industrial bakeries now provide 70 per cent of total

requirements in the countryside, as compared with 40 per cent in 1958.

Consumer cooperative canneries and vegetable dehydration plants processed over two million tons of fruit and vegetables, produced about 2,171 million conventional cans, about 70,000 tons of dehydrated vegetables and potatoes and over 32,000 tons of dehydrated fruit. Also produced were more than 330,000 tons of sausages, about 180,000 tons of confectionery, over 75,000 tons of starch and upwards of 95 million decalitres of soft drinks.

Cooperative fur farming, too, extended substantially. At the beginning of 1965, there were 249 fur farms breeding mink, blue foxes, silver foxes, muskrats and nutrias and 109 fur trapping stations.

For six years of the seven-year plan period, fur farms sold the state 118 million rubles' worth of valuable furs. In 1959, fur farms accounted for 28.7 per cent of the total fur procured by the consumer cooperatives and, in 1965, their share exceeded 70 per cent.

Purchases of Agricultural Produce and Raw Materials

Consumer cooperatives' purchases of agricultural produce and raw materials continued to expand during the period under review. In 1965, they procured 368,000 tons of wool and over 5 million tons of potatoes. They also purchased 91 million rubles' worth of wild growing fruit, berries and mushrooms (120 per cent more than in 1958), 99.1 million rubles' worth of fur and pelts. In 1965, they bought 10,400 million eggs, which was 129 per cent more than in 1958.

In addition to planned procurements at contracted prices, the consumer cooperatives continued to buy surplus products from collective farms and

farmers at market prices. The volume of these purchases doubled (in comparable prices) during the seven years and amounted to 1,500 million rubles. These purchases included: meat—2,278,000 tons; poultry—26,660,000 birds; butter—8,500 tons; vegetable oil—1,035,000 tons; milk and dairy products—951,000 tons; eggs—1,741,600,000; sugar—270,000 tons; flour and food grain—2,373,000 tons; potatoes—4,114,000 tons; vegetables—1,638,000 tons; fruit and berries—750,000 tons. These products were sold by the cooperative trade network in towns at prices which were from 18 to 22 per cent below current market prices.

During the seven years, cooperative organisations spent about 300 million rubles on the building of 1,355 warehouses for unprocessed livestock produce, 1,329 abattoirs, 531 egg stores, 929 stores for secondary raw materials. The capacity of new receiving centres for procured produce is now 210,000 tons; of vegetable and potato stores—366,000 tons; and of salting and pickling centres—79,000 tons.

Capital Construction

The consumer cooperatives have fulfilled the Seven-Year Plan for capital investments. A total of 2,643 million rubles was invested in construction, of which more than 2,400 million rubles was from the cooperative organisations' own funds. The volume of building and erecting work amounted to 1,952 million rubles.

Finance

The growth in the economic activities of the consumer cooperatives and the expansion of their material and technical basis made it necessary to strengthen economic accounting, to raise economic efficiency in cooperative en-

terprises, and to make better use of economic reserves.

Between 1959 and 1965, the cooperatives made a profit of 5,720 million rubles and sold shares 235 million rubles' worth. During that time, 22 million people joined cooperatives, as compared with 12.4 million in the preceding septennium.

At the end of the seven-year period, the funds of the cooperative organisations reached the impressive total of 6,296 million rubles, as compared with 3,305 million rubles at the beginning of the period under review.

Labour and Personnel

In conformity with Party and Government decisions, important measures were taken during the seven-year period to improve the welfare of cooperative workers.

An additional sum of about 300 million rubles a year was spent on shortening the working day and raising wages.

The consumer cooperative staff increased during the seven-year period by 615,000 or by 38 per cent.

By January 1, 1965, 87 per cent of the chairmen of the boards of republican, territorial and regional unions of consumer societies and 83 per cent of their deputies had a higher or special secondary education.

The educational level of other managerial and executive workers rose correspondingly. During the seven years, the number of specialists working in consumer cooperatives nearly doubled.

Every year, there is a great influx of young people: in 1963, 47,000 were taken on and, in 1964, more than 85,000.

Six branches and 29 consulting centres have recently been opened at cooperative educational establishments, and highly qualified teachers have been put on the staff. During the past seven years, the student body in cooperative institutes has increased tenfold: in 1958, only 3,500 students were studying full time or taking correspondence courses, whereas in 1965, their number was 36,200. During that period, 9,455 top-level specialists have been trained.

The number of special secondary schools has grown from 85 to 117, having trained a student body of over 170,000 people.

There was a marked increase in the number of workers undergoing training at cooperative enterprise-schools, vocational schools and by apprenticeship. As many as 347,000 sales people, 72,000 cooks, 47,000 bakers, 13,000 cooperative purchasers, 37,000 bookkeepers underwent training or attended refresher courses at these establishments.



CENTROSOYUS





AT WORK



RESEARCH IN THE CONSUMER COOPERATIVE MOVEMENT OF THE U.S.S.R.

by **V. Khorin,**

*Candidate of Economic Sciences,
Vice-President of the Centrosoyus Board*

THE utilisation of scientific and technological achievements in the economy is a decisive factor promoting the efficiency of social production and ensuring a high rate of economic growth in the Soviet Union.

The Directives on the Five-Year Plan of Economic Development for 1966–70, endorsed by the recent 23rd Congress of the C.P.S.U., have set Soviet scientists the important task of working out the theoretical principles of planned economic leadership by profoundly studying and utilising the objectively operating economic laws of socialism, elucidating the ways and means of enhancing the efficiency of social production, effecting a better balance between the different branches of the economy, employing economic incentives to promote production and consumption, improving the planning of prices, settling the key problems of the development of economic cooperation between the socialist countries and raising the efficacy of foreign trade.

The prime aim in this field is to make research more effective and introduce its results into production quicker. To achieve this purpose, the Directives state, scientific forces and material and monetary means have to be concentrated in key branches of science and tech-

nology which yield the maximum economic effect with the minimum expense, the experiment and production facilities of research and design organisations must be enlarged and they must be provided with scientific and laboratory equipment. The utmost use must be made of the latest scientific and technological achievements abroad, more patents must be purchased and technical cooperation with foreign countries promoted.

The research conducted by scientific institutions of the Consumer Cooperative Societies is a component of the research work being carried out throughout the country and is an intrinsic part of the state plan of developing science and technology.

The Centrosoyus is the leading centre of the Consumer Cooperative Societies of the Soviet Union. It provides the organisations of the Consumer Cooperative Societies with overall organisational and economic leadership.

Moreover, it organises the research work in these societies. It has a number of research establishments which examine and work out scientifically substantiated suggestions on the following problems:

—further improving the organisational pattern of the Consumer Cooperative

Societies;

—rationalising the movement of commodities;

—methods of studying the demand for consumer goods and of the market;

—establishing norms of commodity reserves;

—studying, generalising and introducing modern forms of trade;

—designing rational types of wholesale and retail trade enterprises which provide buyers with the maximum convenience and are the most economical to run;

—improving the work of catering establishments, bakeries and enterprises processing fruit and vegetables;

—evolving economic, organisational and technical principles and methods of increasing the productivity of hunting, procuring fur, raw hide and wool and also wild plants;

—increasing the efficacy of investments;

—making cooperative organisations and enterprises operate more profitably and on a sounder self-supporting basis;

—utilising inner potentialities for increasing labour productivity at trade, purchasing and production enterprises;

—working out the norm of natural loss in foodstuffs;

—improving accounting;

—studying the theory and history of the Consumer Cooperative and international cooperative movements.

In June 1961, the Centrosoyus Board set up a special Council for the Co-ordination of Research with the purpose of improving the organisation and efficacy of research in the Consumer Cooperative movement, strengthening the link between science and practice and instituting greater control over the introduction of the results of research. The Council draws up current and

long-term research plans, co-ordinates the work of the scientific establishments run by Centrosoyus, studies the results of research and how these results are introduced into the work of the Consumer Cooperative Societies, examines the plans of publishing the results of research and arranges scientific conferences on key fields of research.

The Research Department at the Centrosoyus Cooperative Institute in Moscow is the centre of research in the organisation of new forms of cooperative trade and public catering. This Department has a sector for the co-ordination of research at Centrosoyus institutions of higher learning. It draws up draft plans of research and analyses the annual reports on the fulfilment of these plans.

Extensive research is conducted at the Centrosoyus institutions of higher learning, which have laboratories studying various problems: the computing laboratory in Moscow, the laboratory studying the norm of natural loss of commodities in Lvov, the laboratory studying the economy of cooperative trade in Novosibirsk, and the laboratory studying the technology of cooking food at cooperative public catering enterprises in Samarkand.

The teachers and post-graduate students of the Centrosoyus institutions of higher learning are also engaged in scientific work. At the Centrosoyus Cooperative Institute in Moscow, for example, they published nearly 300 scientific papers in 1964. At the Centrosoyus Institute in Lvov, they have worked out the norms of natural loss in vegetables and fruit during transportation by lorry; these norms have been adopted by state and cooperative trade organisations. The same institute has studied new forms of packing for fruit

and vegetables and worked out measures to improve the technology involved in the primary and factory processing of fresh mushrooms. The Centrosoyus Central Administration for the Purchase of Fruit and Vegetables has approved the new technologies and recommended them for use at enterprises of the Consumer Cooperative Societies.

In 1964, the teachers and research laboratory staff at the Novosibirsk institute finished working on a number of problems connected with achieving an improvement in the economic activity of the Consumer Cooperative Societies in West and East Siberia and in the northern regions of Kazakhstan. Jointly with the accounting and trade economy departments, the institute's research laboratory has completed its investigations into the organisation of the packing industry and ways of reducing losses during packing in the Consumer Cooperative Societies of Tomsk Region and the Yakutia. Staff members of the Institute's Department of the Organisation and Technique of Trade and research laboratory have studied ways of improving the efficiency of commodity movement and wholesale trade in Omsk Region and the northern regions of Kazakhstan. The results of research carried out in 1965 have been introduced into the practice of the above-mentioned unions of Consumer Societies.

In March 1964, the Centrosoyus Institute in Samarkand summed up the results of its researches at a scientific conference on the ways and means of further developing public catering in the Consumer Cooperatives of the Central Asian republics and Kazakhstan.

Inter-institute scientific conferences are an important form of scientific work. Such conferences have discussed the rationalisation of commodity move-

ment and the ways of improving cooperative wholesale trade and accounting and also ways of mechanising computing at the Consumer Cooperative Societies, and other problems.

As a rule, executives and specialists of the Consumer Cooperative Societies play an active part in these conferences.

Last year, the cooperative institutions of higher learning were working on the following problems:

—the role of the Consumer Cooperative Societies in the formation of communist social relations;

—ways of developing and improving direct contact between the Consumer Cooperative Societies and industrial enterprises manufacturing consumer goods;

—the efficacy of the new method of planning the economic activity of cooperative organisations;

—the method of planning an enlargement of the material and technical facilities of cooperative retail trade;

—an analysis of the method of planning the economic activity of the Consumer Society.

At the request of the Centrosoyus central administrations, their plan of scientific work includes research into the accelerated ripening of milk-ripe tomatoes with the aid of ethylene in hermetically-sealed holds of motor vessels, the method of analysing and planning the profits of cooperative bakeries, the optimum size of Consumer Societies, the optimum size of cooperative wholesale depots in the Ukraine, and other problems.

The Consumer Cooperative Societies are doing much to study the demand for consumer goods. This study is being conducted by a special laboratory and its five branches and computing centre. The laboratory is engaged mainly in

developing methods of studying the demand for consumer goods in rural localities, planning the study of the demand for different commodities; investigating the volume and pattern of the demand for various commodities in order to recommend changes in the volume of industrial output, improving the quality and assortment of goods, and achieving a correct distribution of commodity resources; revealing the laws and scientifically working out the volume and structure of the demand of the rural population for various goods, and studying the features of consumption among individual social groups of the rural population.

Moreover, Centrosoyus and the Unions of Consumer Societies in the different republics, territories and regions have special departments studying the demand for consumer goods.

Centrosoyus has set up a laboratory for the organisation of warehouse economy, which studies the development of the warehouse economy and introduces the results of research into the practice of the Consumer Cooperative Societies. This laboratory explores the most rational types of warehouses, works out methods of determining the demand for floor space, develops the most up-to-date technology and evolves advanced methods of organising labour at warehouses, and so on.

The U.S.S.R. Institute of Research into Animal Raw Material and Fur has been under the jurisdiction of Centrosoyus since 1956. This institute has 11 laboratories and 14 zonal branches in the Union republics as well as an experimental fur farm, a zoological station, a hunting-dog breeding farm, an experimental hunting ground and an experimental workshop. It studies the

economy and organisation of hunting; the 'biologically' rational utilisation of game fauna (development of methods of regulating and increasing the population of the main local species of fur animals, the state of the reserve of these animals and the forecast of the growth of their number, the resources and possibility of hunting and procuring ungulates and game birds, the acclimatisation of game animals and the development of methods of increasing the productivity of hunting grounds in the taiga); the rationalisation of the technique of hunting, and so forth.

Under the 1964-65 plan, the institute completed work on the following themes: "Improvement of the Organisation and Planning of Cooperative Hunting Farms", "Methods of Increasing the Productivity of Hunting Grounds in the Taiga", "The State of the Reserves and Forecasts of the 'Harvest' of Fur Animals and Game Birds", "Development and Improvement of the Methods of Combating Fur Animal Diseases", "The Organisation and Methods of Breeding Pedigree Hunting Dogs", "Acclimatisation and Breeding of Chinchillas in the U.S.S.R.", "Study of the Reserves and Ecological Features of the Mole and Drawing up Recommendations for Promoting the Hunting of these Animals", "Mechanisation of Arduous Work in Gathering Cedar Nuts", and so forth.

In the past two years, this institute has built and turned over for exploitation a machine that extracts cedar nuts from cones and separates them from litter. It has drawn up instructions on the method of determining the moisture content of cedar nuts, recommended ways of stock-taking and regulation of the hunting and reproduction of sable at fur farms in Siberia and the Soviet Far East, forecast the population of fur

animals and game birds and recommended ways of planning and organising the hunt for them, and recommended an enlargement of the geographical range and rational utilisation of the reserves of beaver in the European part of the U.S.S.R. and in West Siberia.

In 1960-70, the institute plans:

—to work out the economic, organisational and technical principles and methods of increasing the productivity of game hunting;

—to develop methods of regulating and increasing the squirrel, hare, sable, marten, Kolinsky and ermine population;

—to explore the reserves of ungulates and game birds and the possibility of hunting them;

—to develop methods of speeding up the reproduction of musk-rats and evolve more productive methods of hunting them;

—to study the results of and work out plans for the acclimatisation of game and fur animals;

—to improve hunting techniques and develop standard weapons and equipment for hunters in the main hunting zones of the U.S.S.R.;

—to intensify the breeding of fur animals by the Consumer Cooperative Societies;

—to study the diseases of fur and game animals and develop means of preventing and combating these diseases;

—to work out measures aimed at improving and standardising the quality of fur;

—to develop methods of improving the quality of raw hide;

—to develop objective methods of evaluating the quality of wool.

All of Centrosoyus's research organisations are drawing up a plan of research for 1966-70 to ensure further considerable scientific and technical progress in all spheres of the activity of the Soviet Consumer Cooperative Societies. The all-sided utilisation of scientific and technical achievements and of modern methods will ensure a substantial growth of cooperative trade, an increase in the procurement of farm produce and raw materials, and an enlargement of cooperative production. This will result in a further marked rise of the living standard and a fuller satisfaction of the material and cultural requirements of Soviet people.

LEGAL STATUS OF THE SOVIET CONSUMER SOCIETIES

by Yakov Glikin

CITIZENS of the USSR are guaranteed the right to unite in mass organisations, including cooperatives, by the Constitution of the USSR (Article 126).

No permission from any government body is needed to organise a consumer society. To set up such a society, it is necessary for no less than thirty citizens, called the founders, to adopt the Rules of the society at a meeting, elect a board and auditing commission, give a name to the society, decide on its sphere of operation and the place where the board will meet, and also on the size of the shareholders' contribution.

Citizens of both sexes who have reached the age of sixteen can become members of a consumer society. Membership is strictly voluntary. The consumer society is open to all desiring to use its services, without any restrictions on political, religious or racial grounds. The only proviso is the age limit. This limitation is unavoidable, because members of consumer societies have many rights and a number of obligations which demand the rational behaviour that can be expected only of a mature person. But this age limit is no obstruction to the wide entry of young people into Soviet cooperatives.

Consumer societies are set up according to the territorial principle: they are formed by citizens living in the ter-

ritory in which the society will function. The Rules of the society are its basic law. They contain the by-laws which, on the one hand, regulate the internal life of the cooperative and without which it would be unable to function and develop and, on the other, lay down the cooperative's aims, its relations with superior cooperative organisations, and also the property relations which it is entitled to establish. In other words, the Rules define the legal status of the cooperative, its rights and obligations.

The Model Rules of the Consumer Society were adopted in 1939, amendments and additions to them were made by subsequent Congresses of Representatives of Soviet Consumer Societies. The actual Rules being adopted by any particular consumer society may differ from the Model Rules in accordance with local conditions and the specific objects pursued by the society.

The consumer society is legally able to exercise its rights and fulfil its obligations as soon as the Rules are approved by the meeting of the founder-members or the general meeting of the cooperative members.

A consumer society (and its Rules) requires no registration with any state bodies or superior cooperative organisations.

The economic foundation of the consumer society is its cooperative socialist

property, the inviolability of which is guaranteed by Article 5 of the USSR Constitution.

Cooperative socialist property is group, collective property. It differs from state property in that it does not belong to the people as a whole but to individual collectives of working people, united in consumer societies and the unions formed by them.

Cooperative property is socialist because it expresses socialist relations of production, which exclude exploitation of man by man.

The fact that cooperative property is group property does not mean that every member of the cooperative owns a certain part of the collective property—the cooperative's property belongs to the collective as a whole and is not constituted of separate parts owned by individual members.

The property of the consumer society consists of trading, procuring and other enterprises, all sorts of buildings, transport facilities, equipment, stocks, commodities and cash.

The consumer society has the right to own and does own the property it needs to carry out the aims laid down in its Rules. Only property to which the state has exclusive rights of ownership (land, mineral deposits, water and forests) cannot be owned by the consumer society. If and when a consumer society needs property which is exclusive state property (for example, land for an auxiliary farm), it is allowed its use by the state for long periods.

The property of consumer societies is divided into the share, basic and special funds.

The share fund is derived from the share contributions of members. The size of the share contribution is fixed by the general meeting of the cooperative

members (or the meeting of representatives); it is kept low with an eye to attracting broad masses of the working people. The Rules provide for lower shares for some categories of the population. Thus, for example, members of 'shareholders' families having no independent incomes (for example, people attending schools) and people receiving government grants (for example, old age pensions) pay only a quarter of the normal share. New members may be permitted to pay their share contribution in instalments over a period of up to two years. One shareholder may own only a single share. Shares may not be passed on to other persons. In the event of a shareholder's death, his share contribution is inherited by the members of his family in accordance with the inheritance law.

When a member leaves the cooperative or is expelled, his share contribution is returned to him within three months after the account for the current year has been scrutinised and approved.

The liability of every shareholder is restricted to the nominal value of his share; he does not bear liability for the debts of the society over and above that value.

According to Soviet law, no claims brought against the shareholder can be put to his share placed at the disposal of the society until the shareholder leaves the society. This safeguards the share fund of the cooperative and protects the interests of the shareholder.

The entrance fees of members (30 kopeks), deductions from the profits of the society and all sorts of non-returnable financial allocations (for example, non-returnable grants received from the union) go into the basic fund. The fixed and circulating assets of the society also

form part of the basic fund.

Special funds are generally formed from deductions from the society's profits and are earmarked for definite purposes: to finance capital investments, social and cultural measures, etc. The basic and the special funds are non-divisible, i.e., they are not subject to division among the members.

Cooperative property is protected by law. Local government bodies and superior cooperative organisations have no right to dispose of the cooperative's property. Any transfer of the society's property to other organisations without its consent is illegal.

In order to create favourable conditions for the development of cooperatives, the Soviet Government has established an order according to which claims of creditors cannot be executed against the fixed assets of cooperative organisations. This covers enterprises, buildings, structures, transport facilities and other property which is part of the cooperative's fixed assets.

According to Soviet law, a consumer society has the rights of a juridical person. This means that the society has the right to acquire property in its own name and bears liability as to property for its obligations.

The consumer society has the right to transfer property, to build and equip shops, warehouses and enterprises, to acquire and operate transport facilities, to avail itself of state credit, enter into contracts, assume obligations and carry on other essential economic functions.

The consumer society is economically autonomous. Its work is based on the enterprise and initiative of its members and on the principle of cost-accounting (operation on a self-supporting basis). It operates according to plan.

The enterprise and initiative of the

shareholders, their vested interest in the cooperative's activities are essential conditions for a society's fruitful work, for the shareholders are its owners and masters. The enterprise of the shareholders finds expression in their participation in the management of their cooperative: at their meetings, they discuss and draw up decisions concerning all questions pertaining to the society's activities, are elected to its managing bodies, supervise the work of its enterprises, etc. Many shareholders render day-to-day assistance to their cooperatives, actively participate in the purchase of commodities, in their delivery and in other business activities.

Consumer societies carry on many-sided and diversified business activities. In addition to retail trade, they organise the purchases of agricultural produce and raw materials, the sale of the surplus produce of collective farms and farmers, develop public catering, bread baking and other kinds of services to satisfy the daily needs of the population.

The activities of the society are not purely economic. It conducts important cultural and educational work among its shareholders and workers; organises clubs, reading rooms, libraries, excursions, lectures, all sorts of study groups, amateur art companies, etc.

The consumer societies are managed on strictly democratic principles. Members have a say in the management of the society's affairs.

The general meeting of shareholders is the cooperative's supreme managing body. It has the right to adopt binding decisions on the most important organisational and economic questions in the life of the consumer society, expressing the strivings and interests of the mass of shareholders. In consumer societies where the calling of a general

meeting is impractical (for example, where the cooperative's activities embrace several populated centres), the meeting of the shareholders' representatives substitutes for a general meeting. Representatives are elected by the shareholders by open ballot at local meetings according to a quota fixed by the general meeting, with an eye to giving the meeting of representatives a truly representative character. The representatives are elected for a period of two years.

The general meeting of shareholders (the meeting of representatives) is not the only body expressing the wishes of cooperative members. One of the basic forms of drawing shareholders into the management of the society and of strengthening their direct influence on its work are local shareholders' meetings. They are generally held before a general meeting of shareholders or a meeting of representatives is convened. Local meetings are attended by shareholders living in or near the centre where the meeting is held. These meetings look into the reports of the administrative and supervisory bodies of the society, discuss the mandate to the board and other questions connected with the activities of the society, elect representatives, members of shop, dining room and other commissions and, what is most important, elect the managers of shops and of other cooperative enterprises functioning in the area in question.

The consumer society's executive body is its board, elected by secret ballot at the general meeting of shareholders (meeting of representatives). The board enters into contacts, assumes obligations, issues powers of attorney, safeguards the property and valuables of the cooperative and fulfils other duties provided for by the Rules. It is obliged to carry

out all the decisions of the general meeting of shareholders (meeting of representatives) and the local meetings and is responsible to the shareholders for the society's work.

The democratic principle also finds a concrete expression in the control by the shareholders over the work of cooperative enterprises and the society's managing bodies.

The following are the mass public control bodies of the consumer society: the auditing, shop and dining room commissions, groups of representatives, cooperative control commissions at production enterprises. All these bodies are elected by the shareholders, the auditing commission being elected by secret ballot. Members participate in these commissions on a strictly voluntary basis.

Soviet laws protect the democratic principles of the consumer cooperatives, guarantee the right of the shareholders to determine inter-cooperative relations themselves in keeping with the Rules, and to take collective decisions pertaining to the activities of the consumer cooperative.

Cooperative members are given not only the right but also ample opportunities to carry out their social functions. The members of the auditing commissions of consumer societies working in other organisations and enterprises are released from work by these enterprises and organisations while they conduct cooperative audits.

The relations between the cooperative and its members are based on the democratic principles on which the society is built and which, in turn, mirror the principles underlying Soviet socialist democracy. Of prime importance in the relations between the cooperative and its members is the active personal participation of every shareholder in the

management of its affairs. The shareholders are the true masters of their society and their personal interests are inextricably linked with the interests of the society as a whole.

Every shareholder has only a single vote. This ensures equal rights among the shareholders and excludes the possibility of some shareholders having an advantage over others.

Members of the consumer society have the right:

to participate with a decisive vote at general and local shareholders' meetings;

to be elected and be elected to the managing and supervisory bodies, and also to representative bodies of superior cooperative organisations;

to submit for discussion to the local and general meetings of shareholders (meetings of representatives) proposals aimed at improving the activities of the society;

to demand the convocation of extraordinary general meetings of shareholders (meetings of representatives);

to avail themselves of the services of the cultural-educational and public welfare enterprises and organisations of the society.

Shareholders also have priority rights in joining cooperative educational institutions.

The material interest of the members in the work of their cooperative is of great importance. The Rules provide that, at the decision of the general meeting of shareholders (meeting of representatives), part of the society's profits (not exceeding 20 per cent) may be paid out to the shareholders in dividends. But if the shareholders so decide, these dividends may, instead of being distributed, be used for the development of social, collective benefits, such as the

building and operation of welfare services for the members (kindergartens, crèches, Young Pioneer camps, etc.).

The shareholders have priority rights when it comes to acquiring commodities, which for some reason may be scarce in a particular area. The members also have the right to use the services of cooperative welfare enterprises on advantageous terms. Shareholders actively participating in the work of the society are issued accommodations in rest and holiday homes and sanatoriums, money awards and valuable gifts.

The primary duty of every shareholder is to safeguard and protect cooperative property, actively participate in the work of the society, assist its bodies and promote cooperative development.

The Soviet consumer cooperative organisation is a unified system, consisting of consumer societies (cooperatives) and their unions (district, regional, territorial, republican, and Centrosoyus). In the Soviet Union, there are no consumer cooperatives or unions of consumer societies outside the system of consumer cooperatives.

The consumer society is a member of the union of consumer societies and, generally, of the district union of consumer societies as well. It pays no fees of any sort. Consumer societies join or leave unions on a strictly voluntary basis. On joining a union, the cooperative does not in any way lose its economic autonomy or any of the rights laid down in its Rules. The amalgamation of consumer societies into unions is dictated not by administrative demands but by economic factors; it is effected in the interests of the consumer societies, since the aim of such unions is to help the cooperatives.

In the period of communist con-

struction, the cooperative movement acquires even greater importance as a form of drawing the masses into the building of communism, as a form of communist education and a school of public self-administration. A leading role in this is played by the consumer societies, which are directly connected with the broad masses of the working

people.

Soviet laws promote the development of the social and economic activities of consumer societies in every possible way. They regulate these activities, helping the cooperatives solve their economic tasks, consolidate their property, and extend their democratic foundation.

STRUCTURAL CHANGES IN COOPERATIVES

"The need for structural reform in the cooperative organisations of the Western industrial countries is becoming more and more urgent."

THESE are the words of Andreas Korp of the Austrian Konsumverband writing on "Structural Reform in the Cooperative System" in the January/March 1967 issue of the *Annals of Public and Cooperative Economy*. Mr. Korp goes on to say: "The reason for this is not only the unexpectedly rapid economic and social changes, but also the fact that private business is in the process of reorganisation. The cooperatives are no longer faced with competition, particularly in the food and consumer goods trade, from an amorphous mass of small shop owners; what would formerly have seemed scarcely possible has, through pressure of circumstances, taken place amazingly quickly; the grouping of hitherto independent tradesmen into so-called voluntary chains with a centrally controlled, unified trading policy. At the same time, the large chain store and department store combines have made considerable progress as a result of nationalised operating policies. The

struggle for a share of the market is more and more taking place between commercial power blocs with which the cooperative movement cannot hope to compete on equal terms unless it throws its whole weight into the balance.

"In this situation it would be disastrous for the cooperatives to rely on their time-honoured tradition, their good name and the loyalty of their members. With all its ethical merits, the cooperative system must constantly vindicate itself through its economic efficiency.

"The dynamic nature of the economy means that time is short. Structural reform involves not only a massive investment of brains and initiative, but also of capital. Waiting until sheer force of necessity makes people listen to reason, means that the best ideas will fail through lack of funds. Structural reform is most likely to achieve its aim when expansion can be given a new direction."

In October 1964, it was decided that the ICA Secretariat should prepare a background paper on Structural Changes in Cooperatives. This paper, together with an introduction by Mr. Korp, was

thoroughly discussed first at the Central Committee meeting in Helsinki in September 1965 and, a year later, at the 23rd Congress of the ICA in Vienna.

The Congress adopted unanimously the following resolution:

“The 23rd Congress of the International Cooperative Alliance:

Recommends that the cooperative movement should concentrate all of its forces to ensure maximum efficiency under modern competitive conditions, and at the same time take care that —

1. Within the framework of the federal concept it should be guaranteed that important decisions of competent authorities of a national organisation are carried out effectively by all concerned in such a manner that unity of action in such strategic fields as purchasing, marketing, price policy, production, structural development, investment policy and education is ensured. This can be achieved by a system of long-term agreements between primary societies and their regional and national organisations or by institutional forms for a collaboration which will secure a continuing coordinated policy for the whole movement.
2. Where it is the intention to achieve unity of action through integrating cooperatives, in different branches, by successive stages, into national cooperatives, steps are taken to ensure retention of the basic principles of full cooperative democracy.”

Congress also suggested that the ICA Secretariat should publish every six months a summary review of major developments in the field of structural changes in cooperatives. This suggestion was approved by the Executive Committee, and the intention is to incorporate

these half-yearly reports in the September and March issues of the “Review of International Cooperation”.

Structural Planning in Cooperative Movements

In four movements — Great Britain, France, Germany and Sweden — there have been major developments in structural planning during the period under review. And in a number of others there has been a continuing process of structural changes within the framework of plans previously agreed.

In *Great Britain*, a Joint Reorganisation Committee set up by the CWS and the retail societies reported at the end of 1965, and its report was unanimously adopted in 1966. In *Scotland*, the SCWS asked its Board to review its management structure, relations with societies and its own role; the report was presented at the end of 1965 and subsequently approved by member societies. In both movements, key appointments have been made, and the plans are now being implemented.

In *France*, a structural planning commission of 12 members started work in 1964. The 1966 Congress adopted the resulting Plan and set up a structural committee to outline specific measures for implementing the Plan; the proposals of this committee, after careful consideration at various levels in FNCC, were approved in June at the 1967 Congress. They comprise two texts: new statutes for FNCC and internal regulations defining specific measures for structural change.

In *Germany*, the proposals of a Reform Commission established in January 1964 as a result of discussions initiated in 1961 were adopted in June at the 1967 Congress.

In *Sweden*, a Structural Committee

set up by resolution of the 1964 Congress submitted its report in April 1967. This was discussed in a preliminary way at district congresses and subsequently in June at the 1967 National Congress. By April 1968, boards and supervisory councils of local societies and district organisations will submit their opinions in writing to KF; meanwhile, in collaboration with the Workers' Educational Association, there will be intensive study activities based on the proposals. The final decision will be taken at a special National Congress in the autumn of 1968.

In the *Netherlands*, a reorganisation plan adopted by the 1958 Congress has largely been implemented, but in October 1966 a Commission was charged with the task of looking at the overall organisation of CO-OP Nederland and making recommendations for improved performance. In *Austria*, a special structural planning commission is working out a five-year plan for the Konsumverband.

In *Finland*, SOK is preparing a comprehensive plan, based on proposals by special planning groups in each society for improving service, profitability and competitiveness. In *Denmark*, rapid progress is being made in carrying out the suggestions of the committee appointed in 1963 for gradual integration of societies into a single national cooperative. In *Switzerland*, a special Delegate Assembly approved a revision of the VSK statutes in November 1964 and, as a result, a new consultative Management Committee was created as of January 1st, 1965. In *Norway*, in accordance with lines of direction drawn up by the last NKL Congress in 1965, several working committees have been appointed for the purpose of a radical elucidation of the Norwegian Consumers' Cooperation, its

aims in a modern society, its position today and prospects for the future. A final report is to be presented to the next NKL Congress in 1968.

The Trend towards Cooperative Unity

Mr. Korp argues that "Structural improvement measures . . . can only be fully effective if members of a national association or cooperative branch are welded into a body with real unity of action. Rationalisation, concentration and co-ordination will remain half-measures unless they bring with them a lasting, unified policy.

"A new way of thinking must be brought about so that a cooperative association is seen not as a mere collection of autonomous undertakings, but as an organism whose members have special duties to perform, but which must work together on a rational basis, united by a common purpose. Obviously, the most important decisions cannot be taken from the viewpoint of an individual cooperative, but only in the interest of the movement as a whole."

Mr. Korp then contrasts two possible approaches to unity of action, traditional "federalism" versus "integration." *Federalism*, he says, "is based on two main principles: 1) that self-determination, autonomy and full responsibility for the primary cooperatives are the cornerstones of the cooperative system; and 2) that any delegation of powers to federal organisations at a higher level can only take place if it is to the advantage of the primary cooperatives. Thus, in principle, the 'sovereignty' of the individual cooperatives remains unshaken; it has merely been curtailed by certain 'federal' obligations enforced not by actual sanctions, but by the loyalty of the cooperatives."

Integration he defines as "the process

by which the primary cooperatives either wholly or partly, but absolutely and irrevocably, relinquish their sovereign rights to higher associations at either regional or national level. When this process only extends to individual functions, e.g., purchasing, warehousing, pricing and stocking policy, accounting, it should be known as *partial* integration. In this case, the primary cooperatives keep their individual legal entity; the exercise of the integrated functions is, however, geared to the regional or national planning and subordinated to a common policy. It is of small importance in the end whether such an integration process is carried out under an agreement or simply via facti."

Mr. Korp admits that his distinction "compares the two systems in terms of black and white. In practice, the federal system has long since ceased to exist in its pure state, but has been adapted by the introduction of integration measures operating with varying degrees of success."

It is quite clear, however, that the structural trend in all the movements discussed here is in the direction of "welding" the constituent units "into a body with real unity of action".

In *Sweden*, the structural committee "worked on the assumption that the movement is to be regarded as an entity. Although the activities of the movement are divided into various juridical units, all the units pursue the same aim — to serve the consumers. They are constituent parts of a whole." Accordingly, the committee's report includes local, regional and national activities and the coordination of all these.

In *Germany*, the structural changes were prompted primarily by the absence of an apex organ for coordination between the ZdK, the GEG and the re-

gional and primary societies; and it is anticipated that guide-lines worked out by the new Bund will provide broad "framework" policies, the details of which can be formulated at appropriate operational levels.

In *France*, Mr. Kérinec has stated that "the discussions on reforms will have been in vain if they are not followed by an action programme conceived and applied in common. The moment has come for all cooperators — officials, leaders and members — to unite their forces in order to demonstrate that Co-operation responds to the problems of our age."

In *Great Britain*, the Report of the Joint Reorganisation Committee stated as its objective: "We must create a form of organisation which can coordinate the operations of the retail societies and the CWS and which can provide for the Movement not only coordinated buying . . . but the benefit of greater coordination in selling and management." Similarly, the SCWS *Review of Organisation*: "We believe that the SCWS must move swiftly into closer relationship with the retail societies and thus with the consumer . . . based on a pooling of resources, with new horizons founded on joint working."

Machinery for Unification

At both society and KF level in *Sweden*, it is proposed to fuse the former Administrative Council and the Board of Directors. The new Board in each case would be larger than formerly and would have more responsibility and authority as a consultative and coordinating body. For local societies, the Boards would be elected by the General Assembly of the society, and at KF level by the new National Assembly. At both levels it would be the function of the Board

to supervise the work of the general manager and to take decisions on such major issues as, at the society level, changes in spheres of activity, special contracts with KF, general aims and plans including long- and short-term budgeting, buying and selling real property, raising loans and mortgaging property, permanent investments, and preparation of issues to be referred to the General Assembly.

Separately from the Board, and again at both levels, there would be a management committee appointed by the Board and consisting of the general manager and heads of departments. Its functions would be to carry out decisions of the Board and the instructions of the general manager, and day-to-day management.

Societies would be combined into eleven geographical regions corresponding to the present KF districts. These regions would elect the 200 members of the National Assembly in proportion to the number of society members in the region. The National Assembly would replace the present annual Congress as the supreme authority of the cooperative movement. Its functions would be the same on the national level as those of the General Assembly of local societies, namely: to decide questions of freedom from responsibility, to approve the Board's management, to make proposals as to disposal of surplus, to discuss and decide on proposals of the Board, and to elect members of the Board.

A new National Council would also be created, consisting of general managers of local societies to act as a consultative body with respect to the more important problems of coordination and development. Finally, it is proposed to convene a Consumers' Conference at in-

tervals of not more than four years to discuss topical consumer problems.

In *Switzerland*, the function of the new Management Committee is to prepare the background for, and shape opinion on, decisions to be taken by the entire movement, i.e., the VSK and affiliated societies. For this purpose the Committee has organised five expert committees with a network of sub-committees to study specific issues relating to food and beverages, consumer goods, sales promotion, press and advertising and business administration.

In *Germany*, it has been decided to create a Bund deutscher Konsumgenossenschaften (Federation of German Consumer Cooperatives) as an organisational framework for the movement as a whole and a channel for the authority necessary to centralised planning, coordination and guidance. The objective is to replace a situation of parallel bodies with equal influence — ZdK and GEG — by an overall coordinating authority. At the same time, the Bund is so designed that it will limit the sovereignty of its constituent bodies only to the extent necessary to ensure that its guide-lines are adhered to.

The Bund has the legal form of a company with limited liability. Its members are cooperative societies, GEG and its filial branches, other enterprises of a cooperative or public nature, and firms partially or wholly owned by any of these. Each member must subscribe a minimum of 500 DM share capital, and the GEG 15,000 DM. In addition, consumer societies subscribe 500 DM for each 25m. DM of turnover or portion thereof in the year prior to their affiliation. Members are entitled to one vote in the Bund Congress for each 500 DM of share capital plus additional votes according to number of members, turn-

over in the previous year and transactions with GEG, in each case according to a specified schedule. GEG is entitled to 10 per cent of total member votes. In broad terms, the following allocation of functions is envisaged: the Bund will coordinate, guide, plan and serve as the supreme policy-maker; the GEG will continue to fulfil the central wholesale function; and the ZdK will probably be transformed into an auditing union with the bulk of its staff transferred to the Bund, although the final decision on this has been postponed.

The highest organ of the Bund is the Congress which will decide on basic principles, guide-lines and objectives, and has the right to amend or supplement the Constitution, elect or dismiss members of Bund organs, approve the annual report and decide on recommendations of the Advisory Council.

The Executive will consist of nine members, at least five of whom will be full-time. The "honorary" members are officials of bodies in membership with the Bund, including two from GEG. The full-time members are responsible for the day-to-day business of the Bund, but issues of general or fundamental significance must be considered by the full Executive.

The Advisory Council of 19 members will work through committees responsible for particular sectors of activity. Each committee must include two members of the Advisory Council, one representative each of the Executive and GEG, and independent experts when necessary.

In *Great Britain*, management has been transferred from collective responsibility by committees of elected full-time directors to personal responsibility by appointed professional management. The new CWS Board consists of 30

part-time directors elected by shareholders from both lay leadership and chief officials, plus 17 of the full-time Directors from the former Board who will serve until retirement. The Board meets monthly to deal with major policy matters, but the overall responsibility for day-to-day conduct of CWS business rests with the Chief Executive Officer. Under him are three main divisions, administrative, food and non-food, each under a Deputy Chief Executive. These four, plus a Secretary form the management executive of the CWS.

The Board of the SCWS has been reduced from 12 to 9 full-time members, and has similarly been transformed to a general policy-making and supervisory body. Day-to-day management is conducted by a professional General Manager responsible to the Board. Under him there are five divisions (food, dry goods, services, works and mills and retail development), each with an executive and three committees (executive, personnel and property) to serve as a link between the Board and management.

In *France*, the new administrative structure of FNCC comprises the following components:

The sovereign organ is the National Congress (Congrès National) democratically elected and meeting every two years.

The Congress appoints a Central Council (Conseil Central) consisting of 18 to 30 members including the presidents of the specialised national organisations (the national wholesale society, SGCC, the Cooperative Bank, the Cooperative Insurance Society). It is the function of the Council to make general policy decisions along lines set by Congress. The task of the specialised national organisations is to find the best means

of implementing these decisions and managing the enterprises affiliated to them.

To ensure unity in daily application, an Executive Committee (Comité Exécutif) operating within the framework of the Central Council will meet once a week; it comprises the president, vice-president and secretary general of the Fédération Nationale des Coopératives de Consommation (FNCC), the president and vice-president of SGCC, the president of the Banque Centrale des Coopératives, BCC, and the president of les Assurances Coopératives.

A National Committee (Comité National) of about a hundred members elected by the Congress — and including ten “national personalities” — meets two or three times a year to review the activities of the various organs of FNCC and to make recommendations. The Bureau of the National Committee, composed of the president and seven members, will meet five times a year.

The Regional Federations have been replaced by a smaller number of Regional Delegations designated by the Central Council and incorporated in a regional consultative committee. Their function is to ensure decentralisation of FNCC activities and to stimulate regional initiatives. The Regional Congresses have been replaced by Informational Assemblies.

The Trend towards Concentration Societies

There is an unmistakable trend towards concentration in the structure of cooperative movements; and this development is being deliberately planned from the centre. Small single-shop societies are disappearing; the total number of societies is declining; and societies are growing larger.

The following examples give some indication of the trend in number of societies:

	1953	1963	1966
Denmark	1,962	1,895	1,250
France	739	495	428
Germany	314	239	192
Great Britain	966	756	711
Holland	283	79	35
Israel	404	355	250 (1967)
Italy (AGCI)	6,520	5,538	4,690
Norway	1,108	928	837
Sweden	720	400	297
Switzerland	927	863	456

Another indication of concentration is the growing interest in development of a chain of large regional societies, i.e., societies covering larger towns and/or a larger area with several towns and villages. In *Austria*, the chain of 25 large district societies was completed in early post-war years. In *France*, some forty autonomous regional or “developmental” societies account for about 90 per cent of the total turnover, membership and number of shops. In *Holland*, 18 regional societies account for 95 per cent of the turnover; the balance relates to 17 small agricultural cooperatives affiliated to both their own agricultural supply society and to CO-OP Nederland. In *Switzerland*, VSK has a long-range target of some 30 societies to be grouped around 24 regional warehouses and the eight largest societies; meanwhile, the regional warehouses are already concentrating the more important commercial functions of the retail societies. In *Israel*, between 1956 and 1967, 409 societies were reduced to a network of 47 regional groups covering 250 societies, and the eventual target is eight regional societies. In *Sweden*, the new structural proposals for KF include a target of 15 to 25 regional societies by the middle of the ‘seventies. In *Finland*, the bulk of the OTK societies are re-

gional (89) and in SOK about half are regional (164). In *Italy*, the Associazione Generale delle Cooperative Italiane (AGCI) has only recently started the process of concentration on a provincial basis, initially with regional groupings as the ultimate goal. In *Germany*, the aim is one society for each regional warehousing district. In *Great Britain*, the 1967 Congress welcomed a draft plan for some fifty regional societies, and a Central Executive Panel has been set up to consult on this with CWS, SCWS, CRS and the sectional bodies of the Cooperative Union with a view to reporting in the autumn of 1967.

A special case is *Denmark* where the plan of 1964 proposed the ultimate establishment of one society covering the whole of the country. This goal is being approached gradually, however, through the process of encouraging societies to amalgamate with one of two contractual "voluntary chains", one serving the rural societies and one the urban. The contractual chains now cover over 70 per cent of all consumer cooperatives and close to half of the total turnover.

Shops

Concentration of the shop network is proceeding at an equally rapid pace. The traditional small counter shops are being closed down and replaced by larger self-service shops and supermarkets, department stores and specialised shops; shops are becoming fewer and larger; and new types of shops are emerging.

The recent survey made by the Cooperative Wholesale Committee (Information Exchange Service, Special Issue No. 7, February 1967) shows that by 1965 the ratio of self-service shops and supermarkets to the total number of shops was as follows for various movements:

	<i>Per cent</i>
Austria	21.96
Belgium	2.85
Denmark	48.62
Finland (OTK)	23.74
Finland (SOK)	3.87
France	8.75
Germany	62.93
Great Britain (CWS and SCWS)	18.83
Italy (AICC)	9.84
Netherlands	31.73
Norway	55.11
Sweden	76.14
Switzerland	37.21

A few examples serve to illustrate the decline in the number of shops:

	<i>Norway</i>	<i>Germany</i>	<i>Sweden</i>	<i>France</i>	<i>Switzerland</i>
1962	2,103	9,045	5,867	9,746	3,811
1966	2,027	7,130	3,900	9,217	3,050

Similar examples can be given to indicate the increase in the size of shops. In *Norway*, the net turnover per NKL selling point has increased from 631,000 N Kr. in 1960 to 1,044,000 N Kr. in 1966. In *Switzerland*, the VSK turnover has increased 70 per cent in the last decade at the same time that the number of shops has declined by 8 per cent. Some movements are now specifying a minimum size standard for new shops: in NKL, the minimum is 750,000 N Kr. turnover, and, in ZdK, it is 200 sq.m. selling space designed to serve about 5,000 customers.

Meanwhile, most movements report dramatic increases in the number of new supermarkets, extended supermarkets carrying a range of non-foods, superettes, department stores, junior department stores and specialised shops.

Even more significant, there is emerging a clear pattern of development in the direction of centralised planning and determination of the shop network. In *Denmark*, for example, the obligations assumed by societies adhering to the voluntary chains include consultation with the FDB concerning changes in existing shops, investment in new shops, and

related questions concerning selling, stocks, accounting and cost controls. In *France*, the planning of cooperative development has for the first time been incorporated in the statutes and internal regulations of the movement; thus, Article 4 of the Statutes stipulates that one of the tasks of FNCC is to ensure the planning of cooperative expansion in all fields, and Article 14 gives the Executive Committee the task of ensuring "the implementation of development plans by specialised national organisations and cooperative societies", while Article 8 of the international regulations stipulates that societies "ought to submit annual development plans to the FNCC". Moreover, a new regulation permits regional societies to install a supermarket in areas where the local society is not in a position to meet the need, and Article 8 authorises the Central Council of FNCC to install supermarkets in developing areas of regional societies with the agreement of the latter when they are not in a position to do so. In *Switzerland*, there is a VSK department for the planning of the shop network, and also planning commissions in each regional warehouse district; the VSK offers advisory services on architecture and shop structure and on standard commodity ranges; and in cases where the VSK participates in the financing of new shops, it is authorised to prescribe space allocation, assortment, staff supervision and management. In *Israel*, a special central organ has been established to handle, in consultation with local societies, the planning, development, equipment and management of the supermarket chain.

The Trend towards Centralisation

Thus, concentration has been a paramount feature of the structural trend in

cooperatives over the last few years. Equally striking, however, has been the development in the direction of greater *centralisation* of entrepreneurial functions — including purchasing, assortment policy, warehousing, sales promotion, advisory services (accounting, information, managerial advice, etc.), financing and personnel policy.

Centralised Purchasing

Scattered information reveals a growing tendency of European consumer cooperatives to purchase from and through their wholesale organisations. The situation as of 1965 was indicated in the CWC study referred to earlier. In that year the relationships of such purchases to total purchases were as follows:

Country	Wholesale	Per cent of Supply from Wholesale
Finland	SOK	90.5
Switzerland	VSK	90
Finland	OTK	83.7
Sweden	KF	80
Denmark	FDB	67
France	SGCC	67
Great Britain	CWS	60
Germany	GEG	56.6
Austria	CÖC	48.9
Norway	NKL	37.7
Italy	AICC	26

In *Denmark*, societies which join the voluntary chain agree to accept the advice of FDB regarding the ordering, receipt and payment for goods, and FDB undertakes in return to provide the society with an assortment of goods which will cover the normal requirements of members and to pay a yearly bonus of $\frac{1}{2}$ per cent on the society's purchases from the warehouse. In *Switzerland*, VSK enforces a strict system of contractual relationships by which retail societies are required as a condition of membership to buy exclusively from the cooperative wholesale, but with the proviso that the wholesale must supply

quality and terms equivalent to those of competitors. There are two national purchasing centres for food and non-food respectively, and purchasing operations are centralised through the regional warehouses.

In *Sweden*, consideration is being given to achievement of an even higher degree of central KF control over purchasing. In *Great Britain*, the proposed scheme of contractual relations obligating societies to buy through the CWS is still being worked out. Meanwhile, the SCWS has obtained endorsement in principle of its system of contractual obligations and societies are joining the system in increasing numbers. In *Norway*, the system of "planned purchases" has steadily increased the NKL share in societies' total purchases from 30.5 per cent in 1960 to 38.3 per cent in 1966. For the time being, the system is limited to staple articles of consumption; in the near future, however, more non-food articles will be included. In *France*, an experiment with total centralisation of purchases of biscuits was put into effect at the beginning of 1966 by SGCC, in collaboration with ten societies, and the results were so good that the experiment is to be extended to more societies and more products. In *Italy*, the AGCI reports that attempts are being made to persuade societies to buy exclusively from the national wholesale, but without much success to date.

Centralised Assortment Policy

In *Switzerland*, there is a marked trend towards regional centralisation and standardisation of assortments and reduction in the number of items. In *Israel*, the central authorities are exercising increasing influence over assortment, and a central body for supermarkets has recently been set up; non-foods are as-

suming growing importance in assortments. In *Norway*, committees composed of NKL specialists and representatives of societies have for some time been working out standard assortments for various types of shops. In *Germany*, an assortment committee composed of two representatives each from ZdK and GEG and five from societies is working on a standard national assortment plus supplementary assortments for larger supermarkets and for regional variations. In *Great Britain*, CWS plans for developing a centralised policy on assortment are still under consideration, but the SCWS is preparing a common merchandise list as a prelude to extending its purchasing services to retail societies. In *Sweden*, the structural committee has proposed that all assortment activities should be the province of the KF and that the present Assortment Councils, consisting of representatives of KF and local societies should be further developed. In *Denmark*, societies which join the voluntary chains agree to accept the advice of FDB on assortment.

Regional Warehousing

Regional warehousing systems are already well-developed in Sweden, Switzerland, Denmark, the Netherlands and the United States, and comprehensive systems are being planned for the United Kingdom and Finland (SOK). In *Germany*, a special committee is also thinking about the problem; it is working on the assumption that there is a close relationship between regional warehouses and the amalgamations of societies which are a prerequisite to such a system.

In *Sweden*, the Structural Committee concluded that the areas of regional warehouses would not necessarily coincide with those of the large regional

societies aimed at; it therefore recommended that the regional warehouses should, as hitherto, be administered by KF in close collaboration with local societies, with the regional warehouse boards consisting of managers of local societies serving as coordinating bodies. It is expected that there will be about 15 regional warehouses by the middle of the 1970's.

In *Switzerland*, VSK has opened five new regional warehouses, thus completing 23 of the 24 warehouses planned for in 1954; these are jointly owned by VSK and the societies in the regions; 18 have bakeries and 16 have facilities for fresh food products and meat processing; one-half provide for storage and transport of liquid fuels.

In *Denmark*, the FDB network of seven newly-built warehouses has made possible a 100 per cent increase in the volume of deliveries since 1958 with a decline of personnel from 1,421 to 1,089. The next phases of the plans for rationalisation of distribution will be to transfer slow-moving goods to a special warehouse covering the whole country, introduction of advanced methods of mechanised handling and transport, transport to shops by night, and use of electronic data processing for ordering, invoice and distribution procedures.

In the *Netherlands*, where there were already three regional warehouses, CO-OP Nederland is opening a large district centre in Utrecht; it will be a combination warehouse and administrative centre to which will be transferred some of the administrative functions now based in Rotterdam.

Centralised Sales Promotion

A number of movements have reported developments aimed at emphasising the "cooperative image" through cen-

tralised sales planning and promotion, national advertising, greater use of "own brands", increased publicity for the co-operative symbol, and standardised shop layout and displays.

In *Denmark*, FDB is promoting national advertising and sales campaigns based on the use of a common name and common assortment policies. Societies affiliated to the voluntary chains agree to accept FDB advice on goods for promotional campaigns, window and shop displays and publicity, and 95 per cent of all Danish societies now use the pre-printed order formula attached to FDB's weekly sales plan for promoting four to five different products each week.

In *Norway*, advertising and sales promotion are coordinated by an Executive Committee appointed in January 1966 to assist the NKL Board of Directors; it consists of four representatives of the commercial departments plus the head of the planning department who serves as secretary. In recent years, NKL has successfully marketed its own brands of high quality articles produced outside NKL but tested and packed within the movement. These NKL brands have given local societies a reputation for selling high quality articles at low prices. This initiative is now being extended to meat and bakery products.

In *Switzerland*, there has been a VSK department for sales planning on the national level since 1958. The number of sales campaigns planned and organised by VSK has increased markedly. There is also a considerable regional centralisation of sales policies, pricing policy and joint advertising. Own brands are encouraged at all levels, and there is much stress on the VSK COOP symbol. Products purchased from private manufacturers must meet VSK speci-

cations as to quality, price, packaging and labelling. In *France*, FNCC has recently adopted a new Coop symbol to symbolise the renovation of the movement.

In *Germany*, standardisation of advertising and sales promotion is being emphasised in order to create a uniform cooperative image embracing both Konsum and GEG. This effort will include use of a common COOP symbol, encouragement of own brands, central guidance on assortment, date labelling, guarantees of quality and freshness and joint advertising campaigns.

Centralised Accounting Services

In *Switzerland*, VSK is making a concerted effort to reduce administrative and accounting costs through a centralised computer service, and rationalisation of ordering, invoicing and records on a regional warehouse basis. A few months ago, there was a shift from a system of written orders to telephoned orders. In *Norway*, NKL's electronic data processing department was recently enlarged by installation of a new computer and the introduction of mechanical invoicing for food items. Stock and purchasing control and society accounts are handled on a computerised basis. In *Great Britain*, more than half of the societies make use of the CWS chain of three computer bureaux provided as a service to retail societies for purposes of calculating dividends to purchasers, grocery warehouse stock control, credit sales ledgers and share ledgers. In *Denmark*, in connection with the voluntary chains, society accounting is transferred to FDB's Accounting Centre for a fixed charge of 200 Kr. per society and 100 Kr. per shop; this makes possible the benefit of modern accounting techniques and fully comparable statistics.

Centralised Information and Research

In *Sweden*, the Structural Committee has recommended the creation of a central coordinating body, an "informational council" for both KF and local societies. It pointed out that as societies grow larger it will become more important to organise active information and contact channels, and recommended that such work should be decentralised but coordinated at various levels of activity. In *Norway*, NKL is setting up offices in conjunction with eight of the largest regional warehouses to provide advisory services to societies; the advisers are experts in market analysis, shop planning, accounting, sales promotion, etc. In *Great Britain*, the most recent Congress of the Cooperative Union approved a proposal for the creation of a National Cooperative Planning and Development Service to provide societies with comparative data on trade, profits and financial efficiency.

Centralised Personnel Services

In *Sweden*, the Structural Committee has recommended the setting up of a special personnel and training committee for coordination of this work for the different sectors of the movement. In *Switzerland*, VSK has intensified its training programmes for medium and top management. In *Germany*, the Reform Commission has recommended more coordination with respect to personnel and training policies to provide a common basis for organisation, administration and long-term personnel planning, a common recruitment policy, common promotion and training policies, and common productivity-oriented wage and salary planning. In *Norway*, a new three-year educational programme has been introduced additional to the ordinary training activities of the

Cooperative College and designed to train shop managers and advisers. In *Denmark*, FDB provides societies affiliated to the voluntary chains with guidance on shop management, personnel development and training and general training courses, and societies agree to consult with FDB regarding staff development, training and changes in management. In *Great Britain*, the Co-operative Union is revising and intensifying its management development scheme for recruits from university graduates and from cooperative employees with degrees or technical or professional qualifications.

Centralised Rescue Services

In *Great Britain*, the CWS has set up a small specialist service or "flying squad" of experienced executives to take over responsibility for managing societies in difficulties whose members agree temporarily to vest control in the CWS. In *Scotland*, the "Scottish Cooperative Retail Services" was recently formed to offer to retail societies which join it the advantages of highly skilled management and centralised business direction. In *Germany*, the new Bund has been given the right to conduct the affairs of an ailing society for a specified period and, for this purpose, a "rescue" fund has been proposed.

Centralised Financial Planning

Mr. Korp has aptly described the accelerating trend towards centralised planning of cooperative investments:

"Hitherto it was considered satisfactory if the movement showed an adequate 'organic growth'; it was as if each coral stem on the reef was allowed to put out new branches according to local circumstances... it meant that each cooperative, according

to its own financial position and local prospects and risks, could decide on the scale, nature and priority of the investments to be made. Fundamentally nothing was changed by the fact that it could call on the advice and technical help of the association as a whole. The system was based on the idea that the whole was most likely to prosper if each individual cooperative were to strive towards development and a greater share of the market with its *own* strength and its *own* area.

"The integrated system is based on the growth of the movement as a whole. This means that the orientation, concentration and priority of investments are decided upon according to the general development of the economy and within the framework of an overall financial policy."

Several examples of this trend have been reported in recent months. In *Germany*, societies must notify the new Bund of their investment plans, not for approval, but for the purposes of information, coordination, consultation and overall investment planning, and particularly to give the Bund an idea of the total amount of external finance required by the movement. In *Norway*, the voluntary savings deposit campaign continues, and a new arrangement giving special benefits to young people who deposit their savings in local societies has been put into operation. During 1965 and 1966, voluntary savings deposits increased their share of the total capital of local societies from 45 to 49 per cent. In *Switzerland*, increasing attention is being given to the problem of declining internal resources; also VSK is increasing its participation, either direct or through guarantees, in the financing of new stores. In 1964, for the first time, and again in 1966, VSK raised 25 m. Sw.

Fr. in the market by the issue of debentures. In *Israel*, a new type of share was offered to members by the apex cooperative organisation in 1967; a special central organ was established to handle, in consultation with local societies, the planning, development, equipment and management of the supermarket chain; to procure the necessary funds, shares were issued at 100 I£ to be paid off in two years. A 6 per cent interest is paid on these shares and, in addition, shareholders receive a 2 per cent dividend on purchases in supermarkets and a 5 per cent rebate for purchases in department stores.

In *Sweden*, the Structural Committee has recommended common budgeting and closer collaboration between KF and societies in respect of investments and acquisition of capital. In *France*, an FNCC Financial Committee has been given responsibility for: ensuring that societies' investment plans mesh in with the overall Plan; supporting desirable supplementary investments at the local level; making annual evaluations of the financial situation of societies; studying national investment projects; and coordinating the financial policies of the various cooperative financial establishments. In *Denmark*, national investment planning is considered essential, and societies belonging to the voluntary chains seek help from the FDB on planning, erection and financing of shops; in some cases, FDB participates in such investments.

The Problem of Democratic Control

Progress towards concentration and integration in cooperation has been accompanied by growing concern over member participation and control. Reports from most member countries indicate that special efforts are being made to study

this problem and find solutions for it. An interesting example is the decision of the European Community of Consumer Cooperatives to devote a special study session to "Structures and Democracy" in the autumn of 1967.

The various measures being considered in this connection are too numerous even to summarise at this point. But the dimensions of the problem have been clearly indicated by Mr. Korp:

" . . . structural reform is only justified if it leads to an increase in efficiency which will enhance the capacity of cooperatives to fulfil their mission of providing service to their members. The point at issue is a *synthesis* which would make it possible to obtain the undeniable advantages of a centrally controlled combined type organisation, without sacrificing the moral values of cooperative democracy . . .

"It is impossible to prescribe structural reform for a large democratic organisation in the same way as a doctor prescribes medicine for a patient. The best opinions and advice available are, of course, essential; but reform cannot be brought about by means of the decision of a council of wise men, nor by orders from a bureaucracy, however benevolent. What under different systems could probably be accomplished by the stroke of a pen, here requires laborious groundwork, and can only be the fruit of the force of persuasion and common endeavour of the dedicated champions of cooperative democracy. Structural reform can only be piloted through by means of the democratic process of opinion forming and decision-making.

"Expressed in military terms, this means that there is much staff-work to be done before a strategy can be worked out. But the new strategy can-

not be imposed on the cooperatives from above, rather it must be sanctioned from below and raised to the status of a binding slogan of action. Since the cooperative substructure must not be demoted to a purely subordinate level, but must remain the fertile soil from which initiative and renewal will spring, the guiding principle must be: as much strategy as necessary and as much tactical scope for the primary cooperatives as possible. This means that they must have enough independence and freedom of decision to enable them, within the framework of a wider policy, to find their own solution to local problems. "This is correspondingly true in the case of total integration. Even in the context of a national cooperative, the cooperative system will only prosper if members and officials are granted

rights and duties at local and regional level which will enable them to make a responsible contribution to the work of the movement as a whole.

"We do not wish to have any illusions about the fact that, in the affluent society, the number of members prepared to make a real contribution is smaller than ever before. All the more reason then to proclaim the task of education as a 'strategic' necessity which calls for systematic planning, scientific method and adequate financial resources, and which can no longer be left to other people's discretion. The closer the integration, the more attention does this question require, unless we want to find ourselves landed one fine day with a highly rationalised chain store system with a cooperative sign hanging outside." L. S.

COMMENTARY

Sweden's Oldest Cooperative

THE oldest consumers' cooperative society in Sweden is celebrating its centenary this month. It was founded at Trollhättan in southern Sweden in 1867 as a Workman's Society, primarily concerned to establish a sickness and funeral fund for the benefit of members, but a bad harvest during that year resulted in a food shortage and soaring prices and, within a month of its foundation, the society had begun buying food on behalf of its members, although at the beginning it was only able to trade in beans and herring.

Trollhättan is an industrial town near the western shore of Lake Vänern, Sweden's biggest lake in the southern part of the country. The town has been built around some big waterfalls on the river Göta Elf, which flows from Lake Vänern to Sweden's west coast and fol-

lows an age-old highway from the interior of the country to the sea. When the cooperative society was founded, Trollhättan was little more than a village trading centre and market-place but, during the last fifty years, it has grown into a large industrial town producing locomotive and diesel engines, Saab motor cars and turbines.

A hundred years ago, industrialisation was only just beginning in Sweden and there were no trade unions or political associations among the workmen who came to settle in Trollhättan. Workmen's societies were being founded in different parts of Sweden to raise the living standards of the workers and improve their economic conditions and, at the same time, undertake educational and cultural activities.

The Trollhättan society was one of these and, like other Workmen's societies, soon began to trade on behalf of its members. When the society was founded, the entrance fee was only one krona and the subscription only three krona a year and, as there were only three hundred founder members, the resources of the society were very limited. Money had to be borrowed for the purchase of goods, partly from members and partly from creditors who were in a better economic position and were willing to help the society. But the members of the society were full of the fighting spirit which characterised the working men of Sweden at the beginning of industrialisation. The Labour Movement was growing and organised workers were demanding better working and living conditions. Consumers' cooperatives played an important role in this struggle, although it was some time before the political wing of the Labour Movement recognised officially the achievements of consumers' cooperatives in promoting community welfare.

The Trollhättan society was fortunate in having as its first chairman the Rev. P. M. Aberg, a man of wit and a great preacher, who was at the same time practical and realistic in his approach to economic problems and possessed great organising ability. He was apparently somewhat conservative in his views, but took a deep interest in the welfare of the working people. He gave shape to the society's activities and it was only through his wise guidance that it was able to survive several crises in its early years. Mr. Aberg became secretary and treasurer of the society soon after he had become chairman and remained chief treasurer until he died in 1896.

M. Aberg laid down guiding principles for the society

**Cooperative
Insurance Society
of Great Britain
Entering its
Centenary Year**

and insisted on a committee supervising and controlling all activities very closely until the staff had gained experience in coping with the problems involved in co-operative management. Early in its life, the society helped to bring down the price of wheat by bringing in supplies of rye, and there is no doubt that the Workmen's Co-operative Society of Trollhättan was of great benefit to its members. It also became a centre of social life, and a centre for adult education was founded as early as 1868.

Arithmetic, book-keeping and writing were taught and a library was built. Discussion groups were organised by the society for members and became the focal point of trade union organisation. Later, special organisations were founded to represent the worker's political demands and aims.

Today, the society is very firmly established. Last year, sales amounted to 28 million kroner or nearly £2 million. The society has a capital of 2 million kroner and a staff of about 200 people, and it owns a Domus department store, a hotel and a restaurant as well as sixteen shops. As it enters its second century, its prospects are very good indeed, writes Mr. Stig Svedberg, who kindly sent me an account of this event.

The decision to establish a cooperative insurance society was taken in Manchester in April 1867 by a small number of retail societies and a larger number of individuals. The Cooperative Insurance Company was registered in August 1867 for the purpose of looking after the insurance interests of retail societies — fidelity and fire cover. It was in 1899 that the Company changed its status to that of an Industrial and Provident Society and became known as the Cooperative Insurance Society Ltd. Retail society shareholders were bought out in 1913 by the CWS and the SCWS and they now hold four-fifths and one-fifth of the Society's share capital respectively. When the CIS was well established in serving the retail societies in a narrow field, it was decided to extend the services to cooperators and the community at large.

In 1962, a 25-storey building was opened in Manchester, the tallest building in the city. Computers were installed and studies of organisation and methods were undertaken. To increase efficiency further, a firm of consultants recently undertook a survey on work measurement.

Today, the CIS is the fifth largest British insurance

organisation. During 1966, the premium income of the Society amounted to £78,900,000, an increase of £3,778,000 over 1965, the principal increases being shown in the Industrial Life and the Ordinary Life Section. The Society's income from all sources increased by £6,018,000 to £104,211,000. In the Life Department, the sums assured exceeded £300 millions, an all-time record. During 1966, the CIS's assets increased by over £25 millions.

Mr. R. Dinnage, General Manager and Secretary of the CIS, who joined the staff in 1929, is due to retire during the Centenary Year. Since his appointment as General Manager in 1947, premium income increased from £19.5 millions to £79 millions and the assets from £79 millions to £420 millions, a proof of his able and competent administration. In the international field, Mr. Dinnage is well known as the Chairman of the Insurance Committee of the I.C.A. where he has played a major part in establishing its sub-committees. The administration of the International Cooperative Reinsurance Bureau is undertaken by the staff of the CIS, the Assistant General Manager, Mr. H. H. Knighton, being the Secretary of the Bureau.

The Cooperative Insurance Society has given help to international cooperative insurance by assisting with technical advice and training facilities to representatives from insurance societies and also seconding staff to assist in establishing insurance societies in various parts of the world.

Cooperators round the world wish the Cooperative Insurance Society well in its second century.

The Closure of the "Sunday Citizen"

The *Sunday Citizen*, the weekly newspaper owned by the British Cooperative Movement, was forced to close down on June 18th last because continuing losses had made it impossible for it to continue in spite of its having had a circulation of more than 200,000 a week.

The *Sunday Citizen* had a longer history of continuous publication than any other journal owned by the Cooperative Movement. It was founded as *Reynolds's Weekly Newspaper* by George William MacArthur Reynolds in 1850, only six years after the Rochdale Pioneers had formed their society, and was the first Sunday newspaper in Britain to achieve a sale of one million copies. G. W. M. Reynolds, who edited the paper until his death in 1879, was the son of an Admiral and a prominent Chartist. He founded the paper to further the Chartist cause

and it continued to give vigorous support to the labour, cooperative and trade union movements throughout its 117 years of life.

The founder of the paper was succeeded as editor by his brother Edward, and, at that time, it had a larger sale, with one exception, than the aggregate circulation of any two newspapers in Europe. A few years later, editorial control of the paper was taken over by the brilliant radical William Marcus Thompson, who maintained its reputation as a radical campaigning paper. It gave full support to the dockers in the big strike of 1889 and to the Cooperative Movement and the emerging Labour Party and was banned in the army in the Great War. The ownership of the paper passed into the hands of the Dicks family who had been responsible for printing it since its foundation; and shortly before the Great War, it was acquired from them by James Henry Dalziel, the Manager of the paper at the time. He had been a liberal M.P. and later became Lord Dalziel of Kirkcaldy. In 1929, *Reynolds's Illustrated News* was sold to the Cooperative Press, publisher of the Cooperative News. Capital for the acquisition was provided by the Cooperative Wholesale Society, by cooperative societies up and down the country and by two trade unions.

In 1936, *Reynolds News* moved to new premises—Pioneer House in Grays Inn Road, London—and continued to campaign on behalf of the Labour, cooperative and trade union movements under the editorship of Sydney Elliott. It carried cooperative advertising, but had to be sustained by a Collective Advertising scheme and by the profits of the other publications of the Cooperative Press. In 1942, Mr. W. R. Richardson became Editor and remained so until the paper closed.

Since the end of the Second World War, it had used the name "Sunday Citizen" as a sub-title and, in September 1962, it changed its name to the *Sunday Citizen* and reduced its page size and changed its format. Sales of the first issue under the new name showed a threefold increase, but circulation was not maintained and, in 1966, advertising revenue and support from the Cooperative Movement was affected by the Government's curbs on demand and by its new Selective Employment Tax. The British Cooperative Movement was no longer able to sustain Labour's only national newspaper and it was forced to close. The Editor, Mr. Richardson, became Sir William Richardson and was appointed Chief Executive

of the Cooperative Press. Mr. Paul Derrick, a former member of the Sunday Citizen staff, and now a colleague of mine here at the I.C.A., gave me this summary of the newspaper's history.

Selling at Costs and Expenses

Cooperative Supplies Depot of Ottawa Ltd. is an association of some 570 Ottawa district families determined to provide themselves with better food at lower cost. They rebel at the "razzle-dazzle" of expensive advertising, special offers, contests, "free" gifts and trading stamps to which consumers are subjected.

From a small beginning three years ago, CSD grew so rapidly last year that membership had to be closed. Now, there is a large new Depot and more members can be taken in the order in which they apply. To join, it is necessary to sign an application form and purchase two shares of \$5.00 each. Before signing the form, it is only natural that prospective members would wish to know more about the organisation and to discuss CSD in more detail. There are therefore zone councillors who will arrange attendance at a group meeting.

CSD operates in a new way. It provides members with merchandise at cost, that is, at the wholesale price without any mark-up. Each member in return agrees to pay his portion of the operating expenses in the form of a weekly service fee. The amount of this service fee is established by the members in a general meeting each quarter year. The Board of Directors presents a budget of income and expenditure to each quarterly meeting. No one has authority to spend money not authorised by the members.

A visitor to the Depot is permitted one exploratory shopping to a limit of \$30.00. He must pay the service fee, which at present is \$1.75, but he is not required to become a member; however, before he shops a second time, he must join.

Many CSD members are saying that they are saving \$5.00 weekly after paying the service fee. CSD research indicates that this is indeed true if the member is buying a wide range of merchandise to a total of say about \$30.00 in the week; a member spending \$20.00 weekly should be saving over \$3.00.

The method is a useful discipline for consumers' co-operatives which become high cost distributors.

The main principles of CSD make it quite clear that there are no hidden charges in this system. A member knows exactly what he is paying for, there is no mark-up

on merchandise, and capital is contributed at a known rate; each member undertakes to pay his or her share of operating costs as long as he or she is a member. The value to members is the prime consideration in the selection of merchandise, and membership is involved in all important decisions as far as possible; voluntary work is encouraged on a well-organised basis showing clearly the social and economic value of CSD.

In every case, the member must pay for at least one share to qualify for membership. In most situations, it may be necessary for each member to buy several shares from the start, as otherwise there would not be enough money to cover his purchase of groceries. Furthermore, the member must continue to purchase shares at a fixed rate so that there will be funds to handle a wider range of merchandise, to buy better and more equipment and perhaps even one day to build a better store. It has definitely been found that, in an urban situation, a \$5.00 share per quarter year is not over-much, whilst in a rural setting a \$1.00 share a month seems to be sufficient. In either case, shares can be paid by weekly instalments. The most important decision would be the number of shares a member has to buy.

CSD merchandise is priced at cost. In some cases, the price is taken to the next highest cent when the calculation results in a fraction; this is justified because some goods are broken or spoiled. For example, a case of 24 articles costing CSD \$5.40 would result in an item price of 23 cents. Costs in all cases must be estimated in advance. At the start, one month is perhaps far enough to look ahead. In a very small community, CSD could operate for a time as an unincorporated association (it could not legally use the word "cooperative" in its name in this period, but it could call itself Consumer Supplies Depot temporarily), but before long it should and must register as a cooperative and contact the Registrar of Cooperatives in the government of the province in which it is situated.

Another, and most important, item in working such a scheme is that, from the very beginning, the group must have adequate records. There must always be a member with some experience of accounting; sometimes, the local clergyman or teacher might help in this, in any case, records are definitely a must and should be kept of the money paid by each member for shares and fees, of goods ordered and received and of all monies paid out and

received. Furthermore, a record at the check-out counter showing fees paid is essential because only members in good standing are entitled to the services offered.

Since its' beginning, when it was conceived as a study project by R.S. Staples, the former President of the Co-operative Union of Canada, who is also a Secretary of the present CSD of Ottawa, it was made clear that the organisation is buying food for members and not selling food to customers. There is no doubt, however, that CSD offers its members more than wholesale prices.

25 Years of Parrainage Co-op

Parrainage Co-op celebrated recently its 25th anniversary having been founded during the last War at a period in Swiss history when national solidarity was much more evident than perhaps today, and it is most remarkable that it should exist today, operated with the same vigour as was expressed in the dark days of its founding.

By bringing unselfish help to the great number of alpine communities, Parrainage Co-op has proved that the Swiss Consumer Cooperative Movement does not only pursue economic aims but is also greatly interested in social obligation to its fellow man and citizen.

One of the nicest tributes paid to this work of solidarity with the peasants of the mountain regions was delivered by the representative of the Federal Government at the General Assembly of the Swiss Union of Consumer Cooperatives, when he declared:

"You at VsK have taken another step in the direction of economic and social equality by establishing Parrainage Co-op which enables many inhabitants from the communities in the mountains to improve their difficult position, and I would like to express my sincere gratitude for this willingness to assist in this, and I wish to encourage you to carry on with this activity which shows the real spirit of cooperation kept alive so as to remain faithful to the ideas of the Rochdale Pioneers and to the founders of the Swiss Cooperative Consumers."

The activities of Parrainage Co-op have been steadfastly maintained throughout the years and, since 1960, a new demonstration of "the true spirit of cooperation" was established in the form of Swiss Cooperative Aid to Dahomey, an act of human solidarity similarly as unselfish as that of the Parrainage Co-op for the Swiss alpine population. Both ventures are inspired by the same spirit. Both are primarily geared to promoting self-

help, whether it concerns Switzerland's own citizens in the mountain communities or our friends in Africa, the aim is always the same—to help our fellow-men to live better lives by using their own resources.

The task achieved by Parrainage Co-op can be judged in many ways, either on whether it is evaluated from a purely human point of view or a material point of view. In the 25 years that financial assistance has been given, the sum involved amounts to sfrs. 850,000; home industries, established by Parrainage Co-op, have brought to the people living in these communities a sum of sfrs. 1.3 millions. These figures, indeed, produce statistics, but surely the most important achievement does not do so, which is that the Cooperative Movement has given moral support to the population living in those regions—a group of people who had been left far behind in the general economic progress by the simple reason of their geographical position and by the severe conditions of life in that area which are so hard to endure that often the young people decide to leave their villages. The task to bring back their confidence and to establish mutual links between them and the peoples in the plain—apart from material aid—is what Parrainage Co-op is setting out to do.

J. H. O.



COOPERATION IN BOTSWANA

by Naomi Mitchison

IN an African tribal society, what mattered was the survival of the group, often in appallingly difficult conditions. Individual success did not count; character did. Every member of the community, the strong and the weak, the old and the young, were bound together by common tradition and loyalty. Today, with modern agricultural and public health techniques, the problem of survival is not so acute, but the same moral imperatives are real in people's minds. The strong must stand by the weak, the duties of age groups are clear. Is not this at the bottom of cooperation?

No wonder that, in a society like that of Botswana, which was until lately totally tribal, and which still has strong tribal ties, cooperatives should have gone down with everyone as the right and proper way of doing things. It is not in conflict with their own African moral order, as capitalism is, and as many

well-intentioned, white organised schemes turn out to be. Cooperation has given a basis of efficiency and punctuality and business sense to something which comes naturally and happily.

Botswana has had a bad six years of increasing drought, ending in near starvation for many. This year, we have had the heaviest rains for two generations; roads and houses have been swept away, an ample harvest has been put under water or broken by hail storms. African weather does nothing by halves. The one thing which has grown steadily and successfully is the Cooperative Movement.

It was started in 1964 by that remarkable man Patrick van Rensburg, Headmaster of Swaneng Hill School. He and a few friends founded the Swaneng Consumer Cooperative, run on strict Rochdale lines with a share capital of a few hundred pounds, and carrying only a

few lines of essential goods. It is still housed in an unpretentious building on the outskirts of Serowe, the biggest town in Botswana, capital of the Bamangwato. But by now, it is so successful that a second and smarter store is about to be opened in the middle of Serowe, where there is also a cattle marketing cooperative and—perhaps more important—a construction cooperative.

This also began under the wing of Swaneng Hill School. Here, the bricklayers, carpenters, painters, and even a plumber, who get paid according to their trade qualifications, up to 20 cents an hour, with the unskilled labourers who are paid 6 cents—quite good money here—work together on houses, class-rooms or whatever else is needed. When one sees them on a job, they are all working steadily and cheerfully; nobody sits around. To anyone who has seen a normal African building site, this is something astonishing. William Morris would have approved! They mayn't be literate, but they know their trade. The sixty or seventy members work in shifts of a fortnight or so, or however the work pans out; at the end of the year, there is a bonus on work hours.

We in Mochudi, another tribal town, the capital of the Bakgatla, to whom I belong, are watching this with our ears pricked up. A good many of our tradesmen would like to join in a similar cooperative if we could get the management. For, someone has to do the quantity surveying, tendering and putting contracts into paper. In time, we shall have our own people, Botswana, who will be able to do this; but not yet.

Meanwhile, Mochudi was one of the first with a Thrift and Loan Society, which was registered two years ago. It holds its meetings in the hall of the



Boring for water

Community Centre, a bare enough place, but the bright coloured head scarves of the women members light it up, and so does the laughter and the flashing of teeth, for meetings are social occasions; everyone wears their best clothes and the little rainbow badge. Public speaking comes naturally to the Botswana, men and women alike; there are greetings and jokes and proverbs. Almost all our bigger outlying villages have their own Thrift and Loan societies; people put in their regular shillings and then it becomes possible to find the money for the new plough-share, the school fees, the new kettle or the child's coffin. A big social need has been filled.

And again, grass roots democracy happens here; there are elections. But party politics can stay out. People will



New store and General Meeting
of Swaneng Consumer Cooperative



Members' Meeting of Thrift and Loan Society



Manager of Cattle
Marketing Cooperative

learn how to run a business, for the co-ops are not charitable concerns; they are out to make a decent profit in fields where, up to now, most of the cream has been licked off by private traders and dealers, as in the cattle trade. Our Mochudi cattle cooperative should be registered in May. The young American Peace Corps volunteer had difficulties at first. Most of the men were away at their lands and could not get back for a meeting because of the floods. Once they are back, he will double his numbers in no time, for people are enthusiastic. He began to read the objects and rules to Amos Kgamanyane, one of the Chief's uncles, who was at one time a regent. "Do not do this" said Amos, "I will sign now". For, he is one of the wisest people in the tribe, and he knows that cooperatives are the way forward. Also, I believe, he cared a lot for Trevor Bottomley, who was Registrar of Cooperatives during the difficult first years, and whose quality of utter honesty and disinterestedness appealed to something deep in the people he was working with and for.

The opening of our Consumer Cooperative was a social occasion, with flags and speeches. A shop is more than just a shop here; it is a gathering place for friends. Incidentally, the cooperative shop in Gaberones, the capital, is far the best—as well as the cleanest—store in the town. Nobody need bother about its success, though there is always an undercurrent of opposition from private traders and merchants who try to bring influence on the Government.

All sorts of things tie in, producer and consumer services. Up to April 1967, there were thirty seven various societies registered, in a country with a population of about half a million. Our own Thrift and Loan Society acts

as banker for a revolving educational loan scheme, which I started myself, to help pupils with school fees and often to help those who have government bursaries which cover school or Teacher Training College fees, but leave nothing for books or uniform. So far, we have had no bad debts. I am hoping that a cooperative scheme will be devised to take over a tractor and gear which has been working for the tribe on land cleared by men of the tribe, and which we hire out for ploughing and carting. At the back of my mind, I am also thinking of a cooperative to improve the small stock, goats and sheep, on which many people depend, especially after the bad years when so many cattle died.

To begin with, a movement like this has to be helped; the initial capital is just not there in Botswana itself. Far too much profit, both from stores and cattle speculation, left the country, in white or Indian hands. Nor were there any cooperative officers; here, the British cooperative movement has stepped in nobly. Even in a small town cooperative, a Botswana Aid number brings in a surprising amount. Our own people are being trained in England, Canada and Tanzania. There are a few young hopefuls learning about Cooperation in the Soviet Union as well. But increasingly the movement will go forward on its own momentum, always depending partly on the idealism and loyalty of its officers and members, but also on sound business principles.

Since our Consumer Cooperative was opened, at the beginning of March, another hundred or so members have joined. They come for small things, meal and sugar and tea, a box of matches, a packet of candles. They stop and talk. The Chief's wife, our Mohumagadi, needs a bottle of orange squash

and two lbs of potatoes; a teacher wants pencils; two or three witnesses in a court case want sweets and tobacco while they

wait. And we all talk and make our plans and think about the next step for cooperatives in Botswana.

BOOK REVIEW

COOPERATIVES — Notes for a Basic Information Course,

published by the Canadian Research Centre for Anthropology, 223 Main Street, Ottawa 1, Canada, by Aleksandrs Sprudz, 60pp., 1966. Price: \$1.00. English only.

Notes for a Basic Information Course by Aleksandrs Sprudz is the first of a new series of handbooks for developing peoples and it is intended to serve as a simple introduction to the principles of cooperation and cooperatives. The book itself developed out of a training course for Eskimos given by the author, and he explains simply and clearly what is actually involved in organising a cooperative. The author's practical examples are taken from his experience among traditional people undergoing social and economic change, in this case, in the Canadian North-West Territories.

The book definitely bridges the gap between the over-simplified material necessary for beginners in cooperation and the most sophisticated material for advanced groups. The author had to learn English himself so that his prose is very much like that which English learners might be expected to write.

Within the last twelve years, a great variety of attempts by private and government organisations have been made to aid the Eskimo, and systems that would bridge the gap between the

old way of life and the new had been considered and it was found that cooperatives were the most successful structure that could be employed. Since the first cooperative was formally registered in 1959 at Port Nouveau, Québec, the cooperative idea has successfully spread to other settlements.

However, the success of the cooperative as a device for bridging the gap between the old and the new way of life among Eskimos, as among other people, will depend upon the extent to which the Eskimos understand what cooperatives are and what part they play in the social, economic and political processes in which they are involved.

The author of "Notes for a Basic Information Course" held his first formal training course for Eskimo cooperative members in 1966 and the Notes under discussion were prepared to assist in teaching the course. Reading the Notes, one is sure that they will lend themselves to use as a guide among other peoples in other lands, using elementary English, for whom the device of the cooperative may provide a stepping-stone into the future.

Notes for a Basic Information Course is being offered by the publisher to cooperative groups with 30 per cent off for orders of 100 or more copies, making a unit cost of 70 cents, plus freight and handling, and for orders over 1,000 there is a 50 per cent reduction.

J. H. O.

EDUCATION PROSPECTUS

The Cooperative Union Education Prospectus for 1967/68 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.

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, 8, rue du Cercle Militaire, Oran also at - 21, rue Edgar Quinet, Algiers, and 9, rue Mathurin Régnier, 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.; C.Ö.C. and subsidiaries: Sch. 419 mill.
Bank für Arbeit und Wirtschaft, A/G, Seitzergasse 2-4, Vienna I.
Zentralkasse der Konsumgenossenschaft, 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, 129, rue de la Loi, Brussels.
(1964): 1,336 shops; turnover: Frs. 1,303 million; dividends: Frs. 60 million; Savings Bank: 1,930 branches; 388,000 members; deposits: Frs. 7,024 mill.; Insurance Society: 210,000 policy holders; premiums: Frs. 310 mill.; reserves: Frs. 800 mill.
L'Économie 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, Sala 1216, Rio de Janeiro, G.B.
- 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.
- 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; comprises: 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 production 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; 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, 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, Paris XVI.

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

Confédération Générale des Sociétés Coopératives Ouvrières de Production, 88, rue de Courcelles, Paris VIII.

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

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

Fédération Nationale de la Coopération Agricole, 129, Bd. St. Germain, Paris VI.

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

Fédération Nationale des Sociétés Coopératives

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

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

L'Association Bâti-coop, 6, rue Halévy, Paris IX.

Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, 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.

Grossverkaufs-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 Lebensversicherungs 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 2063, 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., Ministry of Education and Social Development, 41, High and Cowan Streets, Kingston, Georgetown.

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 Nursery, 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.*
- The Credit and Housing Cooperative Society of Iran, *20-22 Shahabad 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.*
- "Haikaz" Audit Union of the 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.*
- Federation of Cooperative Housing Societies, *8, Holland Road, P.O.B. 499, 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 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.*
- PAPUA: The Federation of Native Associations Ltd., *Post Office Box 152, Port Moresby.*
- 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.*
Invalids' Cooperative Union, *Kopernika 30, Warsaw.*
"Społem" – Union of Consumer Cooperatives, *Grazyny 13, Warsaw.*
Central Union of Work Cooperatives, *Surawia 47, Warsaw.*
- PUERTO RICO: Organisation of the Cooperatives of America, *G.P.O. Box 4103, San Juan, Puerto Rico 00936.*
- ROUMANIA: Uniunea Centrala a Cooperativelor de Consum "Centrocoop", *Str. Brezoianu 31, Bucharest.*
- SCANDINAVIA: Nordisk Andelsforbund, *3 Axelortv, Copenhagen V.*
- 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 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.), *Thjersteinallee 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.*
- International Cooperative Bank Co., Ltd., *Aeschenvorstadt 75, P.O.B. 348, 4002 Basle.*
- TANZANIA: Cooperative Union of Tanganyika Ltd., *Avalon House, P.O. Box 2567, Dar-es-Salaam.*
- TUNISIA: El Itihad, *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.*

Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

VOL. 60 — No. 6

NOVEMBER 1967

CONTENTS :

	Page
I.C.A. CENTRAL COMMITTEE MEETING IN PRAGUE, 16TH-18TH SEPTEMBER 1967, W. G. A.	238
COÖPERATIVE LIBRARIANS' MEETING IN MANCHESTER, A. L.	242
THE NATURE OF COOPERATIVE PRINCIPLES, W. P. Watkins	246
VIEWS ON THE COOPERATIVE PRINCIPLES, Paul Lambert	258
COOPERATIVE PRINCIPLES OR COOPERATIVE PRINCIPLE? Dr. C. Schumacher	263
A REVIEW OF THE ROCHDALE PRINCIPLES, Sadao Nakabayashi	265
COOPERATIVE PRINCIPLES, Stanley Dreyer	269
CRITICAL ANALYSIS OF THE REPORT OF THE I.C.A. COMMISSION ON COOPERATIVE PRINCIPLES 1963-1966, George Davidovic	272
NEW COOPERATIVE PRINCIPLES, Bohdan Trampczynski	285
BOOK REVIEW	289

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

Editorial and Administrative Office:
11, Upper Grosvenor Street, London, W.1.
Tel. 01-499-5991-3

The Review is published also in French and German — Annual subscription to each edition £ 1.



I.C.A. CENTRAL COMMITTEE MEETING IN PRAGUE, 16TH-18TH SEPTEMBER 1967

Cooperatives and Monopolies in Contemporary Economic Systems

THE main item for discussion at the I.C.A. Central Committee meeting held in Prague from the 16th to 18th September was "Cooperatives and Monopolies in Contemporary Economic Systems". This subject was last debated by the I.C.A. authorities in 1951 at the Congress of that year, and Poland's Central Agricultural Union of "Peasant Self-Aid" Cooperatives had submitted a resolution on the subject to the 1966 I.C.A. Congress in Vienna where, owing to shortage of time, the proposers agreed to refer it to the I.C.A. Central Committee for consideration. Reports had been received from national cooperative organisations and a special background paper with a factual appendix was prepared by the I.C.A. Secretariat and Department for Research and Statistics. The background paper covered certain differences between Europe and America on reporting and registering of agreements and included evidence about price fixing agreements, rationalisation agreements, exclusive dealing and market sharing, dominant firms, national legislation, the Common Market and EFTA, the cooperatives of various types and their reactions to monopolies, and some pointers as to

future prospects. The problems of giving efficient service to members of the public under conditions of monopoly in planned economies, mixed economies and under-developed economies were studied and discussed.

The important part played by cooperatives came through very strongly, both from the background information and the discussion. The subsequent resolution of the Central Committee served to bring up to date and underline this important role of cooperatives in ensuring that the economies of scale resulting from the formation of large business organisations are not used to give disproportionate benefit to the organisations themselves, their staff or their shareholders as compared with benefits to the customers. The practical activities of cooperatives in this respect were enumerated and formed a useful pointer to future lines of action by cooperatives throughout the world.

Resolution of the Central Committee

Central Committee, having reviewed and discussed the effects of monopolies throughout the world, as reported by their affiliated Organisations and by the I.C.A. Secretariat,

REAFFIRMS the support of the International Cooperative Movement for the resolution on monopolies carried by the 18th Congress of the I.C.A. in 1951 and

welcomes the Polish initiative at the 23rd Congress in 1966 which provided this opportunity to bring the 1951 resolution up to date;

RECOGNISES the value of recent tariff reductions and of national and regional measures against price rings, market sharing and other monopolistic and restrictive practices during the last sixteen years;

DECLARES that the danger from monopoly is as great today as it was then, especially for developing countries, and calls upon affiliated Organisations, national Governments and international Organisations to undertake or support research into the problems of monopoly, to create awareness of its dangers and to take such measures as may be possible to combat its ill effects;

PROCLAIMS that the further growth and development of the Cooperative Movement, of international Cooperative trade and of Cooperation between Cooperative Organisations is an essential feature of effective action against monopoly;

AFFIRMS the value and significance not only of legislative and other measures to make competition more effective, but also of the wider application of Cooperative Principles and changes in the internal structure of the enterprise in ensuring that consumers, producers, and employees share fairly in the fruits of technical development;

WELCOMES the discussion and exchange of information on the future of the various forms of enterprise going on in all types of economy;

EMPHASISES the importance of the Cooperative contribution to these discussions and the relevance of Cooperative Principles in achieving the basic objective of all legislation against monopolies—the protection of the public

against exploitation;

URGES Cooperative organisations to demand the full enforcement of anti-monopoly legislation, paying special attention to supra-national organisations or groups of nations accentuating the tendencies to monopoly;

STATES that discrimination against Cooperatives is detrimental to consumers and producers and in favour of monopoly; and

WELCOMES the establishment of social ownership in Cooperative form in all those sectors of the economy where it can be adopted.

Membership of the I.C.A.

The Central Committee noted with pleasure the ten new member organisations accepted since their last meeting, of which eight are full members and two are associates. These organisations came from Argentina, Brazil, Ghana, Iran, Israel, East Pakistan and Papua, and three are International Cooperatives:

Asociación Argentina de Cooperativas y Mutualidades de Seguros, Argentina

Uniao Nacional das Associacoes de Cooperativa (UNASCO), Brazil

The Alliance of Ghana Cooperatives, Ghana

Central Organisation for Rural Cooperatives, Iran (Associate Member)
Bank Zerubavel, Israel

Provincial Fishermen's Cooperative Society Ltd., East Pakistan

The Federation of Native Associations, Papua and New Guinea

International Cooperative Petroleum Association, U.S.A.

The Organisation of the Cooperatives of America, Puerto Rico

Inter-American Cooperative Finance Development Society Inc., U.S.A.

24th Congress of the I.C.A.

Action taken on the resolutions and suggestions of the 23rd Congress of the I.C.A. in Vienna in 1966 were reviewed and an invitation from the Zentralverband deutscher Konsumgenossenschaften was gratefully accepted to hold the 24th Congress in Hamburg at the beginning of September 1969.

Women Cooperators' Advisory Council

The Central Committee decided to invite the I.C.A. Women Cooperators' Advisory Council to send an observer to its meetings in the future in order to follow the work of the Central Committee at first hand and to be available to address the Central Committee when required at the invitation of the President.

I.C.A. Jubilee Triennial Prize

The Central Committee decided to award a Jubilee Triennial Prize of £250 at the 24th Congress in 1969 to the author of the most outstanding work of cooperative literature published between the 23rd and 24th Congresses. Mr. A. P. Klimov of the U.S.S.R. and Mr. W. Kellerhals of Switzerland have accepted the appointment to act again as members of the International Jury and the Central Committee decided to approach Mr. R. L. Marshall, Chief Education Officer of the Cooperative Union and Principal of the Cooperative College, Great Britain, to replace Mr. N. Thedin who has asked to retire.

36th International Cooperative School

It was noted that 55 participants would attend the 36th International Cooper-

ative School in Poland this year. Invitations were received in Prague for the 37th and 38th International Schools to be held in Denmark and Czechoslovakia.

Greek Emergency Law No. 31

The Central Committee confirmed the unanimous decision of the Executive Committee taken in Ottawa in July and the action of the President and Director of the I.C.A. acting on the authority of the Executive in protesting to the Prime Minister of Greece about the Greek Emergency Law No. 31 of the 10th June 1967, which dismissed the elected boards and appointed officials of Greek agricultural cooperatives and empowers the Minister of Agriculture and other government officials to appoint replacements. The International Cooperative Alliance continues to seek the repeal of that law and does not recognise the directors and officials of cooperatives who have been appointed by the government. It was reported that the United Nations Division of Human Rights has circulated a copy of the I.C.A. protest to all member delegations of the United Nations. Many national cooperative organisations have followed the lead given by the I.C.A. and made their own protests of a similar nature. The discussion in the Central Committee and the Executive revealed that trade bans are not a very practical way of protesting, since the trade previously done by cooperatives tends simply to find another channel. It was, however, considered that a reduction of tourist traffic to Greece might make some definite impression on the Greek Government.

World Expositions

At its meeting just prior to the Central Committee, the I.C.A. Executive Committee discussed the lack of refer-

ence to cooperatives at Expo '67 in Montreal and considered the actual possibilities of securing some greater reference at Expo '70 in Tokyo or subsequent world expositions. It is hoped that national cooperatives will endeavour, whenever possible, to persuade their governments to include some reference to cooperatives in their national pavilions, and it was agreed that it is not a practical possibility for the world cooperative movement to organise a pavilion of its own at present. The Director was authorised to communicate with the Japanese cooperative movement to see if it would be possible to include some films about cooperatives or references to cooperatives in one or more of the theme pavilions organised at Expo '70 by the host country.

Future Meetings

The next meeting of the Central Committee will be held in Glasgow at the University of Strathclyde from the 5th to 7th September 1968, with the Executive, sub-committees and auxiliaries meeting from the 31st August. The next meeting of the Executive Committee will be held in London on the 10th and 11th January 1968, with the sub-committee meeting on the 9th January.

Auxiliary Committees and Working Parties

Written and verbal reports were received from I.C.A. auxiliaries and working parties about their work in the past twelve months.

The *Agricultural Committee* is studying certain applications of cooperative principles in agricultural cooperatives; is planning a follow-up meeting of experts in pre-packaging and cold chain methods of handling fruit and vegetables; is organising a conference on

food grain; is pursuing a study on agricultural cooperative finance at the international level linked with the possibility of future development of the International Cooperative Bank Co. in Basle; and is collaborating with the Director of the I.C.A. in discussion at the secretariat level with the FAO, ILO and IFAP about joint and co-ordinated efforts for finance and technical assistance for cooperatives on behalf of all four organisations.

The *Fisheries' Sub-Committee* is completing its survey of fisheries cooperatives throughout the world; is studying the possibilities of stimulating the flow of technical assistance and is collaborating with the FAO in the preparation of the publication "Cooperative Marketing and Supply for Fishermen".

The *Banking Committee* is preparing a report for the I.C.A. Central Committee on the structure of cooperative banking, credit and finance at the international level; is reviewing its constitution and has appointed as its Secretary, Mr. H.-U. Mathias, thus integrating the two positions of Secretary to the I.C.A. Banking Committee and Director of the International Cooperative Bank Co. in Basle. The progress of the International Cooperative Bank was noted with pleasure and it is undoubtedly a significant achievement for the world cooperative movement to see a young and dynamic cooperative bank at the international level rapidly gaining experience and holding out great possibilities for the future development of commercial banking, foreign exchange and short-, medium- and long-term lending.

The *Workers' Productive and Artisanal Committee* is organising a seminar in the spring of 1968 in Prague and is studying the suggestion from the Association of Enterprises on a Cooper-

COOPERATIVE LIBRARIANS' MEETING IN MANCHESTER

THE Cooperative Union Ltd. and the Cooperative Wholesale Society Ltd. were joint hosts to the International Working Party of Cooperative Librarians and Documentation Officers on the occasion of their seventh meeting in Manchester at the end of June of this year. The delegates will long remember the cordial welcome and generous hospitality they received from the British Cooperative Movement.

The meeting was opened with a warm welcome from the Assistant General Secretary of the Cooperative Union Ltd., Mr. C. C. Hilditch. The Chairman of the Working Party, Mr. C. Kamp, then welcomed the representatives of two organisations which were repre-

sented for the first time: Mrs. H. Pick of the British Cooperative College and Mr. L. Ewing of the Scottish Cooperative Wholesale Society Ltd. Two organisations had sent new delegates: Mr. L. Kolaczowski, Central Agricultural Union of "Peasant Self-Aid" Cooperatives, Warsaw, and Dr. L. Schnabl, Kooperativa Förbundet, Stockholm. A special welcome was extended to Mr. W. Sjölin, who had accepted an invitation to attend this meeting, the first since he retired from Kooperativa Förbundet and as Chairman of the Working Party. A warm welcome was also extended to the Director of the I.C.A., attending the Librarians' meeting for the first time since starting office.

ative Basis, Holland, about the possibility of consumer cooperative movements handing over more of their productive enterprises to the workers.

The *Cooperative Wholesale Committee* and the *Committee for Retail Distribution* both held their annual meetings in Prague and the former was able to report some encouraging progress in the field of joint purchasing by its member organisations. The latter reviewed the success of its Non-Food Trade Conference held in Bern and is planning a Food Trade Conference in Holland in 1968.

The *Housing Committee* did not meet in Prague and will be meeting this year

in Israel. Its International Cooperative Housing Development Corporation has reached agreement with the authorities of the United Nations Development Programme about the procedure for a contractual relationship to undertake pre-investigation projects in which the expertise of more than one national cooperative housing movement would be helpful.

The *Insurance Committee* did not meet in Prague having accepted an invitation to meet in Manchester for the centenary celebrations of the Cooperative Insurance Society of Great Britain.

W. G. A.



Developing Areas and the Working Party

The meeting received several reports, both written and oral, on various aspects of its activities in developing areas. Some reports contained wide-ranging suggestions and were the object of thorough discussions.

Mr. Alexander introduced the subject of Cooperative Literature in Developing Countries. He would like to see more work done in the field of providing material for developing countries. One of the main difficulties is that librarians in industrialised countries may well know the books available, but not their suitability in other parts of the world; conversely, librarians in developing countries may know the type of books needed, but not the full range of material available.

There is also a language problem; however, the I.C.A. has had one book translated into Arabic at the request of the Jordan Cooperative Central Union and one into Spanish which had been published by the Intercoop, Editora Cooperativa Ltda. of Buenos Aires. Mr. Alexander also announced that, as from January 1968, the Review of Interna-

tional Cooperation would be published in a Spanish language edition in Argentina.

The Director of the I.C.A. asked the members of the Working Party to keep him informed of any books that could possibly be translated and adapted for use in developing countries. There were possibilities for the I.C.A. to give assistance in this sector. The need for books is immense, and it is of the utmost importance that the right literature be made available.

Cooperative Libraries in South-East Asia

Mr. Kamp of CO-OP Nederland, Chairman of the Working Party, presented the report on his advisory tour of South-East Asian cooperative libraries. He had spent several weeks in 1966 travelling around Pakistan, India and Ceylon advising cooperative unions and colleges on their library services. One of the points often mentioned to Mr. Kamp was the lack of knowledge of articles in the cooperative press in languages other than English. Since his return, Mr. Kamp had started to compile a Documentation Bulletin for South-East Asia; the first issues con-

tained abstracts of articles that had appeared in languages other than English, dealing with cooperative subjects. The Bulletin has now been enlarged, on the request of readers, to include abstracts of articles originally published in English and of articles dealing with socio-economic subjects. The Bulletin is issued and distributed by the I.C.A. Regional Office in New Delhi.

The Working Party hopes to increase the activities of cooperative librarians in South-East Asia by starting a Working Party to be run on the same lines as the present Working Party.

Another matter of interest not only to South-East Asia but to many other regions was a proposal to establish a clearing-house for cooperative publications. This idea was discussed at some length and, whereas it was felt that there might be difficulties for the I.C.A. to start a physical clearing-house, the idea should be studied more thoroughly; the Working Committee will look into the question and report fully at the next meeting.

Publications

Mr. Flanagan, Librarian of the Cooperative Union Ltd., reported on the Cooperative Vocabulary. Work was not progressing very rapidly just now, but it was hoped that a final draft could be submitted within a reasonable period of time. Delegates expressed their appreciation for the difficult task of Mr. Flanagan and his Sub-Committee in compiling the Vocabulary.

The Librarian of the Cooperative Wholesale Society, Mr. Howcroft, gave a report on the position of the Cooperative Directory, the first edition of which had appeared since the last meeting. This Directory gives very detailed information on a limited num-

ber of organisations affiliated to the I.C.A. Participants in the meeting expressed their satisfaction with this Directory and asked Mr. Howcroft to continue with the work of revising the entries and adding to them to keep the Directory up to date.

A report was made on the bi-monthly publication of the Working Party, "Libradoc", edited by Mr. Kamp. A number of members of the Working Party had made several contributions with articles, technical questions and answers to queries. This publication, which is of great value as a link between librarians, was now distributed to about 125 persons and organisations.

Mr. Kamp also reported on the present position of the efforts of getting members of the Working Party to conform to certain basic rules in compiling their accessions lists for international exchange. The delegates were given a detailed list of points to be considered. In connection with this item, the delegates also received a report on the International Cooperative Bibliography from the Librarian of the I.C.A., Miss A. Lamming, who suggested that the Bibliography should be compiled out of information taken from the accessions lists of all members of the Working Party. It would therefore be a great help to achieve a certain minimum standard of information. The delegates agreed to assist in this matter.

The Working Party received two reports from Dr. W. Kellerhals, Librarian of VSK. The first dealt with the I.C.A. Jubilee Triennial Prize — Dr. Kellerhals being a member of the Jury. He thanked the Working Party for its efforts in helping the Jury to select books for consideration and expressed hopes that similar help would be forthcoming in the future. The second report

dealt with the position of UDC 334. Dr. Kellerhals and Mr. Kamp had had discussions with the authorities governing the UDC classification system who want to so change the classification as to move Cooperation to a different sector. This was not satisfactory, as it was not many years since the entire 334 system had been worked out and officially accepted. Through their negotiations, Dr. Kellerhals and Mr. Kamp managed to get the authorities to agree to leave the matter for another period of ten years and then study the question again.

Election

The meeting of the Working Party concluded by electing the following members to serve on the Committee: Miss F. Baulier, F.N.C.C.; Mr. D. Flanagan, Cooperative Union Limited; Mr. C. Kamp, CO-OP Nederland; Dr. W. Kellerhals, VSK; Miss A. Lamming, I.C.A.

During their stay in Manchester, delegates were given the opportunity of

visiting the Manchester Public Library as well as the libraries of the Cooperative Union Ltd., where they were especially interested in seeing the famous collection of Owen papers, and of the Cooperative Wholesale Society Ltd., whose beautiful new premises were admired by all. Members of the Working Party were also given the opportunity of seeing the new offices of the Cooperative Insurance Society Ltd. and the view from the top of the building, one of the highest commercial buildings in Britain.

In addition, during an excursion to Chester and Rochdale, members of the Working Party were shown around the Toad Lane Museum with its interesting exhibits and wonderful historical atmosphere, as well as the near-by modern premises of the Rochdale Equitable Pioneers' Society.

The meeting was concluded in an atmosphere of mutual understanding and with a sense of accomplishment.

A. L.

Beginning with No. 1, 1968, the

"REVIEW OF INTERNATIONAL COOPERATION"

will also be published in
SPANISH

Orders and subscriptions
(£1 per annum)
to be sent to

**INTERCOOP,
EDITORIA COOPERATIVA
LIMITADA,**

**Florida 32, Oficina 42,
Buenos Aires, Argentina**

With the Report of the Commission on Cooperative Principles now published by the I.C.A., the essential characteristics of cooperatives have once more been identified and put on record as a guide. The discussion on Cooperative Principles will, however, go on; and it should go on. It is for this reason that we invited leading cooperators in many countries to discuss in the Review problems which arise in connection with the application of Cooperative Principles.

We are devoting this issue of the Review to those who responded to this invitation and we think that they represent a fair cross-section of cooperative opinion. We hope to receive a large number of letters on points that they have raised, even though it may

not be possible for us to print all such letters in the Review.

We also hope to publish from time to time articles of a controversial character with a bearing on matters of Cooperative Principle. Such articles will not, of course, commit the I.C.A. to any point of view, but they will raise issues which we think should be discussed publicly by cooperators and put different views as fairly as possible. We feel sure that cooperators can profit not only by learning more about the experience and problems of cooperative movements in other countries but also by a free and frank interchange of ideas about how these problems should be tackled. We hope that many readers will write to us about points made in the articles in this issue.

Edit.

THE NATURE OF COOPERATIVE PRINCIPLES

by W. P. Watkins

(Reprinted from Cooperative College Papers No. 13, June 1967, published by the Cooperative Union Education Department.)

I

IN the Cooperative Movement the discussion of principles, like the dispute on the soul in Walt Whitman's ideal city, must continue indefinitely. In the last resort it is the only conclusive evidence that the Movement is spiritually alive and awake. No pronounce-

ment on the principles can be final, unless the Movement is already defunct. But there are also more immediately practical reasons. For one thing the Commission had to keep in mind the desire expressed by the 22nd Congress of the I.C.A. and re-iterated by the

Central Committee in 1965, that the 23rd Congress should also have on its agenda the discussion of principles, including any proposals for new principles put forward by the national cooperative organisations. Working under a time-limit, the Commission was obliged to concentrate attention on its positive findings and recommendations, after its examination of the Principles of Rochdale, as defined by the Congress of 1937, and their observance or non-observance nearly thirty years later. The Commission might have discussed at greater length various arguments and suggestions for principles it could not accept and stated more fully its reasons for rejecting them. But its report and the opinion of Congress thereon were urgently needed for the guidance of co-operators, both members and leaders, throughout the world who, compelled by rapidly changing circumstances to revise their doctrines and policies and re-shape their movement's structures, were finding traditional formulations meaningless under contemporary conditions and received interpretations inadequate.

The Commission therefore devoted no time and gave no space in its Report to the discussion of a logically impeccable definition or theory of Cooperation. It concentrated rather on clearing the ground of over-simplifications and narrow-minded dogmatism which flew in the face of factual reality and common sense, on exploding fallacies which had too often led to vain disputes on false issues and on criticising practices which, first adopted for reasons of expediency, tend in time to overlay or nullify the real principle at stake. The direct consequence of the Commission's Report was to let in a great deal of light upon a number of disputed points of

cooperative policy and practice and so reveal the true and safe line of advance between two false extremes, namely, the claim that the traditional principles should be discarded and the refusal to consider any modifications or re-formulation of principle at all.

It is very probable that the Commission did not succeed in convincing all the extremists, on either side, of their errors or in satisfying others who had strong convictions on this point or that. Nevertheless, the fact that the 23rd Congress approved the Report with virtual unanimity is proof that it came very near to expressing the greatest common measure of agreement of the membership of the International Cooperative Alliance. From the very beginning of its work—and it may be desirable to recall that the Commission was composed of one English, one German, one Russian and one American (U.S.A.) cooperator, who unanimously elected an Indian as chairman—the Commission recognised that its primary task was “to attempt to formulate those general principles which should be observed by cooperatives of all types in all social and economic systems.” In doing so it constantly kept “in the foreground the consideration that, in varying contexts and historical circumstances . . . innumerable groups of cooperators in their own environment have been trying out how best to attain the ultimate goals of the Movement.”

The Commission's approach to its task and its method of enquiry were therefore broadly empirical rather than dogmatic. It was much more concerned with the spirit of cooperative action than with the letter of cooperative doctrine. In its own membership it represented cooperative experience in three continents: Europe, Asia and America. It also represented Cooperative

Movements working and growing in the mixed competitive and monopolistic economies of Western Europe and North America, the centrally-planned economy of Western Europe and emergent economy of an ancient society at the beginning of its modern industrial and technical development. In addition, the documentation assembled by the International Cooperative Alliance for the Commission comprised over 100 statements submitted by affiliated national organisations representing cooperatives of every type, besides a number of individuals, describing and commenting upon their experience in attempting with more or less success, to apply the Principles of Rochdale under contemporary conditions.

II

Experience thus formed the groundwork of the Commission's deliberations, whose object was directly to influence cooperative action. It is not surprising, therefore, that the Commission's working definition of Cooperative Principles was "those practices which are essential to the achievement of the Cooperative Movement's purpose." It went on to explain that this purpose went beyond the promotion of the interests of the membership of cooperatives at any given time and included the progress and welfare of humanity in general. Later again the Commission expressed its hope of arriving at formulations of essential values in Cooperation. It seems fair to conclude, from the whole section, entitled "Cooperative Principles and Ideals," in which these statements appear, that the Commission was aware of a much larger sphere that could be explored, transcending the aims defined in its terms of reference. It is the basic

thesis of the present essay that the exploration of this larger sphere must begin already, in anticipation of that further re-formulation of Cooperative Principles which will be inevitable within the measurable future. Between the Commission's Report and that of the previous I.C.A. enquiry, which reported to the International Congress of 1937, stretches a period of one generation, more or less. But for the Second World War, this period might well have been shorter. At the accelerating pace at which economic and social organisation is changing today re-formulation will probably be necessary within a shorter period still and it will need to take account of some important questions which this last Commission was not obliged either to raise or to answer.

One of these is the nature of Cooperative Principles. How far is it justifiable to identify Cooperative Principles with any particular practices? How can that which is essential to be observed to the fullest extent and in the manner that circumstances permit at any time and place, be accepted as equivalent to practices that must be infinitely variable according to social and economic conditions in any part of the globe? Obviously, there must be an intimate relation between Cooperative Principle and practice. It is only the practice of co-operators which can prove whether they understand their own principles and observe them. But it is an oversimplification to say, with the Commission, that principles are practices. They must be distinguished from each other and this distinction, always vital, will become of increasing importance to the Movement's future progress.

Now, if Cooperative Principles are not practices, what are they? They are the ideas, inherent in Cooperation,

which determine what it is, as a mode of action. Alternatively, they are the ideas which it is the purpose of cooperative activity to realise in the material world. They are different from ideals, which are the ideas conceived as fully realised in all their perfection. Admittedly "principle" is a word difficult to handle. It is one of the hardest-words in the language and, like an old penny of Queen Victoria which has almost lost its image and superscription, is now worn so smooth as to be nearly meaningless. A principle nowadays can signify any point on which anyone is unwilling to compromise. This makes the useful distinction between principle and practice almost impossible to maintain. Thus in common speech it may be said that it is a principle of the Brahmins not to eat beef or of the Moslems not to eat pork or drink alcoholic liquor. On closer examination, however, it becomes clear that the real principle is not the abstinence from this or that, but rather the underlying idea of purity or holiness to which the rules regarding eating and drinking are intended to conform. A similar distinction justifies us in the attempt, for the purposes of the present argument, to adopt and scrupulously maintain a clear definition of a principle as an idea accepted as an invariable guide to policy or conduct or action of any kind. The obvious example to illustrate this from cooperative practice is Democracy, the government of cooperative societies by their own members for their own proper purposes. Few will be found to deny that, if cooperative organisations lose their democracy, they cease to be cooperative. The whole difficulty of the problem of observing and preserving democracy in the Co-operative Movement consists in finding the best way to modify the rules and

administrative practices as cooperative organisations develop and evolve in a continually changing environment. The idea remains constant; the practices vary in response to needs and circumstances. So also must the rules, the sole purpose of which is to ensure that the practices do in fact realise the principles. As Professor Georges Lasserre told the Congress of French Consumers' Cooperatives at Evian in June 1966, the rules are not sufficient by themselves.

III

It is the insufficiency of rules which causes not a few cooperators some embarrassment, if they are still identifying principles with rules. For they find themselves obliged to divide their alleged principles into two groups: those with greater and those with lesser importance, or else they are obliged to admit so many exceptions that certain principles have to be abandoned, as being no longer capable of being applied universally. The I.C.A. Committee which reported in 1937, for example, enumerated seven principles which it divided into four and three. It declared that observance of 1 Open and Voluntary Membership; 2 Democratic Control; 3 Limited Interest on Capital; 4 Dividend on Purchases, as essential to the cooperative character of any society or organisation. On the strength of that statement the rules of the I.C.A. were amended so that these four points became indispensable qualifications for the admission of any organisation to its membership. Concerning 5, Neutrality in Politics and Religion; 6 Cash payments in buying and selling; 7 Promotion of Education, the Committee remarked that they were "essential methods of action and organisation

rather than standards the non-observance of which would destroy the cooperative character of a society." But in fact almost all the "principles" listed by the Committee are "methods of action and organisation." The distinction drawn between the four and the three does not express the real difference between the two groups, which can only be expressed in terms of the true principles, not stated, which underlie them.

Similarly, the conclusions reached by the Conference of French-speaking Co-operators held at Liège in March 1966 seem to try to avoid this difficulty by making no mention of "principles" but of seven "fundamental characteristics" of a cooperative society. The first two refer to democratic administration, the next three to conditions of membership and the last two, to the distribution of surplus and the maintenance of indivisible reserves. Having eliminated the term "principle" with its overtones of obligation the Conference's drafting committee had no choice but to add a short statement defining four "duties" incumbent upon co-operators if the seven fundamental characteristics were to become fully operative. Here again are distinctions without differences. It is as much the duty of co-operators to maintain the "seven fundamental characteristics" as to carry out the four duties. The conclusions begin with introductory paragraphs which mention the promotion of responsibility, solidarity, mutual aid and social justice, the development of enterprises governed democratically and aiming at service rather than profit; the necessity of permanent education reaching beyond the circle of cooperative membership at any time. The relation between these general ideas and the practical rules enumerated as fundamental characteristics is implied

rather than stated, yet it is precisely in this relation that the reason is to be found why certain characteristics are fundamental.

A third example is given by Professor R. Henzler in his introductory lecture to a discussion on Cooperative Planning and Cooperative Principles at the fifth International Congress on Cooperative Research, held at Hamburg in September 1966. Professor Henzler, who had been a member of the I.C.A. Commission, expressed his personal view that there were two kinds of principles, namely those which determined the character of Cooperation and constituted the cooperative idea and those which must change with changes in the competitive situation because they are concerned with concrete business processes and affect cooperative societies only at particular times and places. Justifiably he calls the latter "norms," derived by deduction from the invariable principles. These norms are obviously the same sort of things as are termed, in this essay, practical rules and methods, and for the reasons already given it seems a mistake to apply the term "principle" to them. The collective wisdom of the I.C.A. Commission chose the better course of refusing to draw any distinction between principles in respect of their degree of validity. It maintained that, if every principle denotes something essential, all have equal authority. At the same time it is to be noted that the Commission felt itself unable to accept Neutrality in Politics and Religion and Cash Payments in buying and selling as principles conforming to its definition, while adding a fresh one: Cooperation among Cooperative Societies, which seemed to it to have acquired added importance in the circumstances of today. Whether

this last is a new, or a particular application of an old principle is a question more appropriately discussed at a later stage in this essay.

IV

For the present, consideration of the foregoing examples and of other earlier ones seems to confirm the present writer in the view, which he has held for many years, that it makes for clarity and logical simplicity if the term "principle" is reserved for those ideas which determine the character of Cooperation as a form of association. They determine its character because they underlie the conditions which people accept when they agree to cooperate. Cooperation is only one among a number of types of association or working together, and is distinguished from the rest by the fact that it consists in working together under certain conditions which other types may not require or accept. For example, for cooperators to unite or act together is no mere matter of expediency or convenience, as it may be for private enterprises. Cooperators base their action on the massive facts of human inter-dependence, solidarity and community or mutuality of interests. They take it as axiomatic that the true interests of individuals are best served when people know how to combine effectively with their neighbours and fellow-workers for common ends. Having accepted association as a principle, they apply it more or less consistently to the solution of problems of economic and social organisation as they successively arise in the course of time and the development of the institutions they create. They thus advance from the union of individuals in cooperative societies to the union of societies in

federations. The purpose of association is, of course, mutual aid and support through the acquisition of a power beyond the reach of individuals or societies acting as single units—a fact of experience summed up by immemorial folk wisdom in the three words: Union is strength.

Mutual aid is a basic fact in the life, not only of mankind, but of many other species of living being. It was the great Russian social philosopher P. A. Kropotkin who pointed out, once and for all, the vital rôle of mutual aid in the evolution of species, as well as of human society, and especially in the development of man's moral ideas and qualities. He rightly included Cooperation among the most important and characteristic types of mutual aid of the modern age. Cooperation is indeed an indispensable element in every healthy modern society, contributing, as it does, to the general welfare something beyond the power of either individual self-interest or paternal government. That unique contribution springs from the fact that aid is mutual. Cooperation is self-help but not selfish help, as a Christian Socialist remarked a century ago. In the implications of the word "mutual" may be found the germs of some at least of the ideas which, developed and universalised, constitute the true principles of Cooperation. Mutual aid is not one-sided; it implies a bond, a reciprocal obligation, between two or more individuals such that, if any service must be rendered to one by the others, he will do the same or its equivalent for them. In a large group or association the same idea is expressed in the slogan: Each for all and all for each. The individual is not wholly responsible for himself alone; he shares that responsibility with others. At the same time he takes on a

certain responsibility for them. His right to their help is linked with his duty to help them in their need. Broadly, the only guarantees that any one will indeed get his rights are the willingness of all to fulfil their duties and their efficiency in discharging them. We thus arrive at the idea of responsibility or function as a principle inherent in the cooperative form of association.

Closely allied to this is the idea that there should be some correspondence between the contribution individuals make to the common effort or enterprise for which they associate and the benefits they obtain from it. This consideration is important if there results from association some common benefit, such as a sum of money, which, if it is to be enjoyed by individuals, must be divided among them. People expect the division to be fair. That does not necessarily mean equal. It does, however, mean that division must be equitable, that is, satisfy the sense of justice of the participants. The reasons for the dividend on purchases system and the appearance of the word "Equitable" in the title of the Rochdale Pioneers' Society scarcely need any further explanation.

V

In the course of our enquiry so far we have uncovered three ideas which are essential to the healthy functioning and development of Cooperation and therefore entitled to be called principles. These are Association (or Unity), Responsibility (or Function) and Equity. There are several others, but within the compass of an essay it is scarcely possible to argue at length the case for each one. What immediately follows therefore is a statement, dogmatic rather than

reasoned, in which the principles accepted by the writer are all named and the necessary connections between them briefly indicated. The first principle is Association, or Unity, as it may be more appropriately called in certain contexts. Reasons for adopting it have been mentioned already, but it seems desirable to insist on the importance of its rôle in cooperative development. The association of individuals in primary cooperatives is in reality only the first step in its application. In Cooperative Movements almost everywhere it is followed by a second step which is the association of societies in federations or unions. These may be regional at first but they inevitably reach national dimensions. The existence of the I.C.A. and other international cooperative organisations is the proof that association does not, should not and cannot stop at national frontiers or continental coast lines. The Commission, even though it was not really enunciating any new principle, quite rightly drew attention to the vital necessity of further applications of unity in the Movement's present situation. Not only is there abundant scope for more extensive application of Association on the international plane, but an almost desperate need for its intensive application within the national movements, with the object of achieving greater consolidation and, through the fusion and co-ordination of units hitherto maintaining a jealous independence, maximising their power to defeat competition.

What is at stake is not merely the extension but, in certain parts of the world, the survival of the cooperative type of economy for economy is the ultimate, as well as the immediate object of Cooperation. By economy is understood the management of human and

material resources so as to achieve the most desirable result in terms of social well-being. Cooperative association confers on the associates economic power in various forms which they could never command as individuals. If it does not enable them to achieve better results than are offered by other and competing economic systems, there is no reason why they should engage in it. Cooperative association must demonstrate its superior efficiency in one or both of two ways. It must either give better results for the same cost or equal results for less cost than alternative systems. It is this necessity which makes the idea of Economy one of the principles of Co-operation. Cooperative economy proceeds on the assumption that true efficiency is more likely to be achieved by societies of men and women seeking the satisfaction of their own needs as producers or consumers than by a competitive scramble or monopolistic combination for profits and gain through investment.

But societies do not work efficiently, or even at all, unless they are well organised and led. Organisation requires government, an accepted system of making decisions and executing them. While a society exists to promote the interests of the whole body of its members, not all its operations can or require to be carried on by all at once. Authority must be given to individuals to act for the rest. They must be chosen by common consent and ultimately account to the whole body for what they do or fail to do. If the members are to exercise their authority wisely, there must be a proper system of informing them, consulting them and enabling them to express their wishes, based on equality of rights in speaking and voting. In short, the whole conduct of a

cooperative society's affairs must be inspired by the principle of Democracy.

One of the strongest motives for the persistent efforts made by the cooperative Pioneers of the 19th century to find the right roads to successful cooperative development was their conviction that the distribution of property and income in contemporary society was not merely unequal but unjust. The more they were convinced of this, the more urgent it became for them to work out, in their nascent cooperative societies, a system for distributing, when they were successful, their material and financial benefits, that should commend itself to the sense of justice of their membership as a whole. The practical solution adopted by the Rochdale Pioneers of limiting the remuneration of capital to nothing but interest and of dividing surplus among the individual members according to their purchases has been copied and adapted throughout the world. The underlying principle is Equity, as the Pioneers, and others after them, proclaimed in the title of their society.

It seems to be of the essence of mutual aid that it shall be given freely and not under constraint. Where people join together of their own accord, moved by the recognition of their common interests and their power, when united, to promote them, their individual wills and desires become a powerful driving force. "Cooperation," declared Dr. William King "is a voluntary act," but the voluntarism of the Cooperative Movement goes far beyond the single act, say, of joining a Society. It includes free acceptance of the responsibilities of membership and the steadfast pursuit for years on end of freely chosen lines of conduct or policy. It includes the granting of the same freedom for others

as the individual claims for himself. It includes freedom for cooperative organisations, no less than for individuals, to make their own decisions and manage their own affairs. Although the I.C.A. Commission did not speak of any principle of liberty, it is necessary only to study the sections of its Report dealing with membership and with politics and religion, to perceive that it recognises that without appropriate freedom at different levels, the Cooperative Movement can be neither united nor efficient. Liberty is a principle of Cooperation, not simply despite, but because of the fact that the progress of the Movement requires from time to time the combination of smaller in ever larger units. The unity of the Movement is not so much imposed from without as willed from within.

One of the differences between a company and a cooperative is that, whereas a company consists of shareholders, a cooperative consists of members. The difference of terminology is not accidental. It reveals a vital difference of outlook and attitude. There is a solidarity between members of a cooperative that is absent between the shareholders of a company, whose motive is chiefly or wholly gain by investment. The bond between shareholders and their companies is simply what Thomas Carlyle called a "cash nexus." Of course there are monetary relations in cooperative organisations also but they exist because membership carries with it certain responsibilities or functions—the contribution of capital, purchasing, selling, borrowing, depositing—in the activities of the organisation. The idea of function and the accountability which goes with it pervades the whole of cooperative economy because it rejects the self-appointed and

self-responsible entrepreneur of the capitalist system. The principle is called function or responsibility according to the standpoint from which it is considered. That which is responsibility from the individual, is function from the social point of view.

Finally, there is the principle of Education, using that term so as to include academic instruction, but also any other kind of human intercourse and experience which enables the individual to acquire the knowledge, develop the skills and master the social discipline necessary for successful cooperative action. The Cooperative Movement has often to begin by educating its potential members in order to become co-operators, and also to renew and refresh their education so that their outlook keeps pace with its own growth and the ever new problems presented by a changing world. Upon adequate education depends the application of all the other principles.

VI

It is the belief of the present writer that the principles of Cooperation are implicit in the concept of mutual aid and that they become explicit and definable through practical experience, that is to say, by reflection on the causes of success and failure in efforts to establish effective and enduring institutions, based on mutual aid, under modern conditions. To cite Kropotkin again, there were many forms of mutual aid before Cooperation appeared. They left a deposit in the minds of the people in the form of habits, customs and proverbial wisdom which were, more often than not, a better guide to social behaviour than lessons learnt in school. The principles of Cooperation are much

closer to this popular wisdom than is often suspected. They correspond to certain fundamental and universal aspects of human life and human nature, and it is for this very reason that the Cooperative Movement already world-wide, can aspire to a universal rôle in human affairs.

In the technical language of the logician Cooperative Principles are generalisations reached by inductive reasoning based on facts, many times observed and verified by experience. We need only recall those protracted discussions at Rochdale in 1843 and 1844 which preceded the opening of the Pioneers' store, to confirm that the rules of the society were drafted in the light of a stringent examination of the factors of success and failure in previous attempts at Cooperation. The result of this process of winnowing the sound ideas from the unsound was the formulation of a code of rules and practices which became known as the Rochdale system and made Consumer's Cooperation henceforward a sound business proposition. Nevertheless, it is well to remember that storekeeping was not the Pioneers' ultimate object, but only the first step to the Cooperative Community in which they would have to "arrange the powers of production, distribution, education and government." Here we see how they were capable of looking beneath the rules and grasping the underlying realities of social life. The principles fit too closely into one another to be an arbitrary selection. Nor are they a revelation made to an enlightened few. Rather are they the quintessence of the wisdom people acquired in the hard school of daily life and work.

That is the first basis of their claim to validity and authority among all who

espouse the Cooperative Movement. It is a scientific validity of the same kind and carrying the same authority within its own sphere of reference as that attributed to the principles of economics or any other social science. It will not only stand scientific analysis but also the test of application to the solution of practical problems.

Cooperation, when its principles are fully and intelligently applied, works; it "delivers the goods" as effectively and efficiently, often more so, than other economic systems. But Cooperative Principles have an ethical aspect also. In the words of Professor Georges Lasserre, they express the will to introduce into economic life a social morality of justice and solidarity. They not only give directives for achieving higher standards of material well-being, they point to duties to be fulfilled by all men towards their fellows. Without linking itself with any particular moral philosophy or doctrine, the ethical element in Cooperation enables its practice to find sanctions in every religion which teaches the brotherhood of mankind or the love of one's neighbour as oneself.

VII

The endeavour of the present essay to expose the general ideas which should at all times and in all places inspire cooperative practice, and set the standards by which its success should be judged is also an attempt to explore the bases of a logically consistent theory of Cooperation. It is not, on that account, merely an academic exercise. On the contrary, it has a direct bearing on two phases of cooperative activity in which the whole future of the Movement is at stake and its power to continue its development on what Henry J. May once

called "the lines laid down by the Pioneers." These phases of cooperative activity are found respectively in the so-called affluent nations of advanced economic and technical development and in those whose modern industrial and social evolution has, historically speaking, only just begun.

It would be superfluous to describe here the critical situation with which Cooperation is confronted in the "affluent" countries. For the last seven years at least this situation has been studied by the International Cooperative Alliance and discussed by its authorities and auxiliaries whose warnings and recommendations have gone out to all the affiliated national organisations. The new competition cannot be met and overcome by new policies alone. For one thing they could not be operated with the old structures, any more than the old bottles could hold the new wine. New structures, organisations, techniques and methods are unavoidable because indispensable. But even they will not succeed, if they are aimed at no more than bringing the Cooperative Movement up to the technical level of its competitors and keeping pace with them. The real problem is how to employ technology inspired by Cooperative Principles, so that the Movement regains the superiority over its competitors it once possessed and becomes the pace-maker. This does not mean beating capitalist enterprise on its own ground, but it does mean widening the area of competition by adding to business efficiency the social benefits which Cooperation confers because of its principles—benefits for which profit-seeking enterprise has no interest. So long, however, as cooperators identify principles with certain traditional practices they will be reluctant and hesitant to change.

They will waste their energies in fruitless controversy over false issues; and action which should be prompt and resolute, because sure of its objectives, will be inhibited and half-hearted. It is only when they have a firm grasp of their true principles that cooperators will find the courage to invent and innovate boldly, in order to create the new forms of Cooperation which the times demand.

In the newly-developed regions there is also an urgent need to invent new forms of Cooperation harmonising with local conditions or to devise forms of association through which people can progress to the point at which they become able to manage genuine cooperatives by the light of their own collective wisdom. The basic forms of Cooperation—the consumers' store, the workers' productive society, the rural and urban credit banks, the farmers' marketing and processing society—were invented in Europe a century or more ago and flourished in varying degrees in the European (which includes the North American) economic and social climate. Later they were transplanted to other continents, not without success here and there, but with results which, while sometimes quantitatively impressive, have been qualitatively disappointing. In Asia, Africa and Latin America the Cooperative Movements for the most part do not display anything like the same vigour and sturdy self-reliance as their European counterparts did at the same age—apart from Japan, which is the one non-European country which has learnt to overtake and keep pace with European and American economic progress. The explanation is not simple, but experience of technical assistance leads increasingly to the surmise that attempts to promote Cooperation by

simply transplanting its European forms with slight adaptations have often been mistaken and misguided. It would have been better to create new types by grafting the cooperative idea on indigenous forms of mutual aid. But this is possible only for those for whom Cooperation is more than a mixed bundle of rules and practices.

Another factor in the explanation is certainly the low educational level of those whom it is desired to help through Cooperation. Yet here again opinion among experienced technical experts and field-workers is veering towards the recognition that, for many people, to move forward to full-scale Cooperation in a single leap is too much to ask. The advance to cooperative organisation in which all the principles are fully applied can best be made through forms of association termed pre-cooperative or para-cooperative, which permit problems to be solved one or a few at a time and allow education time to produce its results. But if the members are to progress step by step from the simple to the more advanced, they must be led and guided to their proper goals by those who have a fully-rounded conception of Cooperation and are capable of applying the tests demanded by its principles. The proper goals in this case also are

much more likely to be original types of cooperative suitable to the local environment than a faithful copy of a European or American model.

It is in this context that we realise once more the force of the reference, already quoted, of the Principles Commission to the innumerable groups of cooperators in their own environments trying out how best to attain the ultimate goals of the Movement. Whether they conceive their goal as a Cooperative Community, a Cooperative Commonwealth or a Cooperative Sector, the forms of Cooperative Society which they devise and propagate cannot flourish unless they are adapted to their environment and capable of sustaining themselves in it. In the century and a half in which Cooperation has been spreading across the world, its environment has been in continual change, not merely in space, but also through time. The forms must change accordingly, along with the Movement's expansion in space and continuation in time. What remains unchanged is the primordial substance, the body of principles inherent in the cooperative idea, which concentrates within itself so much that mankind, regardless of race and creed and climate, can accept as right and good.

VIEWS ON THE COOPERATIVE PRINCIPLES

by Paul Lambert

Reaffirmation of the Rochdale Principles

THE Resolution on Cooperative Principles adopted by the 23rd I.C.A. Congress in Vienna could be summarised as follows:

1. Voluntary membership; unrestricted membership wherever possible;
2. Democratic control (one member, one vote); autonomy;
3. Limited interest on share capital, if any return is involved;
4. Surplus to be devoted to the development of the cooperative, to the provision of common services, or to be distributed to members in proportion to their transactions with the society;
5. Measures for the provision of education;
6. Cooperation among cooperatives at all levels.

It can be said that cooperators are unanimous in approving the foregoing principles. Though there were a number of abstentions at the Congress, this was because several participants would have liked to include one or the other principle or else certain clarifications.

The rules accepted by the Congress are in fact principles or methods practised by the Rochdale Pioneers. Voluntary membership was a main feature of their enterprise. Unrestricted membership appeared in their 1844 Rules. Right from the start, democracy was their common practice and was written

into the Rules when they were first revised in 1845. They naturally also were completely autonomous. The limited interest on share capital appears in the 1844 Rules. The principles relating to the distribution of surplus are fully enunciated in the second version of the Rules of 1854, as well as the measures for the provision of education: the famous quota of 2.5 per cent of the surplus. As for cooperation with other cooperatives, this was their common practice, at least until the setting up of the Manchester wholesale organisation.

The Cooperative Movement has thus established the abiding validity of its fundamental principles, in spite of the economic and social upheavals that have taken place in the course of the last 120 years.

This lends renewed significance to the declaration by Charles Gide in 1902 at a reception held in Rochdale by the Society of Equitable Pioneers in honour of the participants attending the Alliance Congress. This is what he said:

“Thus in all countries we find cooperators groping and feeling their way, with the result that in the end everyone acknowledges that one cannot do better than return and sit down at the feet of the Rochdale Pioneers, as a child sits down at the feet of its teacher.”¹

¹ Official report of the Fifth Congress of the International Cooperative Alliance, London, I.C.A., 1902, pp. 424-426.

I am going to explain why the Belgian cooperators would have liked to insert the following into the resolution: 1) the indivisible nature of reserves; 2) the acceptance of public cooperatives.

The Indivisible Nature of Reserves

It will be recalled that in the above-mentioned summary the enunciation of point 4 begins as follows: "Surplus or savings, if any, arising out of the operations of a society belong to the members of that society and should be distributed in such manner as would avoid one member gaining at the expense of others . . ."

The inclusion of the word "savings" in the above text is unfortunate. The Belgian delegates asked unsuccessfully for its withdrawal during Congress. Alas, it is a noteworthy fact that the word was nevertheless retained with a complete confusion of usage.

The word "savings" was in fact interpreted in different ways: 1) in the report of the Commission under the chairmanship of Professor Karve; 2) in Professor Karve's address at Congress; 3) in Mr. Southern's final speech at Congress. And not only do these interpretations differ from one another, but they are also irreconcilable.

According to the report, the "savings" do not mean the reserves, and it must be understood that the reserves are indivisible: "The capital structures of the different national Cooperative Movements are not uniform. Three main categories may be distinguished in most of them, but in proportions which may vary widely from country to country and from one branch of the Movement to another. These are: the members' share capital; *capital owned by the societies in the form of reserves and special funds on which the individual members have*

no claim; loan capital . . ." (Report of the Commission on Cooperative Principles, Part II, section 3. Italicised by me.) In the continuation of the text, in the whole of section 4 of Part II above, the "savings" are regarded as a synonym of annual surplus, the sub-title itself reads as follows: "Disposal of Surplus (Savings)". And this is not the first time that the Alliance has regarded the surplus as the savings that remain with the society once all expenses have been paid. This same expression was used by Mr. Brodrick, then Secretary of the English Wholesale Society, at the Paris Congress in 1900. Without exception, the text of the report reads "surplus or savings", which clearly demonstrates that the two words are used as equivalents.

On the other hand, in his introductory statement to the Congress, Professor Karve treats the savings as having the same meaning as the reserves: "I would like to take this opportunity to refer now to a matter which has occasionally exercised the mind of some cooperators when they refer to the undistributed savings or reserves of a cooperative enterprise. If it is clearly understood that undistributed reserves are the result of a deliberate and voluntary act of immediate self-denial on the part of members, there should be no moral or legal inhibition against the distribution of these reserves among members at any later date . . . Even in the exceptional event of a dissolution, it would hardly be tenable to urge that the reserves do not belong to the corporate body of members past and present."

Admittedly, if we isolate the preceding text, we could conceivably presume that Professor Karve is continuing to use savings as synonymous with surplus, since he employs the expression "undistributed savings". However, we must

emphasise that he was in fact defending before Congress a resolution that contains no mention whatsoever of reserves. It would be difficult to understand his thesis concerning the reserves (we have only quoted a short extract) if he were not in his mind equating the savings with the reserves.

Finally, in his last statement on this point, Mr. Southern introduced a third interpretation; in his view, the reserves are non-monetary benefits: "The last point raised by Professor Lambert was as to surplus and reserves, and I think 'surplus' or 'savings' were words used deliberately by the Commission, as members can benefit not only out of surpluses but by non-profitable services, and again no one should benefit under cooperative auspices to the disadvantage of someone else. The savings in this context, I think, are operational savings and are not in the nature of reserves."

But let us forget this distinction and these confusions, and take a look at fundamentals.

It appears as a result of the Congress discussions that the International Cooperative Alliance has in no way decided that the societies' reserves should be distributed. On this point, the Alliance allows complete freedom of action to affiliated societies: they can decide themselves whether or not to distribute their reserves. But it remains to be seen if such freedom is really consistent with the spirit of Cooperation.

Before proceeding with any analysis, it is essential to distinguish once and for all between reserves and provisions. The reserves are constituted with a view to coping with any unforeseen difficulties, or else for self-financing of new investments. A provision is made in order to settle a specific debt, even though the possibility may arise that the precise

amount of this debt has not yet been determined: fiscal provisions, provisions for distribution of dividends to members, etc.

One possibility is that the members of a cooperative society may agree with their society that their dividends should not be distributed, because they wish to raise progressively the amount needed to increase the capital. This is notably the case with most of the Danish agricultural cooperatives. This is definitely a case of provision, and the practice under consideration is therefore perfectly legitimate.

In exceptional cases it may happen that even the distribution of reserves is legitimate practice. Supposing that a housing cooperative does not make any distribution of dividends at all in order to build up large reserves rapidly and that after some years the cooperative fails and goes into liquidation. In this particular case, the reserves would owe their existence entirely to the sacrifices made by the members and it is only fair that these should be repaid to them. The principle of indivisibility of reserves simply means that in a cooperative organisation no one should receive unearned benefits.

In this sense, the principle of the indivisibility of reserves is a very old one. It was proclaimed for the first time by Buchez, who first drew up the rules for workers' productive cooperative societies.² Furthermore, as I think I have already made clear in my book, this is

² P. Buchez, "Moyen d'améliorer la condition des salariés des villes", translated under the title "The Way to Ameliorate the Condition of the City Wage-Earners", in: Paul Lambert, *Studies in the Social Philosophy of Cooperation*, Manchester, Chicago (Ill.), Brussels, 1963, Appendix I, p. 285.

a Rochdale principle. Indeed, article 44 of the Rules adopted on 23rd October 1854 at the Pioneers' Assembly states: "On the dissolution of the society... the surplus (if any) of such property shall be applied by the trustees for the time being of the society to such charitable or public purposes as they think fit." ³ This is in fact a "disinterested" allocation of the net assets, which is a consequence of the indivisible nature of reserves. The same principle was declared by Raiffeisen for credit cooperatives.

Why is this principle an essential feature of Cooperation? The answer is, because in practically every case the reserves have been accumulated over a long period of time, thanks to the sacrifices of several generations of individual members. It is difficult to see how the present members could justifiably lay claim to these funds. It is furthermore a remarkable fact that this very principle was formerly included in the I.C.A. Rules. The text of the 1921 Rules contained the following article: "Article 8... b) The distribution of the surplus, apart from the limited interest on shares, either amongst the members in proportion to their purchases, or carried to collective reserve funds, or allocated to works of education and solidarity...". ⁴

I cannot see any valid reason why this article should not be reintroduced. Besides, Georges Fauquet, the great theoretician of Cooperation, has always advocated this principle with exceptional vigour. And there are a great

many cooperatives throughout the world that have incorporated in their rules a clause prohibiting the distribution of reserves. There are also many countries which have, at the specific request of cooperators there, incorporated the same prohibitory clause in their legislation on cooperatives.

The Legitimacy of Cooperatives Formed by Public Bodies

To many cooperators, the concept that Cooperation could be extended to the public sector is more difficult to accept. In actual fact, Professor Bernard Lavergne's ideas have hitherto only penetrated in French-speaking countries. On many occasions, I have been approached by cooperators from other countries and asked to explain the nature of a public cooperative.

I am, therefore, going to quote the example, as I did at the Vienna Congress, of the *Crédit communal de Belgique*. This was in fact the institution Lavergne was referring to when he wrote: "The day will come when the *Crédit communal de Belgique* will be just as famous as the Rochdale Society of Equitable Pioneers." The above-named organisation, whose function is to provide credit for local government authorities and for bodies set up by them, is controlled by a general assembly made up of the elected representatives of the member public bodies; it is therefore a democratic organisation. Part of the annual surplus is transferred to the reserve funds and part is distributed to member bodies in proportion to their transactions with the society. This is the cooperative principle of distribution. The Belgian communes and provinces are free to become members of the society; this constitutes voluntary and unrestricted membership. The State as

³ Paul Lambert, *op. cit.*, p. 299.

⁴ Arlette Schmatz, "Rochdale et les premiers Congrès de l'Alliance coopérative internationale", *Annales de l'Economie collective*, 1966, No. 3, p. 267.

such does not nominate administrators; its only representative is a Government commissioner empowered to use his veto against any decision that would be contrary to public interest. This is therefore a purely negative power which has in fact very rarely been used since the foundation of the *Crédit communal* in 1860, and in any case only in matters regarding staff status. The organisation is therefore autonomous. Finally, the *Crédit communal* has demonstrated by the impressive series of measures undertaken that it regards member education as a duty.

At first sight, it might be thought that to determine the voting strength by the number of shares is incompatible with the spirit of cooperation. But this right to vote bears little relation to the amount of share capital, and if we bear in mind the fact that the share capital subscribed by a member is in direct proportion to the loans received by that member, we can see a perfect parallel with the cooperative groupings of cooperatives (notably the wholesale societies), where the voting power of member societies is in direct proportion to the amount of their trading with the secondary cooperative society. Moreover, in a number of wholesale organisations, the voting strength of member societies is in proportion to the number of shares they own. This number cor-

responds roughly to the number of regular individual members of each society.

This question is of paramount importance. Indeed, if Cooperation does not penetrate into the public sector, the dream of a cooperative Republic or a cooperative Commonwealth will remain a dream. Besides, if Fauquet himself came to the final conclusion that cooperation constituted a sector of the economy, a sector which would probably extend but would definitely remain a sector, it was because he drew a distinct demarcation line between cooperation and public enterprise.⁵

As already explained with regard to *Crédit communal de Belgique*, public enterprises can be organised according to the fundamental principles of Cooperation. In order to achieve this, the only essential prerequisite is that the policymaking bodies of such enterprises should be made up of representatives of democratic associations.

If all cooperators throughout the world became aware of this possibility and this opportunity, public cooperatives would multiply everywhere and there would be nothing utopian in the first cooperators' concept that cooperation should flourish in the general context of the economy.

⁵ Paul Lambert, *op. cit.*, p. 250.

COOPERATIVE PRINCIPLES OR COOPERATIVE PRINCIPLE?

by Dr. C. Schumacher

THE recommendations and conclusions of the Commission on Co-operative Principles have been approved by the 23rd Congress of the I.C.A. with a large majority. On that occasion, Congress declared that "while there can be differences of opinion as to emphasis or degree, the (Commission's) report is a significant statement of cooperative principles in a modern setting". There is no doubt that the Commission has produced a document which is comprehensive as well as commendable. Nevertheless, one should be allowed to differ from the views expressed in the conclusions and recommendations, which is the subject-matter of this paper.

Throughout its work, the Commission has been guided by three main points, of which the most important is an unquestioned loyalty to cooperative traditions as laid down in the Principles of the Rochdale Pioneers. Secondly, the Commission endeavoured to give its observations the widest possible scope in order to embrace the whole range of cooperative forms and characteristics of our time. Thirdly, it is my belief that an attempt was made to avoid defining ideal obligations as far as possible in order not to make room for ideological differences. In this threefold sense, the conclusions and recommendations of the Commission are

an (inevitable) compromise of fundamental, pragmatic and realistic elements of modern cooperative structures. The approach of the Commission and the solutions it found are respectable, commendable and, as the meetings of the Congress have shown, on the whole undisputed. It is, however, doubtful whether the Commission's proposals are in fact a significant statement of Cooperation in a modern setting and whether they can lead to a progressive and creative force. These are the points which are the basis for our doubts.

First and foremost, there exists a doubt about the use of the word "principles". In whatever way the word "principle" is defined—whether we recall the original ideas of the philosophers, the axioms of mathematicians or the guiding principles of the "planners" of the most varied origins, whether we mean maxims, rules or methods of procedure, or, finally, whether we only claim for ourselves the right simply to define what we mean: it must always and in every case be something that is essential, general, characteristic, valid and binding. Bearing the afore-said in mind when examining the proposed recommendations, we must point out that, although couched in as general terms as possible, they do not always

express the essential. In particular, it seems to me that these recommendations fail to emphasise characteristics, namely, that which distinguishes and contrasts the cooperatives from other types of enterprises. This may have many reasons. In the course of time, a large number of enterprises of a different type had accepted some cooperative elements. On the other hand, a growing number of cooperatives proceeded, or were even forced to proceed, to adapt their working habits and methods to those of the rest of the economy. It can, therefore, be said that, in a certain sense, the differences in the past between cooperatives and other enterprises were striking, whereas today these are less sharp and contrasting. Nevertheless, it should even today be possible also to establish what is peculiar, characteristic and specific for our present-day cooperatives and—if it has to be—to enunciate it in the principles.

A further doubt relates to a far too superficial consideration of the present cooperative structures. Time does not permit a more detailed analysis of this question here. Otherwise it could be made clearer than is possible in this summary that various aspects of cooperatives have to be considered and reviewed. They have their origin in different spheres of life. They have, as it were, a managerial and economic, a legal and sociological, a cultural and intellectual origin. To clarify this, it must be said that these various elements cannot be visualised as a mere addition or a gradual development towards this result, but that the cooperatives from their inception were thus constituted and therefore developed organically and historically. In this sense, they are uniform structures even today.

Nevertheless, in view of the perplex-

ing diversity of this development, the question must be asked whether it is not possible to detect there the main thread running through all forms and activities of the cooperative societies and distinguishing them clearly from all other enterprises. It might be quite possible that, in a later stage of development, characteristics that were initially distinctive turned out to be transient, less fundamental or even changeable. In trying to clarify what is transient in cooperatives and what is subject to changes, the inalienable and irrevocable law of life of the cooperatives will emerge all the clearer in this endeavour.

Now, if we ask ourselves what has endured and proved worth while in the course of historical changes throughout time and space, across all kinds of cooperatives, detached from strategies and tactics, it is that which is expressed in the principle relating to the advancement of their members. This principle comprehends everything that might be essential, fundamental or cooperatively typical. It makes everything else look like a secondary aim, structural feature, strategy, guide-line or procedural rule, in short, like a means to an end. The principle relating to the advancement can be interpreted managerially (as fully explained particularly by Professor Henzler), economically, sociologically and also culturally (viz. educational obligation). It has been practised during all historical periods and is still valid today in all economic systems. The principle has been expressed in cooperative law, in statutes and regulations. It exists—consciously or unconsciously—as a regulating force in all parts and at all levels of the cooperative community. Finally, it also serves public opinion as a decisive criterion for reviewing the nature, task and achievement of a

cooperative.

In this sense, the principle for the members' advancement represents the inalienable law of life of the cooperatives. This is also apparent in a twofold way—directly and indirectly—in the total cooperative achievement.

First, every cooperative society must provide concrete evidence of economic advantages, which are exclusive, i.e., available only to members—whether it be a question of a financial advantage for the members according to the surplus achieved through common efforts or of cooperative joint ownership or whether it be some other special results or services — within or without the business framework.

Secondly, the principle relating to the members' advancement must be explicit indirectly at all levels of the cooperative activity (inwards and outwards): regarding production and sale of goods, pattern of the distributive network, forms of supply, service and advertising. But the advancement of members must also be the determining factor in building up the cooperative group and in developing the democratic organisation. Finally, it must also guide the

cooperative group at all decisive statements in public life and in dealings with the authorities of economy, press, science and State.

In other words: the principle relating to the members' advancement must, so to speak, rule the cooperative society. Thus it becomes evident in particular and/or in general. Ways and means, contents and form, priority and order may change in the course of time; the principle itself stands inalienable. Likewise it characterises and directs a cooperative. It is the yardstick for measuring worth and worthlessness. It is the constant in the eternal flux (*der ruhende Pol in der Erscheinungen Flucht*). It is the criterion for deciding whether something is or is not cooperative. Everything else in Cooperation may be subject to change, only this particular principle relating to the members' advancement is not. It can also be said inversely: wherever the work of a society is no longer subordinate to the principle relating to the members' advancement, cooperatives have ceased to exist. In short: there are no cooperative principles, but there is *one* cooperative principle.

A REVIEW OF THE ROCHDALE PRINCIPLES

by Sadao Nakabayashi

MANY cooperators will have welcomed the review of the Rochdale Principles at the 23rd Congress of the International Cooperative Alliance in Vienna and I should like to take this opportunity of paying my personal tribute to the work of the members of

the Commission on Cooperative Principles.

The conclusions and recommendations of the Commission and the discussion at the Congress will undoubtedly help to advance the future development of the cooperative movement.

When I returned to Japan, I re-read the report of the Commission over and over again and appreciated it more and more. It is the most impressive treatise on cooperation that I have ever read. An authoritative translation of the report is now being undertaken in Japan on behalf of the members of the consumers', agricultural and fishery cooperatives.

The Japanese Consumers' Cooperative Union held a conference in Tokyo from February 26th to 28th, 1967 to discuss the way in which cooperative principles were being applied in all parts of Japan. It was attended by about 130 active cooperators, including Professor Yoshino Honiden, an authority on cooperation, and other professors. It was also attended by buyers from consumers' cooperatives, by representatives of mutual benefit and insurance cooperatives and of workers' banks and by students and investigators.

Many questions were raised at this conference and among them the following are, perhaps, of particular significance.

All those attending the conference were deeply impressed by the profound points made about "membership" in the Report on Cooperative Principles and by the necessity of establishing the principle of "Open Membership" in order to promote the development of consumer cooperatives. I have myself often used the phrase "open membership" but it is only now that I realise its true meaning. The people at the conference reaffirmed their belief in the democratic control of cooperatives and the principle of one man, one vote — a basic human principle.

The conference also discussed whether trade unions should be allowed to become collective members of cooper-

atives. This was a topical question in view of the recent development in Japan of a democratic movement for the welfare of workers.

Collective trade union membership of cooperatives was supported on the ground that the leaders of the consumers' societies were workers. On the other side, it was said that collective trade union membership of cooperatives would conflict with the principle of "one man, one vote" and with that of open membership, and that attempts to provide for trade union membership of cooperatives had failed in the past.

I argued that instead of having trade unions as members of cooperatives, it would be better to organise small local groups of consumers to help build up the strength of consumers' societies and enable them to compete more effectively with the trusts and the combines. I declared that the most powerful weapon possessed by consumers' societies in the fight against the mammoth combines was the concentrated energy of individual members, and that to harness this, democratic methods were most important.

Many consumers' cooperative societies in Japan are becoming very profitable in spite of stiff competition from the big private retailers. The soundness of the "Report and Recommendations" of the Commission on Principles was thus appreciated, especially the principles "Limitation of Interest on Capital" and "Disposal of Surplus". Some of those at the conference thought that more emphasis might have been placed on the non-profit-making character of cooperatives.

However, the focus of the discussion on consumers' societies was on the decision to omit cash trading from the new statement of cooperative principles.

It is argued that in a highly developed economy it is not necessary for cooperative societies to maintain the principle of cash trading, but I think that the principle is indispensable, even today.

In Rochdale, in 1844, many workers were in debt as a result of buying on credit and the Pioneers insisted on the principle of cash trading.

In modern Japan, nearly everyone, except a few rich men, buys his requirements — motor-cars, refrigerators, TV sets, furniture, etc. — by easy payments, on terms laid down by the big manufacturers. This growth of consumer credit is a direct consequence of the need to sell the output of mass production factories, and it is said that "consumption is a virtue".

But the Pioneers' principle of cash trading was epoch-making and highly progressive, and where it has applied, it has helped to keep cooperators prosperous and free from debt. The principle is as important today as in the last century—or more important.

Another item not discussed in detail by the Commission on Principles, but which was one of the principles of the Rochdale Pioneers, is the question of quality and full measure. This is a very serious problem for the housewives of Japan. Many products which are freely available in private shops are positively harmful, such as poisonous detergents, toxic agricultural chemicals containing mercury, poisonous additives in food, for example, benzol peroxide used to bleach bread, poisonous paints on toys, low quality cosmetics, drugs, etc.

Milk is of a poor quality because the big companies take out the cream provided by the dairy farmer and substitute cheap vegetable oils which are very bad and sometimes fatal for babies and also harmful to adults. This is a big social

problem, and the development of plastic containers and vinyl bags has also led to problems. The plastic containers sometimes have an effect on the quality of the contents.

Cooperative societies are therefore now handling goods of high quality only and are winning a good reputation. Societies are working hard to improve the standing of "Co-op Goods", but some cooperators say that we should be tackling this problem even more seriously. Big companies seeking profits without regard to the interests of their customers are showing themselves indifferent to quality not only in Japan but throughout the world.

We should like the I.C.A. to examine this problem thoroughly as well as the principle of cash trading.

Finally, there is the question of the omission of "Political and Religious Neutrality" as well as "Cash Trading" from the new statement of principles. Some of the participants at our conference expressed the same kind of views as those I had put forward at the Vienna Congress.

We entirely agreed with the view of the Commission on Cooperative Principles that the word "neutrality" gives a passive impression. We thought that the word "Freedom" would do more to maintain members' interest in the movement.

The Commission's interpretation of the implications of "Open Membership" was surely sound, and it was right to link this with the principle of "Political and Religious Freedom". But our conference took the view that the maintenance of "Political and Religious Freedom" as a separate principle would have been more relevant to Japan's present complicated social condition.

The conference was deeply impressed

with the views of the Commission on cooperative education, but we are prohibited by law from undertaking propaganda campaigns to bring in new members.

Good public relations work is, however, very important for the development of a strong consumers' cooperative movement, and we keep on insisting that it would be lawful and proper for cooperative societies to undertake it.

In Japan, the permission of the Governor is necessary before a consumers' cooperative society can be established, and its trading area is restricted by local government boundaries. This restriction is quite absurd, but the discussion on cooperative principles at Vienna gave us a new confidence in our efforts to remove this improper barrier.

The new principle of cooperation between cooperatives was welcomed by the conference; it was recognised that such cooperation was essential to deal with the problems created by the growth of the big trusts and combines. We in Japan hope to increase the cooperation between agricultural, consumers' and fishery cooperatives in order to increase democratic participation in solving mutual problems and to reduce costs.

There is no way of competing effectively with the big monopolies except to work together even more closely. To develop cooperation between cooperators internationally, trading between cooperatives is very important.

The Japanese Consumers' Cooperative Union has been trading with foreign countries for ten years. I sincerely hope that cooperatives will be developing international trade with other cooperatives

rather than with private firms. I especially want to appeal to the cooperative societies of Europe, because the true purpose of cooperatives is to help the public to resist and defend themselves against the big monopolies.

A second conference was held on March 4th and 5th, organised by the Institute for Research and Cooperative Management, an agency of our Central Union of Agricultural Cooperatives. This conference was also attended by representatives of consumers', agricultural and fishery cooperatives, and it discussed the prospects of these different kinds of cooperatives working more closely together.

It also discussed the Report on Cooperative Principles, adopted at the I.C.A. Congress, and this made such an impact on Japanese cooperators that they had a major discussion on the fundamentals of cooperative organisation. In twenty years' experience in this field, I have never heard such a heated discussion of theoretical questions at a large conference. At the March conference, I was asked many questions about what had happened at the I.C.A. Congress and about the attitude I had adopted.

In conclusion, I should like to say how very much we value the Report and Resolution on Cooperative Principles, approved at the Vienna Congress, and that we expect cooperatives all over the world to join with the I.C.A. in promoting the development of cooperatives based on these principles, in resisting the power of the big monopolies and in bringing peace to the world.

COOPERATIVE PRINCIPLES

by **Stanley Dreyer,**

President, Cooperative League of the U.S.A.

FOR many decades, the Rochdale Principles have served the cooperative movement well as guide-posts to sound economic and social development. Any change in cooperative principles cannot be dealt with lightly. The developing nations of the world are looking to cooperative concepts as a fundamental tool in raising their economic and social well-being. It behoves the more economically developed cooperatives, therefore, which are in membership of the International Cooperative Alliance to contemplate seriously the implications of any changes in cooperative principles as they affect the majority of the world's people.

For cooperatives which have become highly developed, the report at the Vienna Congress on structural changes has as significant a message and far-reaching implications as does the concern with a change in cooperative principles, if not more so.

The I.C.A. Commission on Cooperative Principles fulfilled well its obligation to review these principles. The Commission members not only worked diligently but were assisted extensively by the numerous questionnaires returned to them by the cooperative movements around the world.

A basic concern in dealing with the concepts of the cooperative movement is to define when a cooperative is a co-

operative and when, by violations of one of the principles, it loses its eligibility to continue representing itself as a cooperative.

In the I.C.A. Report of 1937, the Committee determined that the observance of the following four principles qualifies an organisation to be called a cooperative: 1) Open membership; 2) democratic control; 3) distribution of the surplus to the members in proportion to their transactions; 4) limited interest on capital. These four fundamental principles have been retained by the recent Commission. Adherence of these principles is basic in determining when an institution is a cooperative and when it is not.

The following three principles in the 1937 Report were rightfully called "Practices": 1) Political and religious neutrality; 2) cash trading; and 3) promotion of education.

Recommended by the recent Commission as the first principle is "Membership of a cooperative society should be voluntary and available without artificial restriction or any social, political, racial or religious discrimination to all persons who can make use of its services and who are willing to accept the responsibilities of membership".

In its discussion, the Commission rightfully recognises the reality of having to limit the number of members

who might belong to a housing cooperative for example, which is limited in space. The Commission also refers to workers' cooperatives and indicates that there are limitations as to how many workers might rightfully seek employment for membership in such a society because of the society's limited capacity to employ all who might seek membership. The Commission, however, indicates that a citrus marketing society would not be acting in a full cooperative spirit if it closed its membership against applicants for membership who were citrus growers.

If the purpose of a cooperative is to provide benefits for its members, there appears to be no special logic in permitting workers' cooperatives to limit the number of employees eligible for membership and not permitting citrus growers to do the same. Farmers are producing for a market as are workers in a producers cooperative. Each cooperative has specific markets in which to utilise the productive results of its members' work. It would seem logical, from the work of the Commission, that the limited membership concept for the employment of workers in a producers' cooperative would also rationally apply to citrus growers in a cooperative which had a limited volume outlet. Moreover, the citrus growers may limit their membership on the basis of the quality of the member's product—this because standards of quality may be necessary to maintain the market.

The second principle recommended by the Commission is "Cooperative societies are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of

voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies, the administration should be conducted on a democratic basis in a suitable form."

The phrase "a democratic basis in a suitable form" is somewhat vague. It might be more meaningful if it were stated "a democratic basis in which the allocation of votes should take account of the numerical importance of each association and of the interests displayed by each one in the activities of the cooperative". Language similar to this, I understand, has been suggested by Prof. Paul Lambert of Belgium.

Principle No. 3 is basically unchanged from the previous principle of limited interest on capital.

Principle No. 4, dealing with the subject of doing business at cost, interjects several possibilities of distributing the savings or earnings of the cooperative which are not commonly used in the United States.

We generally distribute the earnings to member patrons (and at times to non-member patrons) in proportion to their transactions with the society. These are generally distributed partly in cash and partly in members' equity. The latter is allocated on the books of the cooperative and retained within the business for further development of the cooperative itself.

The above four principles I consider to be basic cooperative principles. It would seem that the first four principles, however, could be strengthened by changing the auxiliary verb from "should" to the word "shall".

The other two "principles" recommended by the Commission are perhaps more appropriately called "cooperative practices". These two recommendations

“continuous education” and “cooperation among cooperatives” are both necessary if cooperatives are to be dynamic and to move forward in the rapidly changing situations of the economically advanced nations. And they are basic also to developing strength in the sound growth of cooperatives in less economically developed countries of the world.

I am sorry to see specific omission of a former principle on political and religious neutrality. This principle truly should not, as some people advocate, restrict the efforts of cooperatives in defending their members' interests on economic and social issues. Lack of such political and religious neutrality will limit the scope of membership potential which a growing cooperative movement must necessarily have.

Returning now to a concern for the newly emerging cooperative movements, it is lamentable that the principle of cash trading which has served as a fundamental guide and valuable member

education aid in the developed cooperative movements is now put aside as not particularly useful. It is as fundamental a principle to cooperative success in the emerging cooperative movements as it was in the past history of today's successful movements.

This raises a very real question as to what fundamental guide-lines should be given to those requesting assistance in geographic areas where cooperative movements do not now exist, or which are newly emerging.

These cooperatives look to the International Cooperative Alliance for guidance and direction. The I.C.A. has a responsibility to bring to them the benefit of that experience which has helped create sound cooperatives in many of the economically developed countries. Modernisation of the Rochdale Principles should not omit this concern and responsibility. The practices to be followed may be just as important as are the principles necessary to develop viable economic, self-help institutions.

CRITICAL ANALYSIS OF THE REPORT OF THE I.C.A. COMMISSION ON COOPERATIVE PRINCIPLES 1963-1966

by **George Davidovic**,
Director of Research,
Cooperative Union of Canada

I

General Considerations

THE Report of the I.C.A. Commission on Cooperative Principles (1963-1966) is a thorough analysis of cooperative principles and their implications. It is fundamentally different from the Report on the "Present Application of the Rochdale Cooperative Principles", presented by the I.C.A. special committee to the 1937 International Cooperative Congress in Paris.

The 1937 Report was clearly based on an enquiry and hence was largely a statement of the actual situation at that time. It indicated whether and to what extent cooperative principles were applied in practice.

The Report prepared for the I.C.A. 1966 Congress has rather the character of an independent work and goes much deeper into the analysis of the problem. It is a scholarly work, expressing the views of the I.C.A. Commission and its recommendations as to what should be considered as cooperative principles.

Before its views and recommendations can be analysed, some general remarks seem necessary.

1. Unlike the 1937 Report, the 1966 Report does not insist on the Rochdale origin of the cooperative principles — and this is certainly to be regretted. The cooperative movement has penetrated into every corner of the world by the spirit of Rochdale. It has achieved success by applying the rules conceived by the Rochdale Pioneers, rules which for decades cooperatives all over the world have been calling "Rochdale principles". Discussing the cooperative principles without mention of the Rochdale Pioneers is similar to preaching Christianity without mentioning the name of Christ.

Actually, the 1966 Report does not insist on the term "cooperative principles" at all. It rather describes the particular features of "genuine and effective cooperative practices" and concludes by saying: "the following should continue to be considered as essential to genuine and effective cooperative practice both at the present time and in the future".

The attitude taken in the Report seems to suggest a breach with the past. In the course of its long history—or more precisely, since the International Congress in Hamburg in 1910—the I.C.A.

has strongly insisted on the application of cooperative principles; and only organisations respecting them could be accepted into I.C.A. membership.

The cooperative movement has always stuck to its principles, just as capitalist and socialist economies do—otherwise they lose their character and their essence. In the interest of cooperative development, the name of the Rochdale Pioneers needs to be kept high. In the eyes of millions of cooperatively-organised people in various parts of the world, it means the genesis of a programme, of an idea and a vision; it conveys a message and brings hope and self-confidence everywhere.

2. The principles formulated by the I.C.A. on the basis of the ideals and the methods of the Rochdale Pioneers make a strong impact on cooperative practice throughout the world. They influence the character and trends of the whole cooperative system; they find expression in the rules of various kinds of cooperative organisations and in cooperative legislation in different countries. For this reason, cooperative principles need to be clearly conceived and expressed in concise language. This is the way other economic systems do.

3. The Report says that the Commission has “considered that its primary task was to attempt to formulate those general principles which could and should be observed . . . in all social and economic systems”. But one wonders whether this is a correct approach. It would seem more logical to adapt the cooperative principles to cooperative needs and realities, not to different economic systems.

Up to now, cooperative principles have been applied to give a special character to cooperative organisations; to make sure that cooperatives are or-

ganisations of the people, by the people and for the people. To put it in other words, the principles were to characterise cooperatives as organisations owned by their members, controlled democratically by the members and serving them without profit. Hence, it was considered that under totalitarian regimes, where democracy and human liberties were suppressed on philosophical grounds, no true cooperative could exist, since cooperative principles could not be applied. Does the formulation of new principles now mean the end of this attitude?

There are different economic and social systems in the world: capitalistic, communistic, fascistic, feudalistic. Must cooperatives adapt their principles, their structure and their operation to all of them? If so, is that possible? Can true cooperatives continue to exist?

Not long ago, the application for I.C.A. membership from a cooperative organisation in Mozambique was rejected. The reason: this country is considered as a province of Portugal, where human liberties are not safeguarded. So also the application from Spain was rejected, although it was stressed that many Spanish cooperatives had kept a sound cooperative character. Is this policy to be continued now?

4. The Report constantly uses the term “capital”, but this term is misleading and is often avoided in cooperative circles. In some countries, it is not used in connection with cooperatives—and rightly so. Capital suggests an instrument for making profit; it means “wealth used for the production of more wealth”, as the dictionary says. But this concept does not properly apply to cooperatives.

In connection with the reformulation of cooperative principles, perhaps co-

operative terminology should be clarified at the same time, or perhaps the I.C.A. could appoint a special committee for this purpose. The term "capital" could easily be replaced by a more appropriate term and "shares" replaced by "certificates".

II

Analysis of the Report

The 1966 Report of the I.C.A. Commission on Cooperative Principles is largely a critical analysis of the principles established by the 1937 International Cooperative Congress, held in Paris. Starting from this analysis, the Report makes recommendations as to the basic features of cooperatives in the future. But the analysis and the recommendations do not seem to be fully consistent with each other; in some cases, the recommendations seem to be thoroughly acceptable, but not based on the preamble, and vice versa.

1. Membership

Following the list of principles established in 1937, the Report first analyses the problem of membership in cooperatives. It says that, in the past, it has been usual "to describe the principle of cooperative membership" by such words as "open" or "voluntary". But these terms, the Report insists, "do not bring out fully the characteristic features of the relationship between a cooperative institution and its individual constituents".

The Report points out quite rightly that "the individual should be free to join a cooperative and share its economic and social advantages on an equal footing with others... But he should not be coerced into joining..." and

should also be free to "withdraw from a cooperative...".

It is interesting, however, that the Report is ready to sacrifice the principle of freedom in the interest of "consideration of wider application and greater essential validity". In its view, "a government which is assisting a farmer to reclaim land on which he is to settle may not unreasonably impose membership of a supply or marketing cooperative". The reason: "A producer or group of producers may in effect sabotage the efforts of a voluntary cooperative to improve the marketing position and incomes of producers by refusing to join it and so giving a foothold to opposing, maybe reactionary, economic interests". Therefore, the Report insists, the "government may intervene with legislation compelling all producers to join a cooperative or... market their product through it".

It is difficult to accept this argument and its abandonment of the principles of freedom and voluntarism. No "saboteur" is worthy of sacrificing the cooperative principles; no "saboteur" is so important that the cooperative should capitulate before him. Rather he should be kept out of the cooperative. If he is driven into cooperative membership by force of law, if he is compelled to become a "cooperator", he will revenge by sabotaging from within. Compulsion and cooperation cannot go together. Compulsion is not a cooperative idea; it does not spring from democratic roots.

If people holding strongly opposing views are forced into the same cooperative against their will, the result will most likely be chaos rather than an instrument for economic progress. If, in a given situation, a cooperative simply cannot solve a problem, cannot overcome certain existing difficulties, there are other economic forms to use—private

business, public enterprise, marketing boards, etc.

In exceptional cases that the Report has in mind, the state may empower the cooperative to perform certain economic activities. Thereby the saboteur will be allowed to benefit from the services of the cooperative, but without becoming a member. In due course, his application for membership should even be rejected in order to avoid internal sabotage.

This seems all the more necessary, since the Report itself insists on the need of "internal harmony which might easily turn to discord... through the admission of bad characters, irresponsible individuals or trouble-makers".

There is another point that does not seem acceptable. The Report says: "persons or associations who desire to join, or to form, a cooperative for dealing in produce or labour other than their own or their own members, cannot be said to act in pursuance of the basic cooperative principle—that of association among persons, considered as human beings with equal status, for mutual service".

If this suggestion were strictly applied, it could have catastrophic results. It would exclude from the cooperative family all consumers' cooperatives, as they are all dealing both in produce and labour "other than their own and their own members".

Also, the view of the Report that open membership "in a very broad sense can and should be the universal practice of consumers' cooperatives, if only because every man, woman and child must consume to sustain life", is not easily accepted. If the staff of a factory forms a consumers' cooperative and does not accept members from outside, does it lose its cooperative charac-

ter? Or does the London Cooperative Society lose its cooperative character if it does not accept members from outside its territory?

The cooperative character of an organisation does not depend on the structure of its membership, nor on the field and the nature of its activity. It is a true cooperative if: (a) it is an association of persons who join together to improve their position, to achieve economic and social ends that they cannot achieve individually; and (b) if it fully respects the basic cooperative principles.

In its further analysis of the principle of voluntary membership, the Report points out: "From the Cooperative Movement's earliest days wise cooperative leadership realised that if a cooperative society was to maximise the economic power of its membership, actual and potential, it would be a mistake to exclude any person of goodwill on account of political opinions or activities, religious creed or lack of creed, race, colour or any other consideration not relevant to the economic and social purpose of the cooperative." And this is certainly a correct view. It is the confirmation of a worldwide practice, of what is known and respected nearly everywhere as the cooperative principle of political and religious neutrality.

In its recommendations in which the basic characteristics of cooperative organisations are formulated, the Report says the following about membership: "Membership of a cooperative society should be voluntary and available without artificial restriction or any social, political or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership."

If some reservations seem necessary in respect of views expressed by the Report in its analysis of cooperative membership, no objection can be made to this recommendation.

2. Democratic Administration

Under this heading, the Report analyses what was termed democratic control by the 1937 I.C.A. Congress. The word "control" would seem to be more appropriate because it evokes the idea of making decisions, a right that belongs to the owners. "Administration" rather suggests the idea of execution. Control is a right that belongs only to members, while administration may be carried out by employees who are not necessarily members.

In approaching the problem of administration, the Report states that "the primary and dominant purpose of a cooperative society is to promote the interest of its membership". Therefore, "those who administer its affairs and, in particular, conduct its day-to-day business must be chosen directly or indirectly by the members and enjoy their confidence". In due course, they might be dismissed and replaced. This is, the Report points out, what is meant by cooperative democracy.

The Report underlines a point of particular significance: "amongst all the documentation placed before the Commission there was not one serious challenge to the claim of democracy to be recognised as an essential element of cooperation." It also insists that all members of a cooperative "should have equal opportunities of participating in decisions", and "there is no way of ensuring this save by giving each member one vote and one vote only". This, the Report says, is a "corollary of the principle of voluntary membership". Hence,

there should be no exception to the rule "one member, one vote" in primary cooperative societies having individuals as their members.

But it is interesting that, in spite of this attitude, the Report is quite prepared to make concessions. The following quotation is characteristic: "if governments provide or guarantee large loans or take out large holdings of share capital they will insist on checking the use which is made of public money and on satisfying themselves that proper technical advice is being taken and due financial prudence exercised. Governments may, therefore, ask that its representatives shall sit on boards of management for a time . . . to make sure that the aid provided is being utilised in the way in which it was originally intended."

Further the Report says in connection with democratic administration: "There is no doubt in the minds of the Commission that democracy in the management of cooperative organisations necessarily implies autonomy in the sense of independence of external control, apart from the obvious obligation of cooperative societies to bow to the same general laws as all other business undertakings and accept the discipline imposed by the State or the planning authorities. In a fully developed cooperative unit the management must rest in the hands of the members and all decisions be taken by the cooperators themselves, with no external interferences. Autonomy is therefore a corollary of democracy."

In analysing the views expressed in the Report in connection with democratic administration, some remarks seem necessary:

1. The Report divides cooperatives into "fully developed cooperative units . . . with no external interference"

and hence those that are not fully developed cooperatives and, in the case of totalitarian regimes, never will. Are such organisations to be none the less treated as cooperatives? Will they be considered as qualified for full I.C.A. membership?

In the past, the I.C.A. had for this category of organisations the status of associate membership, until they acquired full cooperative stature. Is this practice to be abandoned?

2. The Report seems to consider as natural that, if governments "provide or guarantee large loans or take out large holdings of share capital", they may ask that their representatives sit on the board of management. But this suggestion is inconsistent with the very foundations of the cooperative system—it is in conflict with cooperative philosophy and for various reasons:

(a) If cooperatives are to keep their true character, government cannot become a shareholder in them. Members or shareholders of a cooperative must be people who would need and use its services. Government is not an individual, nor can it need the services of a cooperative. Hence it is not qualified to become a member or shareholder.

(b) If government intends to assist and help cooperatives financially, it can do this in a variety of ways. It may make grants to cooperative organisations; it may give them loans without or at low rates of interest; it may guarantee the payment of debts. By any of these means it can have a certain control over the cooperative based on a debtor-creditor relationship, as is quite common in the business world. But in no case should government become a shareholder or sit on the board of directors. If it does, it prevents the application of cooperative principles and destroys the self-help

foundations of the cooperative movement.

3. The idea expressed in the Report that cooperative societies are to "bow to the same laws as other business undertakings" is sensible enough. But what is meant by accepting "the discipline imposed by the State or the planning authorities"? Do not cooperatives lose their true identity when they become instruments of the state? Is it not obvious that, when cooperatives do not promote the interests of their members, they lose their true character, whether with or without the "discipline" imposed by planning authorities?

With these reservations, it is possible to accept the recommendation about democratic administration, which is formulated in the Report as follows: "Cooperative societies are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration should be conducted on a democratic basis in a suitable form."

3. Politics and Religion

The problem of politics and religion within the cooperative structure is analysed in the fifth section of Part II of the Report. It will be considered here immediately after "Democratic Administration" because the two topics are closely linked to each other and actually form one subject.

The Report is critical of what has commonly been called the "Cooperative Principle of Neutrality". It is particu-

larly critical of the formulation of this principle by the I.C.A. Report of 1937. But this criticism is hardly justified since the formulation by the 1937 Congress was based on actual practice and observance. Of all the 90 organisations reporting, no less than 84 "declared their adherence in principle and practice to neutrality in politics", as was pointed out in the Report.

This 1966 Report simply tries to ignore the facts of life in respect to neutrality. It considers it is due to the tendency of cooperative leaders to avoid "at all costs" the "treacherous ground" on which people "are bound sooner or later to disagree". It suggests it was this tendency that found expression in the formula "political and religious neutrality" agreed to by the I.C.A. Congress in 1937.

The present Report criticises the term "neutrality" also on the ground that it carried "overtones of passivity and indifference which did not harmonise with the facts or the practice of cooperative organisations". The Report further insists that the term neutrality "is today almost completely misleading and its use has been abandoned in favour of 'independence' by many cooperators".

It is rather difficult to understand the opposition expressed in the Report against the principle of neutrality, particularly as the Report itself says: "There should be no discrimination, either among applicants for membership or among actual members, on religious or political grounds... This leaves the member entirely free to whatever belief or opinion he chooses..."

The Report also insists that the cooperative "will not compromise its freedom to carry out its proper cooperative tasks through subservience to any political party or religious organisation

and will abstain from taking up attitudes on purely party-political or religious issues". But is this not neutrality? Not in the opinion of the Report, because "cooperation, as a movement with an economic doctrine of its own and representing well-defined economic interests, cannot avoid involvement in affairs of government, which... are in their nature political".

The methods used by cooperative organisations to influence the attitude of government may vary, says the Report. They may go "from private representations... and deputations to Ministers to lobbying in parliament, agitation among the public or alliances, temporary or permanent, with political parties".

The Report considers it is "consistent with the aims and spirit of the Cooperative Movement that its leaders and members will endeavour to act, in political as in other matters, so as to promote unity and reduce conflict". And it adds that "great world issues... individual freedom, equal citizenship and personal development are not questions on which cooperators can profess neutrality or indifference".

Towards the end of its considerations about politics and religion, the Report seems to come strongly in favour of neutrality by saying that the policy of the I.C.A. "illustrates the statement in its rules that cooperation 'is neutral ground on which people holding the most varied opinions and professing the most diverse creeds may meet and act in common.'" But soon the Report reiterates its opposition to the principle of neutrality by saying: "The Commission feels that it cannot follow the Report of 1937 in giving the same absolute authority to neutrality as a principle... There should be freedom at

all levels of the cooperative structure for the individual members, primary societies, secondary organisations and international institutions to take to political questions the attitudes which are necessary or most appropriate to their circumstances at any given time or place. This freedom includes independence of alliances or engagements . . .”

What is more interesting, the Report excludes altogether from its recommendations any mention about neutrality. Thus, neutrality is not to be considered as one of the essential features of genuine and effective cooperative practice, both at the present time and in the future as far as that can be foreseen.

These views about neutrality inevitably call for some comment:

1. The view that neutrality has “carried overtones of passivity and indifference” is not supported by the facts in the case. Neutrality has never meant passivity. Cooperators, cooperatives and their unions have always defended cooperative interests before authorities and before the public.

Even in problems that are clearly political though non-partisan, cooperatives often take an active part. The Swiss cooperative movement within the V.S.K. structure strongly insists on its neutrality, but it is firmly in favour of voting rights for women, though this is a highly political and controversial subject in Switzerland on which people are sharply divided. But the problem has no partisan overtones; people are not divided on the grounds of party or religious affiliation. So cooperatives can adopt their own attitude.

As for cooperators, they were never meant to be passive nor have they been passive. They have always belonged to different parties of their choice like other citizens. Moreover, true cooper-

ators are known to be active defendants of cooperative interests within their respective parties, thus representing a kind of inter-party grouping within different parties.

None the less the cooperative economy, like the capitalist economy, remains basically neutral in respect of party politics. Within the cooperative structure, as a rule, no discrimination is made on political or religious grounds. The atmosphere within cooperatives is nearly always one of neutrality. In practice, this means that people do not go into cooperatives to argue whose party is better, whose religion is better, whose race is superior. In entering the cooperative, as it is sometimes said, the members leave their political overcoat in the vestibule.

Neutrality also means that the cooperative does not serve any particular party. Where the cooperative movement is not neutral, the aim is generally to promote some political and religious grouping, not the reverse. The only notable exception is in Britain, where the Cooperative Party has no other aim but to serve the cooperative movement and defend the cooperative cause on the parliamentary scene. Hence it is wrong to use the example of Britain in opposing the principle of neutrality. The British Cooperative Party is the political arm of the cooperative movement; it depends on the cooperative movement and is not a political party in the ordinary sense.

But, of course, cooperatives can and often do enjoy the support of different friendly parties and take advantage of their services. In due course, the cooperatives can give them reciprocal support, one way or another—so do capitalist enterprises. But this does not represent a violation of the principle of

neutrality.

2. The assertion of the Report that neutrality has been abandoned does not correspond to the facts. Since the 1937 I.C.A. Congress and its formulation of cooperative principles, the trend has been the opposite way. Where political or religious influences existed in exceptional cases, they have almost entirely disappeared.

The Report itself defends neutrality when it insists that "there should be no discrimination . . . on religious and political grounds", and when it says that, according to the I.C.A. policy and rules, cooperation "is neutral ground on which people . . . meet and act in common".

The insistence of the Report on the need of "permanent alliances with political parties" does not correspond to realities. In how many countries can such "permanent alliances" be found? Where they exist or once existed, cooperative performance has not been the most spectacular.

3. The Report stresses the validity of the principle of neutrality in another way when it says that the cooperative society "will not compromise its freedom to carry out its proper cooperative tasks through subservience to any political party or religious organisation and will abstain from taking up attitudes on purely party-political or religious issues".

This view is consistent with the attitude of the I.C.A. Central Committee in Paris in 1949 and in Helsinki in 1950, expressed in the following terms: "Cooperative organisations must be completely free and independent and must be able to take up a position in respect of all problems affecting their own interest and the general interest independently of the state and public authorities as well as private organisations (political parties). In countries where there is no

freedom of association and differing opinions are not permitted, there can be no free and independent cooperation."

This attitude is the true essence of cooperative neutrality. It clearly indicates that cooperative neutrality has a positive influence, not a passive, as the Report suggests. Indeed, cooperatives become passive when they have their hands tied up on the ground of "permanent alliances" and become the prisoners of a party or a religious organisation. The principle of neutrality must certainly be given its rightful place, one way or another, in the formulation of cooperative principles.

4. The Report is right when it insists on independence, but independence does not necessarily replace neutrality. Independence and neutrality are two distinct features and have two different meanings within the cooperative movement.

Independence means that a cooperative organisation can defend its interests or take positions on fundamental questions, economic, social or political, without being limited by a party or religious organisation. Neutrality is different. It means that anyone may have access to membership in the cooperative, irrespective of politics, religion, nationality, colour, race, class, etc. This has been accepted by the Report and expressed in its recommendation in respect of membership. But this is not all. Neutrality has another important aspect, which is not stated in the recommendations. It means that all people admitted into membership have equal status, have the same voting rights, can elect and be elected. The principle of neutrality is therefore violated when only members of the ruling party can be elected to the presidency.

It is not enough that every member

has one vote only. Every member must also have the right to rise to positions of responsibility within the cooperative. Otherwise neutrality is not observed and cooperative democracy is violated.

5. The Report is right in insisting on the admission of all applicants to membership without discrimination, but this is not of primary significance. A cooperative principle is not broken if people going to the same church or belonging to the same ethnic group form their own credit union; nor does it suffer if people who have a natural inclination to live together in one locality form their own cooperative housing community. But the cooperative spirit suffers and the principle of neutrality is violated when equal voting rights are denied or when decisions are made on the ground of instructions received from some religious authority or from the secretary of a political party, no matter which one it might be.

To be a living reality, cooperative democracy must be based on both neutrality and independence. Otherwise, democracy becomes an illusion.

4. Interest on Capital

The views expressed in the Report in connection with limited interest on "capital" are fully acceptable. On the whole, the Report agrees with the principle formulated by the 1937 I.C.A. Congress and makes the following recommendation:

"Share capital should only receive a strictly limited rate of interest, if any."

That the term capital is not appropriate, has already been mentioned. It should be replaced by a more appropriate term. A similar change is needed in respect of "shares".

5. Disposal of Surplus (Savings)

Limited interest and what the Report calls "disposal of surplus (savings)" are obviously closely linked. Together they form the most important element in the cooperative economy, indeed the most important principle, dominating all others. Without their proper application, the cooperative loses its character and its essence. Together they make a cooperative what it is: an enterprise of service, not of profit; together they form the most basic cooperative principle: the principles of service, as distinct from the principle of profit.

The Report insists that the "economic benefits conferred by cooperative societies on their members are of various kinds and become available according to circumstances in a variety of ways. They may take the form of money, goods or services." And it is, of course, right when it says that cooperatives "devote a portion of their net surplus or savings to the provision of services for the common enjoyment of their members as being more useful to them than the equivalent in cash". Hence, the principle of refund in proportion to operations, the "dividend" as it is popularly called, does not need to be applied.

It cannot be denied, however, that it is by the application of the Rochdale principle of distribution of surplus in proportion to patronage that the cooperative movement has achieved its tremendous success in the world. And even today, it remains the commonest form of dividing the surplus in both consumers and producers cooperatives. It would be wrong, therefore, to try to minimise its significance, as the Report does.

The Report is right, of course, when it says that cooperative societies "face the reactions of their competitors..."

This reaction takes the obvious forms of discounts, rebates, premiums, etc. which, if they represent cash or its equivalent, may appear more advantageous than a dividend for which the member must wait until the year's or half-year's end."

But is it not true that, while giving all these "advantageous" benefits, capitalist enterprises still make a profit? Hence, under the same conditions, co-operatives will still have a surplus to be divided among members in proportion to patronage.

It is quite another matter, of course, that the surplus realised by co-operatives can be used for subscription of shares, or for the "family saving system". The division still will be on the basis of the Rochdale Principles: in proportion to business done through the cooperative. But if the members wish, the entire surplus can be put into indivisible reserves, as is done by Raiffeisen-type co-operatives.

The views of the Report are expressed in its recommendations in the following terms: "Surplus or savings, if any, arising out of the operations of a society belong to the members of that society and should be distributed in such a manner as would avoid one member gaining at the expense of others."

"This may be done by decision of members as follows:

- (a) By provision for development of the business of the cooperative;
- (b) By provision for common services; or,
- (c) By distribution among the members in proportion to their transactions with the society."

On the whole, these suggestions are acceptable and can be supported. But it must be emphasised again that the distribution of surplus or its use for the benefit of members in some other way,

and limited interest on shares are actually two expressions of the same principle. They are both applied to prevent the cooperative from becoming a profit-making enterprise; they are both applied to safeguard the character of the cooperative as an enterprise of service to members. Hence, the logical solution would be to unite these two under the common title: "The principle of service without profit."

But there would still remain the problem of the surplus from non-member business. Normally, this surplus is or should be allocated to the indivisible reserves, to the extent that it is not given to non-members. This practice would be in harmony with the spirit of Rochdale.

6. Business Practices

Under this title, the Report analyses what was called the principle of cash trading by the 1937 I.C.A. Congress. The Report does not consider that cash trading is an essential feature of cooperative organisations. Nor does it mention it in the recommendations.

The view of the Report is based on present-day practice. Cash trading cannot be considered a principle as it cannot have universal application; it cannot have validity in all forms of co-operatives.

Generally speaking, the application of the principle of cash trading is limited to consumers' co-operatives. But even here it does not have general application. Some highly successful consumers' cooperative movements, like those, say, of Sweden and Finland, have remained faithful to cash trading. But many organisations have abandoned it.

Whether this Rochdale principle still has significance or not, should be decided by consumer co-operatives them-

selves. It cannot be regarded as a basic principle applying to all types of co-operatives.

It would be useful if special guidelines applicable to, and needed by, particular forms of co-operatives were considered and in due course formulated by I.C.A. specialised committees, e.g. consumers, agricultural, insurance, housing and others.

7. Education

Under this heading, the Report comes out strongly in favour of education. Its logic and its argumentation are convincing and certainly deserve to be supported.

The Report insists that the Commission has "no hesitation in accepting education as a principle of cooperation—as the principle, in fact, which makes possible the effective observance and application of the rest".

The views of the Report in respect to cooperative education are summarised in the recommendations in the following terms: "All cooperative societies should make provision for the education of their members, officers and employees and of the general public, in the principles and techniques of cooperation, both economic and democratic."

8. A New Principle

At the end of its recommendations, the Report says: "To these (recommendations) we have thought it important to add a principle of growth by mutual cooperation among co-operatives." Hence, the Report makes the following recommendation: "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 co-operatives at local, national and inter-

national levels."

Formulated as it is, this "Principle of growth by mutual cooperation among co-operatives" does not seem to make much practical sense. It may give the impression of an idealistic approach without sound foundations. But in fact it has profound and far-reaching significance. It is actually an expression of what is known in cooperative theory and is widely respected in cooperative practice as the principle of solidarity.

The principle of solidarity has two forms of expression: in the present and future, in space and time. Its present or horizontal expression, its expression in space, takes the form of cooperative committees, unions, wholesales, leagues, federations or alliances, at local, national and international levels. These organisations are concentrations of cooperative strength; they are an expression of unity of purpose among organisations based on solidarity and on the same principles.

This union of forces is considered so important that, in some cases, membership of co-operatives in central bodies is made compulsory by law. Such is the case particularly when central organisations are responsible for auditing of co-operatives.

Following the principle of freedom and of voluntarism, nobody can be forced into cooperative membership. But once a cooperative becomes a reality, it must be aware of its responsibilities. One of them is to carry the principle of solidarity further, by joining forces with other co-operatives. This is a rule that co-operatives generally follow everywhere. Exceptions are rare.

Those co-operatives that do not follow the rule of solidarity are sometimes known as "wild" co-operatives. Going their lonely way without links with the

cooperative family, wild cooperatives are actually a kind of parasite. They benefit from the activities of central bodies and united cooperative efforts without making any contribution. Moreover, wild cooperatives often disregard general cooperative interests, violate cooperative ethics, and behave in an irresponsible manner. Their performance is often detrimental to cooperative interests. No true cooperative can remain outside the family of cooperatives.

As for cooperative solidarity in time, it is expressed in the form of indivisible reserves: the present generation of co-operators create reserves that will benefit future generations. As Charles Gide pointed out, cooperative reserves are the opposite of public debt: governments create debts to serve the present generation but to be paid by the future generations, while cooperative reserves are resources created by the present generation to benefit the future.

III

Suggestions for Cooperative Principles

On the ground of the analysis of the Report of the I.C.A. Commission on Cooperative Principles, the following suggestions can be made for the formulation of basic cooperative principles:

1. *Principle of voluntarism*, i.e. possibility for everyone to join, with equal rights and responsibilities; cooperative membership without artificial discrimination on social, political, religious, racial and other grounds.

2. *Principle of democratic control* based on: (a) one member, one vote; (b) equality of all members as to voting rights, right to elect and be elected irrespective of party, religious, racial and other conditions; (c) independence from interference in *cooperative affairs* on the part of religious organisations, political parties, government and public authorities.

3. *Principle of service without profit* based on the following rules: (a) limited interest or no interest on shares; (b) distribution of surplus among members in proportion to their patronage; or (c) allocation of the surplus for development of the business of the cooperative; or (d) for the organisation of common services for the members; and (e) allocation of the surplus from non-members, if any, to indivisible reserves.

4. *Principle of education*, i.e. responsibility for every cooperative to make provision for organising adequate educational work in the interest of the cooperative and its membership.

5. *Principle of solidarity* based on: (a) the joining of cooperative forces at local, national and international levels in the form of committees, wholesales, unions and similar organisations; (b) formation of indivisible reserves, to which will be allocated the surplus arising from non-member business, to the extent that it is not returned to non-members.

The national or regional organisations which respect and observe these principles should be entitled to I.C.A. membership.

NEW COOPERATIVE PRINCIPLES

by Bohdan Trampczynski

THE Rochdale cooperative principles worked out by the first consumer cooperators and later formulated and confirmed by the Congress of the International Cooperative Alliance in Paris were a synthesis of the social and economic experience of the initial period of developing the consumer cooperative movement, the principles being — at the same time—a product of defined economic, political and social relations.

Since that time, great political and social transformations have taken place all over the world involving a considerable evolution of the cooperative movement as such. The whole world has been faced with the second industrial revolution concerned with the development of automation accompanied by a considerable concentration of industrial, banking and trade capitals. Numerous countries entered the path of socialist development and completely changed their social and economic pattern and conditions. Lastly, a large group of Asian, African and South American countries entered a very difficult path to surmount their undeserved backwardness and that of a rapid economic development. In those countries, the cooperative movement contributes to a considerable advance of their development. In this situation, the role of cooperative organisations is not only to protect group interests, but also to combine group interests with the general

social interest. In other words, cooperative societies should be concerned with the fulfilment of nation-wide tasks for the benefit of progress in their respective countries.

As a result, cooperative societies today perform different functions from those of the first cooperative societies organised according to the Rochdale principles.

It is not only the social and economic relations that have changed. It is also the conditions in the cooperative movement itself. There are new types of cooperative societies headed by agricultural, credit, workers' productive (i.e. industrial and servicing) and housing ones.

In view of the changed conditions, it was necessary to find the extent to which the Rochdale principles as formulated by the Paris Congress of the International Cooperative Alliance were observed in the world and the extent to which they were suitable to fulfil the tasks of the cooperative movement in different countries and in different spheres of activities.

Quite a number of strictures upon the current usefulness of some of the cooperative principles were put forward both by cooperative activists in socialist countries and by numerous theoreticians of the cooperative movement in Western Europe.

A Special Committee of the Interna-

tional Cooperative Alliance, appointed in accordance with the recommendations of the Congress held in 1963 and those of the Central Committee that met at the Belgrade Session in October 1964, thoroughly studied the extent of usefulness and present interests of the Rochdale principles in the light of current practices of cooperative organisations throughout the world.

In studying the Committee's report, it is found that the analysis is very deep and that numerous comments and statements are accurate to a great extent. It should be added that a big step forward was made as regards the Committee's proposals concerning its new formulations of cooperative principles. It was, therefore, a good move that the 23rd Congress of the International Cooperative Alliance did approve new principles based on those proposals. In appreciating the fact that the new formulations were that step forward compared with the highly out-of-date formulations of the Rochdale principles, our votes were cast not to postpone their final approval but to adopt the proposals recommended by the Committee as an indissoluble whole. We were of the opinion that a considerable gap would be faced in case the matter were to be open for several years until one of the next Congresses. It was evident that either some principles would continue to be infringed or skirted, or they would simply be interpreted liberally. But the fact that the new principles were approved should not close a further debate. Each wording of the principles in force will be a function of current tasks of cooperative organisations, which tasks, in turn, will be a product of defined economic, political and social relations.

Fully appreciating the historical

merit of the Rochdale principles as formulated by the I.C.A. Congress in Paris and also appreciating the significance of the new formulations adopted by the 23rd I.C.A. Congress in Vienna as a generalisation of practice and experience of the new historical stage of cooperative organisations throughout the world, the question should be asked whether cooperative principles are to be restricted to summing up the current practice or whether "they should also contain, even within an elementary scope, ideological postulates to meet the basic social and economic transformations of contemporary societies. In this way, the principles would be not only some rules of a rational cooperative practice, but would also contain some elements of a social programme that can and ought to be adopted by all cooperative organisations."¹

Numerous historians are of the opinion that the Rochdale Founders created an "original synthesis" when formulating their principles that did meet their contemporary conditions and purposes for which the consumer cooperative movement was to serve. The recently formulated cooperative principles are a considerable advancement compared with those that were in force before, but they do not go beyond the generalisation of current practices and they are not a synthesis that would answer the deep changes in social, political and economic relations. The new principles are short of the thoughts that express the integration of those democratic forces that continue their struggle in all countries to fulfil deeply

¹ Leon Marszałek: "Zasady Spółdzielcze" (Cooperative Principles), published in the "Trybuna Spółdzielcza" (Cooperative Tribune), No. 10, 1965.

humanitarian social ideals.

It is right and just that the body of principles includes a formulation to the effect that all cooperative organisations ought to collaborate with each other in any possible form on a local, national and international scale in order to meet the needs of their members and committees in a better way.

According to the Committee's report, a common element for any cooperative society at all stages was the fact that, independent of its activities to meet its members' demands, it endeavoured, within its scope of possibilities, to reach an aim being beyond the interests of its members. The aim was simply to support social progress. That aim makes any cooperative society different from a private enterprise and causes that the appraisal of the cooperative's activities should be made not only according to its economic results but also from the viewpoint of its social functions, particularly those of socio-educational character.

From this angle, the duty of active collaboration should be extended to all the organisations that struggle for social progress, particularly to trade unions. As a result, public opinion in various countries would be influenced to a greater extent than heretofore.

Apart from the problem of preserving the basic characteristics of cooperative societies, there is the problem of securing their continual development.

The formulation of the principle of distributing net surpluses and savings does not sufficiently emphasise the importance of this question.

It seems that emphasis should be laid upon the significance of indivisible reserve funds as a decisive factor for the development of any cooperative society. In their character, the reserve funds—

far as their distribution is concerned—should be considered as social funds in a given case.

Professor P. Lambert did suggest that the catalogue of the Rochdale principles should be extended, *inter alia*, by including the principle that the property of any cooperative society to be wound up should be earmarked for social purposes.

This principle is observed by all Polish cooperative organisations and is sanctioned by the respective regulations of the Polish Law on Cooperative Societies and their Unions. The inclusion of the principle concerning the necessity to increase social funds could, in some cases, be an incentive to dissolve cooperative societies if there were no principle regarding the property of cooperative societies in liquidation.

The fact that some funds of cooperative societies are indivisible is one of the elements that bind members to their cooperative societies. It is a very important point in some types of cooperative societies, e.g. in workers' productive societies.

It is a fact that the obligatory duty to increase indivisible social funds makes it possible for cooperative societies to develop steadily and continuously.

In wording new cooperative principles, it was agreed to arrange for any formulation to be brief, general and concerned with all types of cooperative societies. Such an attitude is definitely right, as the social essence of all cooperative societies is the same, *viz.*, common self-aid and the organisation of collective resourcefulness in the form of a democratic self-government.

The Committee's report deals, to a large extent, with the specific nature of various types of cooperative societies and contains a number of correct conclusions

as a result of that specific nature, but this is not always followed by the wording of the new principles. Despite the fact that the problems concerning different types of cooperative societies are developed to a substantial extent, the language of the new formulations seems to be closely connected with the specific problems of the consumer cooperative movement.

If the formulations of these new principles are considered together with the statements of the report and the explanations made during the discussion at the Vienna Congress, then an answer to arising doubts may be found. But with the passage of time only the newly formulated principles will remain.

To quote just as an example, membership in worker's productive and housing cooperative societies is dependent upon economic possibilities of the cooperative societies concerned. In housing cooperative societies, membership is dependent upon the possibility of the number of flats available. In workers' productive societies, membership depends upon the possibility of securing work (i.e. employment) and upon the vocational qualifications of any candidate for membership. No doubt, a very extensive interpretation is necessary not to fall into collision with the principle that membership in a cooperative society ought to be free and available without any artificial restrictions.

In workers' productive societies, there are no transactions of members with their cooperative society, for there is only a labour relationship on the part

of employed members. The formulation to the effect that the distribution of surpluses or savings among members should be arranged proportionally to the members' business with their cooperative society does not take into consideration the most essential point of the workers' productive society, since it seems rather difficult to call any labour relationship a business transaction. At this point, a more liberal interpretation could be adopted, but, at the same time, one could have reservations and could question the compatibility of the practices of workers' productive societies with the new cooperative principles.

For example, there could be a formulation to the effect that the distribution of surpluses among members should be arranged according to another method for settling payments applicable to any cooperative society and its members, i.e., proportionally to the members' share in the economic activities of the cooperative society. This would make an allowance for the specific character of all types of cooperative societies.

The problems raised here do not belittle the evaluation of the work of determining the new principles, which constitute a considerable progress compared to the old ones that had become out of date to a large extent and were formulated in a non-precise way.

By no means do the present reflections signify a withdrawal of our approval of the new principles. They are only a continuation of the debate on the subject, so important—it seems—for the cooperative movement all over the world.

BOOK REVIEW

Cooperative Principles and the Modern World

Cooperative College Papers No. 13, June 1967, published by the Education Department, Cooperative Union Ltd., Stanford Hall, Loughborough, England. 104pp. Price: 2s, 6d. English only.

(This Review under the sub-title "A Tribute to Arnold Bonner" is a reprint from the "Cooperative Review", 12 August 1967.)

No memorial could be a more fitting tribute to Arnold Bonner than the symposium of essays *Cooperative Principles in the Modern World*. This publication will become necessary reading for all serious students of the Cooperative Movement. Arnold Bonner played a notable part in expounding the principles of Cooperation both as a tutor at the Cooperative College and as the author of the standard work *British Cooperation*. He had personal links with Rochdale and a deep personal involvement in the teachings of the "Pioneers"; to him, however, what was of value was to be found not in the documents at the Toad Lane Museum or in the library at Holyoake House but in the living tissue of the world-wide Cooperative Movement. His intellectual commitment to Cooperation was accompanied by a warm love of his fellows and a personal concern for those who came his way as students or as colleagues.

Not a James Bond

The International Cooperative Alliance has on several occasions attempted to define the principles which hold together its own highly varied assortment of cooperative organisations operating, ostensibly, to serve different purposes or even conflicting aims. On the whole, these principles have been influenced by the Rochdale conception of Cooperation, although other forms of Cooperation have been recognised both by the Alliance and by cooperative historians. For many cooperative officials, the rule book of their own society and of other organisations to which it is allied tells them all they need to

know of the highways and byways of Cooperation. To be caught reading a work on the principles of Cooperation would be as embarrassing to them as to be caught reading a James Bond novel at a board meeting!

Issues Raised

Others there are who welcomed the decision of the I.C.A. Congress in 1963 to approve the appointment of a Commission to study and restate cooperative principles and to consider their relevance to the modern world. Are all or any of the cooperative principles of no further use to a Movement heavily pressed both by the forces of competitive capitalism and by seemingly more powerful and practical ways of attaining the conventional ends of the Cooperative Movement? If, for example, the Movement were less "slavishly" committed to the democratic system of control, would its decisions be more often right than they are now? Ought the Movement to worry its head about voluntary membership if obligatory membership, in certain types of society, would produce better and quicker economic results? How much Government financial aid, if any at all, can safely be accepted by infant cooperative societies in developing countries? These are a few of the questions which had to be taken into account by the members of the Commission, of which Arnold Bonner was the British representative. Before the Commission Report was approved by the 1966 I.C.A. Congress, Arnold Bonner had died. Had he lived, he and others would now be following up some of the issues raised in the Report, for a number of the essays in this splendid College Paper are consequential. What indeed are cooperative principles? Is the answer to this question to be found in the several Alliance declarations?

A Critical Approach

Margaret Digby contributes a perceptive essay in the series and points out that the principles listed in 1937 are subtly different from those of the 1966 Report. She says: "In 1937 they were listed as Open Membership; Democratic Control; Dividend on Purchase; Limited Interest on Capital; Political and Religious Neutrality; Cash Trading; Promotion of Education. By 1966 the list had become Membership; Democratic Administration; Interest on Capital;

Disposal of Surplus (savings); Politics and Religion; Business Practices; Education. In each case, except perhaps No. 2, the 1937 headings presuppose a principle, while the 1966 headings merely state a topic. . . . The Report of the 1966 Commission is long and complex. It raises problems undreamt of by the Rochdale Pioneers and has obviously aimed at accommodating theories and practices which had "barely emerged even in 1937."

Margaret Digby is right. What had happened was not just a passage of time, an ageing of the institutions of Cooperation, but a series of social and political revolutions on a world scale. Cooperation in what were once called "the undeveloped territories" was no longer an imposed foreign system; it was an alternative to rigid centralised and detailed economic planning by inexperienced native administrations.

Delegated Functions

In Communist countries the Cooperative Movement had been recreated as an institution carrying out State-delegated functions. The conceptions of freedom, which had hitherto governed the Cooperative Movement, no longer applied in the Communist countries. And in the Western world, capitalism had taken a leap forward in just those sectors in which the cooperative societies had operated successfully. On the other hand governments had increasingly become a conspicuous instrument of economic change, and planning. None of them had accepted this role because of a prior commitment to cooperative ideals. Add to this the drive towards State welfarism and one has a fair picture of the new environment of the Cooperative Movement. Surely its appeal and its methods had to change. Could the aims, purposes and principles of the Cooperative Movement survive in the new environment? These questions are taken up by a number of the contributors in the new College Paper.

Professor G. Y. Blank, head of the Economics Department at the Moscow Central Cooperative Institute puts forward the orthodox Communist view in his essay. As he sees it:

"The problems of the Cooperative Movement are most closely connected with the division of human society into classes and the socio-economic order of the existing States."

Many problems, of course, are so connected, but the relation between cooperative societies and the government of Communist States is not explained by this formula. It is the State itself, not the Cooperative Movement, which decides what place the cooperative societies shall occupy in the economy of the country and where it shall serve. Once the class struggle phase has been passed, are the cooperative societies to continue to function? Is there an inherent "right" to consider, or is it entirely a matter of expediency? Does the cooperative view in such a

State depend entirely on the current interpretation of Communist theory, or is there some ideological directive inherent in the philosophy of Cooperation?

Fred Abbotts obtains from his studies of cooperative history and ideas sufficient justification for his belief in the principles of the Cooperative Movement. He recognises in his essay the weakness of democracy. Reforms at the top, or transfers of authority from the bottom to the top of the Movement, will not, he thinks, remedy the weaknesses. "Have we forgotten", he asks, "that the Movement is the members'—right from the bottom".

This, in a practical sense, is the basis of cooperative democracy—the Movement is owned by its members. So long as they are free to leave, it can, in the long run, decide how it is to be governed and what it is to be. This democracy is not an addition, an expendable article of furniture in the cooperative household—it is part of our cooperative nature, as vital as blood is to the living body.

W. P. Watkins, as might have been expected, has a most penetrating essay on "The Nature of Cooperative Principles." This should be read in conjunction with an essay by Professor Henzler "Are the Cooperative Principles Still Valid?" The reader is not likely to swallow both at one sitting, and he might find one or the other not to his taste. Professor Henzler puts forward as *the* governing and abiding cooperative principle one which might apply equally to a thousand and one institutions—from the society for the preservation of otter-hunting to one for the maintenance of high prices for pickled cucumbers. He makes a number of interesting distinctions between structural principles and what he calls functional principles. But superior to them all is the promotional principle—that the cooperative shall promote the members' good. And what is the members' good, and who is to decide this? Professor Henzler's principle does not get us very far, since so many of our disputes are about what is bad and what is good. His essay, able and interesting as it is, gives us the go-ahead to close many doors now open and to open one leading to a whole avenue of sparkling good intentions. What it has in common with Mr. Watkins' essay is that it is a provocative and searching analysis which recognises a distinction between what is cooperative principle and what is cooperative practice and method. Mr. Watkins' essay is one of his best works.

Howard A. Cowden's enthusiastic welcome for cooperation among cooperatives is what one would have expected from one who has done so much to promote Cooperation in the petroleum industry. He cannot conceal the disappointment he still feels over his reception by the British Movement, which preferred apparently to deal with the bigger boys in the game.

There is a fine plea for cooperative education in the essay by Dr. D. G. Karve, the Chairman of the Commission. He comments:

"While education in its broadest sense helps to create an opportunity, and training advances the efficiency of cooperative personnel, the fullest realisation of the advantages which potentially are open to cooperators in competition with other systems of organisation would depend largely on the scale and integration of their operations."

Professor Sidney Pollard puts convincingly his view of the relevance of cooperative principles to the modern world. In an inspiring essay, this social and economic historian, without hiding warts, gives reasons for his faith in the future of Cooperation. Joseph Ologe, now Principal of the Cooperative Training Centre of Northern Nigeria, and B. J. Youngjohns,

both of whom are familiar with the problem of applying cooperative ideas to a developing country contribute two realistic essays. Whilst Mr. Ologe warmly supports State assistance in the promotion of Cooperation in developing countries, Mr Youngjohns points to the dangers of government patronage and of reliance upon outside support. He warns against over-ambitious schemes which result in frequent failures and argues that the Rochdale way, though less pretentious, offers the best chance of vindicating the sound principles of self-help and mutual aid.

Arnold Bonner would have been well pleased with the latest of the College papers which is not only a well deserved salute to a distinguished cooperator but is a timely and worthy project—amongst the best yet.

Sir Jack Bailey

COOPERATIVE STATISTICS 1966

Detailed statistics of all British cooperative societies, showing membership; capital and other liabilities; stock-in-trade and other assets; number of employees, their salaries and wages; sales; average rate of dividend, and other particulars.

Price 12s. 6d., by post 13s.

from the

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



“SPOLEM”

UNION OF CONSUMERS’ CO-OPERATIVE SOCIETIES

was founded in 1908 as an association of consumers’ cooperatives. Today 261 urban cooperatives with a membership of 2,500,000 are affiliated to “SPOLEM”. Their retail trade turnover in 1966 reached the figure of 63,000 million zlotys and the value of their production exceeded 13,000 million zlotys.

The societies own —

- 22,000 retail shops
- 110 department stores
- 2,400 catering establishments
- 2,400 productive undertakings, such as bakeries, meat processing plants and others.

“SPOLEM” itself manufactures in its 15 factories —

sugar confectionery, flour confectionery, canned meats, macaroni, soap, candles, and shop fittings for self-service-shops.

“SPOLEM” has a special Department dealing with exports and imports.

- **EXPORTS:** Sugar confectionery and chocolates, flour confectionery, frozen rabbits, canned mushrooms, dried rennet and albumin.
- **IMPORTS:** Citrus fruits, groceries and spices.
- **BARTER AGREEMENTS:** In food and industrial products.

Enquiries to:

“SPOLEM” Gzazyny 13, Warsaw, Poland.

AFFILIATED ORGANISATIONS

- ALGERIA:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 8, rue du Cercle Militaire, Oran. also at - 21, rue Edgar Quinet, Algiers, and 9, rue Mathurin Régnier, 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 Konsumgenossenschaft, 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, 129, rue de la Loi, Brussels. (1964): 1,336 shops; turnover: Frs. 1,303 million; dividends: Frs. 60 million; Savings Bank: 1,930 branches; 388,000 members; deposits: Frs. 7,024 mill.; Insurance Society: 210,000 policy holders; premiums: Frs. 310 mill.; reserves: Frs. 800 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-Çonj. 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 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 mill. Det Kooperative Faellesforbund i Danmark, Frederiksborggade 50, Copenhagen S. Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprises: consumers', workers', artisans', productive and housing societies etc. Faellesforeningen for Danmarks Brugsforeninger (FDB), Roskildevej 65, Albertslund. Affiliated societies (1965): 634; 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 production 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; 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, 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, Paris XVI. Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88, rue de Courcelles, Paris VIII. Confédération Générale des Sociétés Coopératives Ouvrières de Production, 88, rue de Courcelles, Paris VIII. Banque Coopérative des Sociétés Ouvrières de France, 88, rue de Courcelles, Paris VIII. Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, 129, Bd. St. Germain, Paris VI. Fédération Nationale de la Coopération Agricole, 129, Bd. St. Germain, Paris VI. Caisse Nationale de Crédit Agricole, 91-93, Boulevard Pasteur, Paris XV. Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, Foyer Coopératif, 17, rue Richelieu, Paris 1er. Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 31, ave. Pierré 1er de Serbie, Paris XVI. Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, 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 Lebensversicherungs 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., Ministry of Education and Social Development, 41, High and Cowan Streets, Kingston, Georgetown.
- 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 Nursery, 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 Sevjom Esfand, Rue Artèche, Teheran.*
- The Credit and Housing Cooperative Society of Iran, *20-22 Shahabad Avenue, Teheran.*
- Central Organisation for Rural Cooperatives of Iran, *857 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 the 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 Rengoka (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.*
- Federation of Cooperative Housing Societies, *8, Holland Road, P.O.B. 499, 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 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.*
- PAPUA: The Federation of Native Associations Ltd., *Post Office Box 152, Port Moresby.*
- 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.*
 Invalids' Cooperative Union, *Kopernika 30, Warsaw.*
 "Społem" – Union of Consumer Cooperatives, *Grazyny 13, Warsaw.*
 Central Union of Work Cooperatives, *Surawia 47, Warsaw.*
- PUERTO RICO: Organisation of the Cooperatives of America, *G.P.O. Box 4103, San Juan, Puerto Rico 00936.*
- ROUMANIA: Uniunea Centrala a Cooperativelor de Consum "Centrocoop", *Str. Brezoianu 31, Bucharest.*
- SCANDINAVIA: Nordisk Andelsforbund, *3 Axelortorv, Copenhagen V.*
- 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 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.), *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.*
- International Cooperative Bank Co., Ltd., *Aeschenvorstadt 75, P.O.B. 348, 4002 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.*
 International Cooperative Petroleum Association, *11 West 42nd Street, New York, N.Y. 10036.*
- 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. 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.*