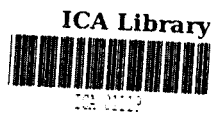
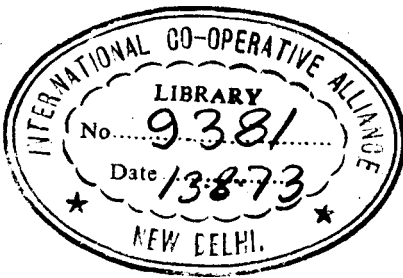
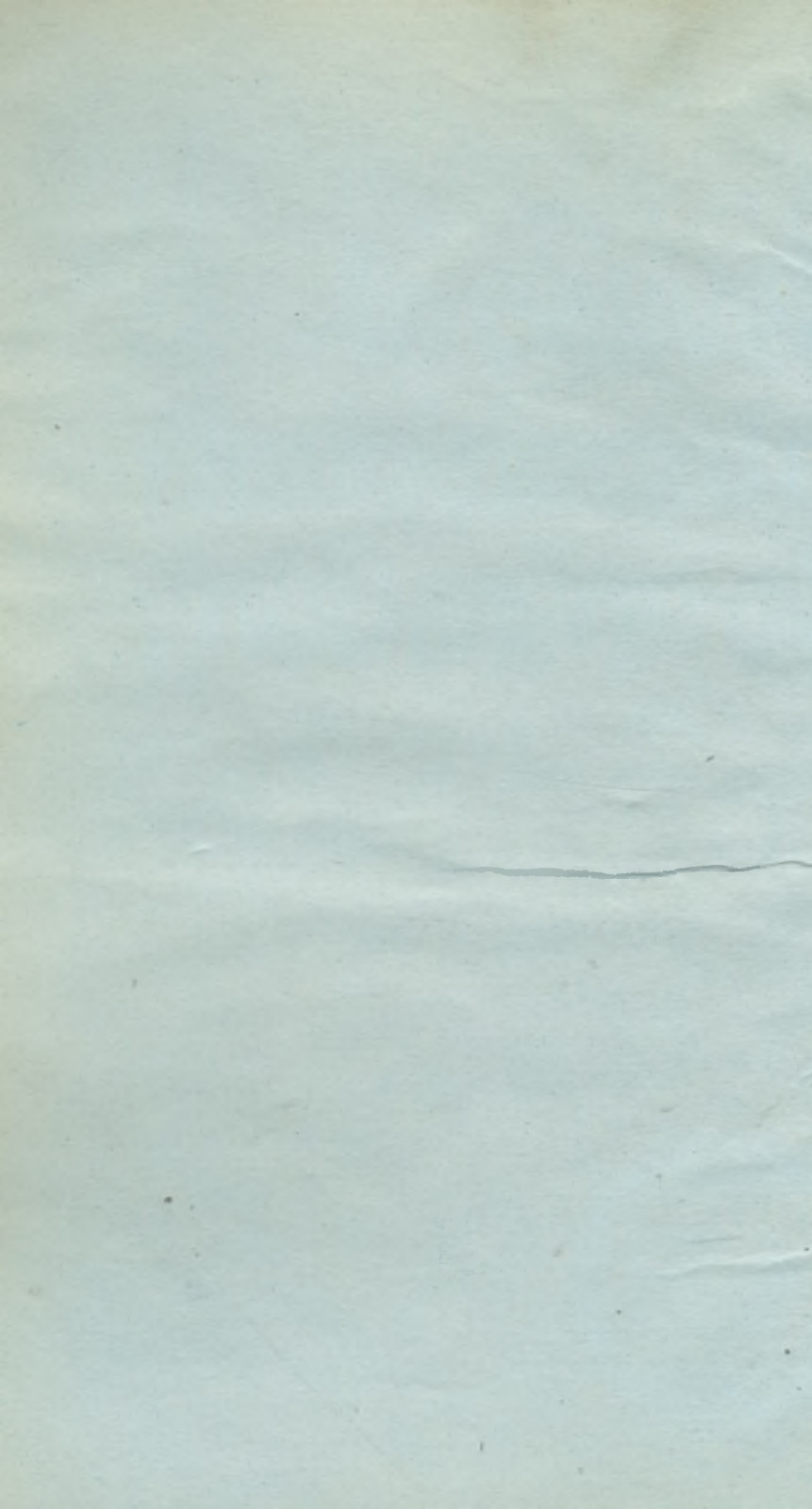


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THE INTERNATIONAL CO-OPERATIVE ALLIANCE

was founded in London in 1895 as an association of national unions of co-operative 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 255 million. 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 co-operative principles and methods and to promote friendly and economic relations between co-operative organisations of all types, both nationally and internationally.

It promotes, through auxiliary trading, banking and insurance organisations, direct commercial and financial relations between co-operative 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 co-operation, 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 co-operation.

In the United Nations, its Economic and Social Council, as well as in some of the Specialised Agencies, it enjoys the right of participation in their meetings and work as an International Organisation with Consultative Status, Category I.

Its official organ is *The Review of International Co-operation*, published bi-monthly.

The study of International Co-operation takes place under the auspices of the 'Henry J. May Foundation', the Permanent Centre of International Co-operative Study.

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

INDEX 1971

VOL. 64

ICA AND ITS ACTIVITIES

	No.	Page
President's New Year's Message, Dr Mauritz Bonow	1	3
Prospects for Workers' Co-operatives, Antoine Antoni	1	5
A New Initiative in Women's Education, Muriel J. Russell, ICA	1	25
Cinderella's New Dresses, -Si-	2	46
Forging a New International Co-operative Press Instrument for the Seventies— First Meeting of the ICA Working Party on Co-operative Press, Vöslau, Austria, 7th December 1970, J.H.O.	2	50
The Role of the International Co-operative Press in the Field of Education and Information on the Subject of Development and Developing Countries— Report of the Conference at Vöslau, Austria, 8th-10th December 1970, W. P. Watkins	2	53
Declaration of the ICA	3	86
49th International Co-operative Day, Dr S. K. Saxena	3	88
ICA Director's Commentary, S.K.S.	3, 5	97, 156
A Key Conference for the Co-operative Development Decade, A.E.O.	3	104
Instruments of International Co-operative Action — 1. Insurance Committee of the ICA, H. Seeley	4	137
One Year into the Co-operative Development Decade, Bert Oram, M.P.	6	198
40th ICA Seminar in the USSR, 1971, -Si-	6	213
Joint Action by European Co-operative Laboratories, Thomas Naess.	6	217
Research Officers Meet in Norway, L.S.	6	219

INTERNATIONAL ORGANISATIONS

President's New Year's Message, Dr Mauritz Bonow	1	3
Prospects for Workers' Co-operatives, Antoine Antoni	1	5
International Co-operative Seminars in Denmark, Aage Bo	1	20
Cinderella's New Dresses, -Si-	2	46
ICA Director's Commentary, S.K.S.	3, 5	98, 160
A Key Conference for the Co-operative Development Decade, A.E.O.	3	101
One Year into the Co-operative Development Decade, Bert Oram, M.P.	6	198
Co-operative Journalists' Visit to ILO Projects in the Ivory Coast and Ca- meroon, Jean Boniface	6	209

SPECIAL ARTICLES

President's New Year's Message, Dr Mauritz Bonow	1	3
Prospects for Workers' Co-operatives, Antoine Antoni	1	5
Agricultural Co-operatives in Asia: Some Examples of Success, J. M. Rana	1	10
International Co-operative Seminars in Denmark, Aage Bo	1	20
A New Initiative in Women's Education, Muriel J. Russell, ICA	1	25
New Directions for the German Consumer Co-operative Movement, Dr Hans-Eberhard Zaunitzer	1	28
Co-operatives into Companies? Paul Derrick	1	30
Cinderella's New Dresses, -Si-	2	46
Forging a New International Co-operative Press Instrument for the Seventies— First Meeting of the ICA Working Party on Co-operative Press, Vöslau, Austria, 7th December 1970, J.H.O.	2	50
The Role of the International Co-operative Press in the Field of Education and Information on the Subject of Development and Developing Countries— Report of the Conference at Vöslau, Austria, 8th-10th December 1970, W. P. Watkins	2	53
Structure of Consumers' Co-operatives in India, K. K. Taimni	2	67
Bertrand Russell on Co-operation, P. R. Dubhashi	2	72
49th International Co-operative Day, Dr S. K. Saxena	3	88
Robert Owen of New Lanark, Margaret Cole	3	89
Austria's Great Old Man — The 100th Birthday of Dr Karl Renner, Dr E. Spielmann	3	93
ICA Director's Commentary, S.K.S.	3, 5	97, 156
A Key Conference for the Co-operative Development Decade, A.E.O.	3	101
Are Co-ops for the Poor? Alex Laidlaw	3	105
Starting Signal for Co-op Denmark, Aage Büchert	4	118
The New Five-year Plan of the USSR Consumer Co-operatives, (APN)	4	124
The Direct Charge Co-operatives in the Atlantic Area of Canada, W. D. Dernier	4	128
Summoning a Consumers' Congress, J.H.O.	4	132
Promotion of Co-operation in the Developing Countries by the Friedrich- Ebert Foundation, Ursula Hermann	4	134
Instruments of International Co-operative Action — I. Insurance Committee of the ICA, H. Seeley	4	137
The Co-operative Movement in Latin America, Fernando Chaves Núñez	5	150
The Effectiveness of Co-operatives in the Execution of Development Program- mes, José M. Illán	5	162
Inflation and Co-operatives, Walter Sommerhoff	5	165
Co-operative Insurance, Dr Arturo Vainstok	5	169
Electricity Co-operatives in the Argentine Republic, José San Pedro	5	174
The Co-operative Movement in Guyana, A. A. Mohamed	5	180
Consumers' Co-operative Societies in the German Democratic Republic, Heinz Fahrenkrog	6	192
One Year into the Co-operative Development Decade, Bert Oram, M.P.	6	198
Andreas Korp Retires, W.P.W.	6	208
Co-operative Journalists' Visit to ILO Projects in the Ivory Coast and Cam- eroon, Jean Boniface	6	209
40th ICA Seminar in the USSR, 1971, -Si-	6	213
Joint Action by European Co-operative Laboratories, Thomas Naess	6	217
Research Officers Meet in Norway, L.S.	6	219

	No.	Page
LETTER TO THE EDITOR		
At School with Dr Laidlaw? R. L. Marshall	6	216
ASIA (See SOUTH-EAST ASIA)		
ARGENTINA (See also LATIN AMERICA)		
Electricity Co-operatives in the Argentine Republic, José San Pedro	5	174
AUSTRIA		
Austria's Great Old Man — The 100th Birthday of Dr Karl Renner, Dr E. Spielmann	3	93
CAMEROON		
Co-operative Journalists' visit to ILO Projects in the Ivory Coast and Cameroon, Jean Boniface	6	209
CANADA		
The Direct Charge Co-operatives in the Atlantic Area of Canada, W. D. Dernier	4	128
CENTRAL AND SOUTH AMERICA (See LATIN AMERICA)		
CHILE (See also LATIN AMERICA)		
Inflation and Co-operatives, Walter Sommerhoff	5	167
COLOMBIA (See also LATIN AMERICA)		
ICA Director's Commentary, S.K.S.	5	159
COSTA RICA (See also LATIN AMERICA)		
ICA Director's Commentary, S.K.S.	5	157
DENMARK		
International Co-operative Seminars in Denmark, Aage Bo	1	20
ICA Director's Commentary, S.K.S.	3	99
Starting Signal for Co-op Denmark, Aage Büchert	4	118
EAST AND CENTRAL AFRICA		
A New Initiative in Women's Education, Muriel J. Russell, ICA	1	25
EL SALVADOR (See also LATIN AMERICA)		
ICA Director's Commentary, S.K.S.	5	156
GERMAN DEMOCRATIC REPUBLIC		
Consumers' Co-operative Societies in the German Democratic Republic, Heinz Fahrenkrog	6	192
FEDERAL REPUBLIC OF GERMANY		
New Directions for the German Consumer Co-operative Movement, Dr Hans-Eberhard Zaunitzer	1	28
Co-operatives into Companies? Paul Derrick	1	30
Promotion of Co-operation in the Developing Countries by the Friedrich-Ebert Foundation, Ursula Hermann	4	134
GUYANA		
The Co-operative Movement in Guyana, A. A. Mohamed	5	180
INDIA		
Structure of Consumers' Co-operatives in India, K. K. Taimni	2	67
IVORY COAST		
Co-operative Journalists' Visit to ILO Projects in the Ivory Coast and Cameroon, Jean Boniface	6	209

	No.	Page
KENYA (<i>See also</i> EAST AND CENTRAL AFRICA)		
A New Initiative in Women's Education, Muriel J. Russell, ICA	1	25
LATIN AMERICA		
The Co-operative Movement in Latin America, Fernando Chaves Núñez	5	150
ICA Director's Commentary, S.K.S.	5	156
The Effectiveness of Co-operatives in the Execution of Development Programmes, José M. Illán	5	162
Inflation and Co-operatives, Walter Sommerhoff	5	165
Co-operative Insurance, Dr Arturo Vainstok	5	169
Electricity Co-operatives in the Argentine Republic, José San Pedro	5	174
NORWAY		
Joint Action by European Co-operative Laboratories, Thomas Naess	6	217
PANAMA (<i>See also</i> LATIN AMERICA)		
ICA Director's Commentary, S.K.S.	5	158
PERU (<i>See also</i> LATIN AMERICA)		
ICA Director's Commentary, S.K.S.	5	158
SOUTH-EAST ASIA		
Agricultural Co-operatives in Asia: Some Examples of Success, J. M. Rana	1	10
SWEDEN		
Summoning a Consumers' Congress, J.H.O.	4	132
UGANDA (<i>See also</i> EAST AND CENTRAL AFRICA)		
A New Initiative in Women's Education, Muriel J. Russell, ICA	1	25
USSR		
The New Five-year Plan of the USSR Consumer Co-operatives, (APN)	4	124
40th ICA Seminar in the USSR, 1971, -Si-	6	213
UNITED KINGDOM		
A Key Conference for the Co-operative Development Decade, A.E.O.	3	101
WEST AFRICA (<i>See</i> CAMEROON <i>and</i> IVORY COAST)		

BOOK REVIEWS

The International Co-operative Alliance 1895-1970, by W. P. Watkins (J. B. Orizet)	1	34
The International Co-operative Alliance 1895-1970, by W. P. Watkins (Paul Lambert)	1	38
Co-operators, by Prof S. P. Dneprovsky (I.R.)	2	73
Robert Owen, Prince of Cotton Spinners. A Symposium edited by Dr John Butt (W.P.W.)	2	75
Robert Owen, Prophet of the Poor. Essays in Honour of the Two Hundredth Anniversary of his Birth. Edited by Sidney Pollard and John Salt (Margaret Digby)	3	108
A History of the Co-operative Movement in Israel, by Harry Viteles (K. K. Taimni)	4	142
Die Genossenschaften in Peru und ihr Beitrag zur wirtschaftlichen und sozialen Entwicklung des Landes ("Co-operatives in Peru and their Influence on the Economic and Social Development of the Country"), by Dr Günter Metzger (A.B.)	5	185
The Man from Margaree. "Writings and Speeches of M. M. Coady. Edited and with Commentary by Alexander F. Laidlaw." (Lord Taylor of Gryfe) ..	6	222
Report of the Working Party on Agricultural Co-operative Law in the United Kingdom (W.P.W.)	6	223
ACCESSIONS TO THE ICA LIBRARY, A.L.	2, 3	77, 110

Review of INTERNATIONAL CO-OPERATION

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CONTENTS

	Page
President's New Year's Message	3
Prospects for Workers' Co-operatives	5
Agricultural Co-operatives in Asia: Some Examples of success	10
International Co-operative Seminars in Denmark	20
A New Initiative in Women's Education	26
New Direction for the German Consumer Co-operative Movement	28
Co-operatives into Companies	30
Book Reviews	34

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President's New



Dr Mauritz Bonow

Year's Message

There is an old Latin proverb which reads: "Si vis Pacem para bellum". (If you want Peace—prepare yourself for war.) Even if there was a grain of truth in this maxim in earlier ages, it is certainly not true in our atomic age today.

Nevertheless, the global spending on arms is today reaching astronomic figures. The Stockholm International Peace Research Institute (SIPRI) has recently published its "Yearbook of World Armaments and Disarmament" for 1969/70. Let me quote some figures.

Last year, the world's armament costs amounted to more than 900 billion Swedish crowns, i.e., roughly more than 190 billion dollars. To this sum, the USA and USSR contributed about 120 billion dollars.

It is well known that only these two Super-Powers have at their disposal nuclear arms in amounts estimated to be equivalent to 16 tons of trotyl per world inhabitant. The technical term used in this context is quite rightly "overkill capacity".

Bearing in mind these stark facts, one can hardly over-estimate the importance of recent and current endeavours to stop the armaments race and to negotiate gradual disarmament.

Arms in themselves are not causes of wars, but the armaments race is a seriously aggravating factor, increasing tension and creating mutual distrust through threats and counterthreats.

But quite apart from that aspect, does it make any sense whatsoever that the global spending on arms is close to 7 per cent of the total world production? This means, in fact, the same amount as the total sum of the gross national products of all the lesser developed countries added together.

On the 24th October last year, the United Nations General Assembly commemorated its 25th anniversary by launching its programme for the Second Development Decade. The strategy outlined was unanimously adopted. Amongst the various measures to promote the realisation of the development targets, the industrialised countries have promised to endeavour to transfer through official aid 0.7 per cent of their respective G.N.P. by 1972, or at the latest by 1975. This moral commitment represents for most industrialised countries a doubling of their present performance in this respect. But we should compare the present figure of constructive costs in the form of official aid with

what the rich countries spend now on means of destruction. The latter sum is at least twenty times bigger.

Let us now complete this tragic picture: According to SIPRI, the lesser developed countries themselves bought last year arms for almost 8 billion Sw. crowns, i.e., about 1.5 billion dollars, of course mainly from the industrialised countries in the West and the East.

We do live in a dangerous and insecure world. To turn some of the money spent on armaments to meaningful, constructive use will certainly be a protracted and difficult process, calling for concerted political efforts through the UN, not only by the great Powers but by all countries.

The division of the world into "haves and have nots" is one of the fundamental reasons for global instability and for tensions which breed conflicts and eruptions and could even lead to war. The constructive work for peace and international understanding must, therefore, be based on international solidarity of the rich and the poor nations. They must, in practice, become partners in the global development efforts.

The UN Second Development Decade represents, in spite of its modest aims, one of the most encouraging events in our time.

As representatives of the world-wide co-operative movement, we have already pledged our whole-hearted support to the UN Development Programme. It is certainly true that the financial resources both of our member organisations and still more of our Alliance itself, available for promoting co-operative development in the Third World, are very slender, not to say hopelessly inadequate, in comparison with the enormous needs; but our world movement has one thing, an almost invaluable asset, at its disposal in the form of our co-operative know-how. We have experiences assembled over the decades through our trial and error method of practical work. Combined with governmental and inter-governmental finance, our know-how, which no one else can provide, will, without doubt, contribute powerfully to the speeding up and strengthening of the co-operative development process. In the planning for the Second Development Decade, increased attention is paid to the potential role of Co-operation in mobilising human resources for economic and social progress.

The possibilities for extended and still closer collaboration between the UN, its Specialised Agencies and the ICA are more auspicious than ever before, and this also holds good in respect of the relationship between many national co-operative movements and their respective national state authorities involved in development work. For these very reasons, there are good prospects for the ICA and its member organisations to see to it that the 'seventies will in reality be a Co-operative Development Decade.

In commemorating ICA's 75th anniversary, our Central Committee has accepted unanimously on behalf of our world movement this great challenge. It is now up to all of us to transform our development programme into concrete activities.

DR MAURITZ BONOW

Prospects for Workers' Co-operatives

by **Antoine Antoni**

The ICA and the ILO issue statistics at regular intervals on artisanal and workers' productive co-operatives throughout the world. The Workers' Productive and Artisanal Auxiliary Committee of the ICA also prepares every three years a more detailed return, but this gives more partial information, since it is based exclusively on answers from affiliated organisations.

A. Workers' Co-operatives? Artisanal Co-operatives? or Work Co-operatives?

Despite all the care taken in the preparation of these documents, they are subject to two serious defects:

1. In the absence of a precise and universally accepted international definition of workers' productive co-operatives and of artisanal co-operatives, lacking also adequate means of criticism, one ends up with a collection of heterogeneous data which do not always relate to comparable phenomena.

2. At the same time, however, activities which are rightly connected with co-operative associations of producers, but cannot be included in the traditional classification of workers' productive co-operatives or artisanal co-operatives, or which are simply unknown to bodies collecting data, are left out of account.

Before considering the prospects for this group of co-operative activities, it

is, therefore, important to subject the classic terms of "workers' productive co-operatives" and "artisanal co-operatives" to a preliminary review.

During the 19th century, two types of co-operative groupings of producers were born in succession:

The first mustered skilled industrial workers who formed groups to acquire collectively ownership and management of productive enterprises: these formed the workers' productive co-operatives.

The second brought together small isolated producers who sought to retain individual ownership of their means of production, but wanted to join together in respect of the means of purchasing, financing, studies and sales, which they could not do in isolation: these formed the artisanal co-operatives.

This distinction was satisfactory for a fairly long period of time, since it corresponded to the economic and social climate of the moment in the countries of Western Europe where these two movements had developed.

Today, it has lost a good deal of its significance. Workers' productive co-operatives have long since ceased to be strictly those of "workers". They call on the services of personnel who include specialists in administration, studies and technical supervision and whose training

and activities are completely different from those of manual workers. This does not mean that these collaborators are any less active or convinced co-operators. At the same time, we have seen productive co-operatives springing up and developing in entirely new sectors as, for instance, offices for town planning, architecture or design; groups of educators, advisers on organisation or on electronic processing of information; theatrical companies; publishers of educational material and co-operative associations of physicians or lawyers.

As regards the artisanal co-operatives, they were forced, in order to survive and grow, to accept collective ownership of premises or equipment which were particularly costly; in addition, they had to strengthen the links of solidarity and discipline which united their members.

This twofold evolution is tending both to wipe out the frontiers which formerly separated workers' co-operatives and artisanal co-operatives and to widen their common sphere of activities.

Moreover, in the younger nations, there have appeared sporadically collective activities, spontaneous or inspired by the State, whose legal definition does not conform precisely to the traditional types of co-operative, but whose co-operative character appears to be unquestionable. Thus, for example, the extension of mutual credit co-operatives entails the creation of new co-operative activities which are still in the process of development, but are clearly connected with artisanal or industrial production without being as yet workers' productive or artisanal co-operatives in the strictest sense.

For a fairer and broader view of co-operative activities throughout the world, would it not be fitting to replace the inadequate and outmoded concepts of workers' productive co-operatives or artisanal co-operatives by the more comprehensive and exact concept of "work

co-operatives" ("Coopératives de travail") or "workers' co-operatives" ("Coopératives de travailleurs")? It is for the international organisations concerned to decide on this suggestion. In our opinion, however, its adoption is an indispensable preliminary for the realisation of studies which are not limited to listing traditional forms of co-operation in Western Europe, but try to embrace all groups designed to carry out jointly the professional activities of their members within a co-operative framework.

B. Retrogression, Stagnation or Progress?

Data available within the existing framework do not provide a very clear indication of the future. First let us review the current situation.

1. In country after country, the number of workers' productive or artisanal co-operatives shows only a slight increase. It is even tending to decline in certain cases.
2. In country after country, the growth in numbers of members, in volume of activities and in the size of work co-operatives is still considerable and, in some cases, clearly spectacular.
3. Despite certain remarkable exceptions, a launching of work co-operation has not yet taken place in developing countries.

These observations would seem to be all the more convincing in that they concur with those deriving from the study of other forms of co-operative activity; but they hardly permit prediction of the future of work co-operatives or, more precisely, a choice between three conceivable hypotheses:

First hypothesis: The increasing cost of investments in modern enterprises and the fairly general improvement in living standards and working conditions deprive the workers' co-operatives of any reasonable possibility of expansion and of their *raison d'être*. They are therefore doomed to disappear progressively during the last quarter of the 20th century.

Second hypothesis: New orientations are opening up for work co-operation at the same time as others are disappearing; the one will compensate the other, and with small losses or moderate gains, work co-operation will remain what it has been until now in the co-operative movement of the world: a binding form of co-operative activity which, through its fraternal and community character gives rise in every generation to an ardent sense of vocation and outstanding successes, but which is condemned by economic conditions to the limited function of experimentation with worker-management.

Third hypothesis: Accelerated scientific and technical progress entails a revolution in the life of the enterprise and the attitude of men towards their work. The last years of the 20th century will see a blossoming of work co-operation, in forms and types not yet predictable, which will realise a century later the prophetic vision of the pioneers of Co-operation.

The projection of curves based on the statistical data of the past twenty years points to the second hypothesis as the most likely. But deficiencies in the statistics and the unending changes in external factors suggest the need for an investigation, apparently more theoretical but actually more realistic, based not only on the accomplishments of work co-operatives so far, but also on a comparison of the major characteristics of the present economic and social milieu and that in which they originated.

C. Is there a Place for Work Co-operation in Modern Industry?

Until the Second World War, industrial enterprises were dominated by the following factors:

increasing concentration of capital and means of production;

increasingly rigid centralisation and hierarchy in the fields of information and decision-making;

a growing tendency to simplify and split up individual tasks, reducing the responsibility of each operative to fragmented tasks, the odious and derisory character of which was stigmatised once and for all by Charlie Chaplin in *Modern Times*.

Workers' co-operatives based on the free association of producers desiring to develop, not destroy, their personalities through their work, did not easily adjust to these developments and a great deal of persistence and ability was needed to avoid sacrificing their aspirations to efficiency. But over the past thirty years, things have changed considerably.

In the more important industries, the process of concentration has accelerated and industrial empires are now international. But this process has not brought about the disappearance of small- and medium-sized enterprises; indeed quite the contrary. Large production units are tending in many cases to become immense assembly line chains. They feed a multitude of sub-contractors with their orders and some of these achieve brilliant results. On the other hand, rising standards of living and the diversification of needs mean that, alongside the demand for staple mass-produced articles, there is a growing demand for more sophisticated products produced under semi-artisanal conditions. Finally, the sector of "services" is growing in all modern economies. But not much capital is required for the organisation of enterprises in this sector.

Here then are vast new fields of action for work co-operatives.

But even if economic conditions are far from being completely unfavourable to them, what is the position in respect of technical and psychological conditions?

On the technical level, two new facts are noteworthy:

Whereas enterprises at the beginning of the century operated on the basis of an extreme centralisation of

authority asserting itself without explanation, modern undertakings draw up their programmes and periodically revise their policies on the basis of a comparison of forecasts with results achieved. This new method does not destroy authority but transforms the use of it. The function of the director is no longer basically that of giving orders, but rather of supervising the implementation of decisions taken in accordance with the advice of the executive team. The number of consultations and their extent are tending to grow, and one ends up by finding again within the executive structure methods of confrontation and discussion which are well adapted to Co-operation. Autocratic management of enterprises, as it was practised almost everywhere scarcely thirty years ago, was completely incompatible with co-operative practice and ethics. The system of management which will henceforth become widespread, is, on the contrary, perfectly compatible with both.

The same applies to the level of work organisation. In the more highly developed plants, assembly line work and the division of labour associated with it are being structurally revised to put the worker more at ease and allow him to see more clearly the usefulness and importance of a less fragmented task.

This change in management and production techniques appears to be accompanied by certain psychological changes. Until recently, workers' claims related almost exclusively to wages and conditions of work. But for some time, it has been noticeable that in an increasing number of cases demands have related to direction of the enterprise, training and informing workers, intervention of their representatives in major negotiations and especially those dealing with setting up new establishments or changing the number of employees. Participation in negotiations implies, whether or not one likes it, a certain participation in responsibilities. These new attitudes are preparing workers

for co-operation, whereas the traditional "worker-employer" relationship was foreign to it.

D. For a Return to Co-operative Ideals

These general and cursive observations deserve to be elaborated. However, since it seems to be impossible to separate them from their whole, it can at least be claimed that the 20th century, as it comes to an end, offers work co-operation—under all economic systems—opportunities at least equal if not superior to those open to it 50 years ago. If this is true for industrialised countries, it would appear *a fortiori* to be even more valid for developing countries.

What remains is to consider how these opportunities can be grasped.

It is necessary, from this point of view, to distinguish between work co-operatives themselves and that which relates to the co-operative movement as a whole.

As regards work co-operatives, the Second Seminar for leading officials of workers' productive co-operatives, held in Breda (Netherlands) in the Spring of 1970, provided interesting conclusions which can be summarised in two main points:

1. It is not enough for work co-operatives to go on producing, whatever happens, those items which they have always produced. They must take a bold look at the market for goods and services and be guided by it as to what consumers want.
2. Faced with the general trend towards concentration of enterprises, work co-operatives must adjust by seeking that form of federation which will permit them to pool their finances, management, research and production while preserving the originality and the personality of the original co-operative work teams, thereby retaining the features which permit the full development of the worker within a collective framework which also ensures productivity.

In other words, following a century of experimentation with the formula of the

isolated work co-operative, struggling under its own power, those work co-operators, who think about their future, recognise the necessity of turning to collectivist formulae which establish amongst all work co-operatives not merely simple moral links involving membership of the same co-operative federation, but a much more complete pooling of means of management, finance and production. The conglomerate, based not on force but on the will to act in concert with common aspirations and interests, is henceforth the order of the day for work co-operatives.

As regards the co-operative movement as a whole, it would appear that the rigorous splitting up into highly specialised co-operatives in the fields of distribution, credit, housing or production, which facilitated great progress in the past century, no longer corresponds to present realities. The co-operative pioneers had an overall vision of the impact of Co-operation on the economy. This vision was based on penetration into all phases of the economic life of enterprises, based on the desire of the

workers to direct the economy towards their own needs and aspirations and not those of propertied classes. Division of labour between co-operatives specialised according to well-defined functions made possible substantial technical accomplishments, but, by the same token, it sterilised Co-operation and subordinated the general task of emancipation and progress, which should have been its goal—to the improving of techniques of distribution, housing or credit.

If the international co-operative movement in all its forms is capable of retrieving the ideals of its founders, it can, starting from the solid basis already secured, launch a new offensive against the private-profit economy which is already clearly weakening at a number of points. From this perspective, but from this perspective only, work co-operatives as a means of global co-operative strategy are destined to a future in comparison with which their present achievements will appear as timid first steps.

AS MUCH AS WE MIGHT TRY, NONE OF US CAN IGNORE THE FACT OF THE EXISTING INFLATION

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Agricultural Co-operatives in Asia: Some Examples of Success

by **J. M. Rana**, ICA Regional Office and Education Centre, New Delhi, India*

Introduction

In this paper, an attempt was made to describe briefly the existing situation of agricultural co-operatives in the Region, to outline the main features of some successful co-operative projects and to indicate the important factors contributing to a successful co-operative development.

Two important reservations should be made at the outset. Firstly, the subject-matter dealt with in this paper was very extensive and hence the treatment had to be somewhat general and broad. Secondly, the countries in the Region presented a great deal of diversity of social and economic conditions as well as situations in respect of co-operative development. There might, therefore, have been valid deviations to the general remarks made.

Main Types of Agricultural Co-operatives

Agricultural co-operatives in the Region had been developed in a wide variety of fields. The main forms of co-operatives, however, to which attention was drawn, included co-operative credit, co-operative marketing and co-operative processing societies. Although co-operative farming societies were part of an important co-

operative activity from a theoretical standpoint, their significance to the rural community in practical terms had been relatively small. Also, these societies presented unique problems. Hence, the farming societies had been left out of the discussion.

Agricultural Co-operative Credit

At the base, there was a primary co-operative society which might be a single-purpose credit society or a multi-purpose society performing other functions in addition to the credit function. The primary societies in Japan, the Republic of Korea, Ceylon and the Philippines were, generally speaking, multi-purpose in character. In other countries, namely, India, Pakistan, Thailand and Malaysia, single-purpose credit societies predominated. There had been a trend in recent years—which was more prevalent in India—to have multi-purpose co-operatives at the primary level, as it was believed that they would be able to serve the farmers better than single-purpose credit co-

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Food grains supplied by a farmer to a Co-operative Marketing Society in Delhi area

operatives. The main function of such a multi-purpose society included provision of credit, supply of agricultural inputs and essential consumer articles and assistance in the marketing of farmers' produce. In Japan, the multi-purpose co-operative societies performed many wide-ranging functions and, over the years, they had contributed effectively to the raising of agricultural productivity and the living standards of the farming community.

The primary societies were supported by secondary co-operative organisations. In some countries, as in Thailand, Malaysia, the Philippines and Ceylon, the structure was two-tiered, while in the others, it was three-tiered.

In almost all countries of the Region, the agricultural co-operative credit societies received financial assistance from the State, either directly or indirectly through the Central Bank of the respective country, or through State-associated Banks. For example, in India, the agricultural credit co-operatives received finances at a concessional rate of interest from the Reserve Bank of India, and contributions to share capital, assistance for the construction of storage facilities and subsidies towards the employment of managerial personnel from the Government.

Some main features of the operations of agricultural co-operative credit societies might be noted. Credit provided by co-operatives in most of the countries, although it had been increased during recent years, still amounted to a small proportion compared with the total finance borrowed by the farmers. These thus had to depend for credit on non-institutional sources, such as the money-lenders, who provided credit at relatively high rates of interest.

The size of the credit co-operatives, especially where these were of an unlimited liability type, was often restricted to one village. The average membership per unlimited liability credit co-operative in a

number of countries, such as Ceylon, India, Malaysia and Pakistan, ranged from 17 to 41. Such societies were unable to employ full-time persons, and hence their range of activities was extremely limited. It was against this background that an attempt had been made in most countries of the Region to enlarge the size of the society, generally by having a multi-purpose co-operative society of a limited liability type, sometimes covering a group of villages. The trend towards multi-purpose co-operative societies was also a recognition of the need for providing by one institution a comprehensive range of services required by the farmers.

The amount of loans available to a farmer from a credit co-operative had been usually small. Generally, loans were also granted on the mortgage of land, but not sufficient efforts were made to ensure that loans were used for production purposes. Also, there was a considerable time lag between the submission of a loan application and the grant of a loan. By and large, the credit co-operatives at the primary level had failed to mobilise savings for a variety of reasons. Finally, the working of the credit co-operatives in most countries was characterised by a substantial amount of overdue loans.

Some Recent Experiments

Thus, in general, while agricultural co-operative credit made some contribution towards meeting the credit requirements of farmers, its success as an agency of bringing about a change in the rural economy had been rather limited. At the same time, the countries in the Region needed an increase in agricultural production because of substantial food deficits experienced by them and the need for feeding growing populations. During recent years, therefore, attempts had been made to utilise credit co-operatives as a tool for increasing agricultural production. Simultaneously, it was endeavoured to ensure that the farmer would be provided by the



A Study Circle Meeting in progress at a Co-operative Society in Gujarat State, India

co-operative with agricultural inputs and the knowledge about improved agricultural techniques, as well as to enable him to sell his produce in an effective way. Such an integrated approach to agricultural development had been tried out in several countries in the Region, namely, in India, Pakistan, the Philippines and Thailand, on a pilot basis. These projects were referred to by various names in different countries. While they might have differed in detail, basically all of them incorporated the main features of supervised agricultural co-operative credit.

In India, the crop loan system was first introduced in the Maharashtra and Gujarat States. Recently, the system had been extended to the Intensive Agricultural District Programme (IADP) and the Intensive Agricultural Areas (IAA). The main features of the crop loan system were: (i) loans would be provided on the basis of production potential rather than on the security of real property, thus enabling even tenants to qualify for loans; (ii) the amount of loans would be related to the requirements of business; (iii) the farmer would be supplied with agricultural inputs; and (iv) simultaneously, attempts would be made to help the farmer market his produce so that loans could be repaid.

In Pakistan, a remarkable success had been achieved in the Comilla Project. The main features of this project included: (a) members were given education about co-operatives before the organisation of a society, and the education activities were carried out on a continuous basis afterwards; (b) systematic attempts had been made to train local personnel, particularly the organiser who worked as the secretary of the society, the model farmers and the inspectors; (c) considerable capital formation had taken place in co-operatives; and (d) a central co-operative organisation was providing dynamic leadership.

In Thailand, large-sized co-operative credit societies were organised in 1959 (in

1969, numbering 10) on a limited liability basis. Membership of the society was carefully screened and was confined to farmers who produced for the market and whose record as agriculturists was good. Short-term and medium-term loans were given on the basis of a production plan, and supervision and guidance was provided to the farmers on farm management practices and on the use of credit. The repayment record in these societies had been excellent. Due to the success achieved by the large-sized productive co-operatives, efforts had been initiated to amalgamate small credit societies with large-sized societies. It was expected that, by the end of 1969, about 50 large-sized societies would have been established with a membership of around 200 to 500 each.

In Malaysia, too, co-operative credit societies have been amalgamated to form bigger units with multi-purpose activities.

It might be added that the success achieved in the projects mentioned above was of considerable significance in the context of a break-through in agriculture which several countries in the Region were about to achieve. The extension of the dynamic approach to credit to all parts of the country within the framework of the new agricultural policy thus became very relevant. However, the extension of these projects to other areas was beset by several problems which included limitations of financial resources, trained manpower, a general inadequacy of extension services, non-availability of adequate agricultural inputs and the problems of co-ordination between the various agencies, such as the co-operatives, developmental departments (agriculture, irrigation, etc.) and the district administration.

Co-operative Marketing and Processing

The need for building up strong co-operative marketing organisations of the farmers was self-evident. Unless the farmers were able to sell their crops at remunerative terms, all attempts at increasing agricul-



Washing and grading of oranges in Mikabe Multi-purpose Co-operative Society, Japan

tural production might in the long run be frustrated. Also, the marketing societies had to play an important role in the transformation of agriculture, as discussed above, and the development of such organisations was, therefore, being increasingly recognised as an important element of a dynamic agricultural policy.

The structure of the co-operative marketing movement in the Region was generally three-tiered, with either the multi-purpose or primary marketing co-operative society at the base. These primary societies were then federated with district or regional federations which, in turn, had joined an apex organisation at the national level.

Generally speaking, the marketing co-operatives performed a twofold function: (1) to collect and market the produce of the farmers and (ii) to supply agricultural requisites, such as seeds, fertilisers, insecticides and some simple agricultural equipment. In some cases, they undertook grading and processing of the produce. Usually, the produce collected by the marketing societies was sold on a commission basis. In several countries (India, Ceylon, Japan), where governments had schemes of procuring food grains, marketing co-operatives acted as agents on behalf of the government. A similar function was performed by them regarding the distribution of fertilisers. While this work provided the co-operatives with assured business, one of the complaints often made by them was the inefficient margin provided by the government.

In the case of rice, marketing co-operatives had developed rice milling facilities in several countries either through their own efforts or often with assistance given by governments.

Export of maize from Thailand (which was self-sufficient in food grains) to Japan under an agreement between the Thai and the Japanese co-operatives was worth noting. No development of a

similar nature, however, had taken place in the marketing of rice.

The progress achieved by co-operatives in the marketing of cash crops had been rather limited. Examples of such successful marketing operations were confined to a few commodities and a few regions in a country. For example, in India, cotton marketing had been developed on a voluntary basis during the last 40 to 50 years without much government assistance. The main features of these societies included the propagation of an approved variety of cotton, grading, pooling and ginning of the produce and its sale to wholesalers, thus obtaining better prices, due to their control over the substantial volume of cotton produced by the members. These co-operatives had at the time branched out into spinning operations by establishing a spinning mill on a co-operative basis.

Another noteworthy example in India was the establishment of co-operative sugar factories. A policy was deliberately pursued by the Government since 1951 of licensing the sugar factories only in the co-operative sector and of providing substantial assistance to such factories. As a result, there were 76 co-operative sugar factories in 1967-68, which together accounted for about one-third of the total sugar produced in the country. Of the 76 licensed factories, 57 were in production. The main features of the operations of the co-operative sugar factories may be summarised as follows: (a) reservation of an area for sugar-cane production for the factory; (b) provision of a substantial amount of funds by the Government or government-associated agencies on a long-term basis; and (c) assistance in planning and establishing sugar factories by technical government departments and, finally, planning and promotional work carried out by a national body, namely, the National Co-operative Development Corporation. Thus, through a carefully designed policy, attempts had been made to copy



An Insurance Representative of the Mikabe Multi-purpose Co-operative Society in Japan, discussing with a member family life improvement questions

similar achievements in the fields of rice milling, oil seeds processing, and fruit and vegetable processing.

In Ceylon, significant progress had been achieved in the marketing of vegetables by the Ceylon Agricultural Producers' Co-operative Societies' Union Limited, and in the processing and marketing of copra by co-operative processing societies.

The production of animal feed-stuffs on a co-operative basis in Japan, in addition to marketing and processing of other commodities, was a noteworthy feature.

To sum up, the co-operative marketing societies, like their credit counterparts, functioned in an environment which was dominated by the private money-lender-cum-trader, having his connections with the urban centres of trade and finance. Also, the marketing mechanism functioned haltingly and in a very imperfect fashion for the rural producer, due to the isolation of the rural markets because of a lack of adequate storage facilities and of inadequate transport and communications networks. Finally, the prices of agricultural commodities were subject to heavy fluctuations in the absence of carefully conceived agricultural price policies. The marketing co-operatives had thus formidable obstacles to surmount, and their growth was tied up with the building up of an infra-structure and the opening up of a rural economy. The duplication of the successful examples of co-operative marketing noticed in some areas would depend on the availability of substantial financial support from the Government in encouraging the training of manpower and developing the provision of technical guidance to co-operatives needed for planning the operations of the societies, as well as conducting feasibility studies for the establishment of processing plants. In order that the farmers derived full benefits from the marketing of their crops, a variety of other supporting measures were

necessary from the Government, such as the establishment of market centres in rural areas, the regulation of market practices and the provision of storage and warehousing facilities.

Factors Contributing to Success

As against the classical principles of voluntary co-operatives established and developed by the members themselves without much external help, it was recognised that, in the developing countries, the State should play an important role in co-operative development. The reasons for this were too well known to be discussed in detail. They included the general and wide-spread poverty of the farmers, coupled with a general state of stagnant agriculture, which made the formation of capital in rural areas an exceedingly difficult task; low levels of general education in most countries and, in some, even a high degree of illiteracy; a high degree of social and economic stratification, based on ownership of, and cultivation rights over, land reinforced by other factors, such as caste, race and religion; and attitudes of apathy and dependence on the Government, fostered during long periods of colonial rule. The co-operatives in rural areas functioned in competition with the money-lender-cum-trader, whose methods of operation, although elastic and tailored to individual needs, resulted in exploitation. He was supported in his operations by wholesale traders in semi-urban and urban areas who, in turn, derived support from powerful trading and financial establishments in urban centres.

Thanks to the active government support, the Co-operative Movement had expanded in some States of India, both in numbers as well as in the range of operations. Similar developments were also noticeable in other countries. On the deficit side, it might be mentioned that government support brought in its wake quite a few problems, such as penetration of political influences in the Co-operative

Movement, interference by government bureaucracy, and so on.

The development of agricultural co-operatives would depend to a considerable extent on a sound agricultural policy. As seen earlier, co-operatives had been able to play an important role when they were expected to operate within an integrated agricultural development programme. Such a programme ensured that, along with the credit, the necessary agricultural requisites, agricultural extension services and other facilities would be provided to the farmers. At the same time, in order to ensure the success of an agricultural development programme, the necessary infra-structure would be built in the form of roads, communications, storage facilities, etc.

A price policy guaranteeing minimum prices to the farmers would eliminate the undue risks for marketing and processing co-operatives. Guarantee of minimum prices was thus a pre-condition for the growth of agricultural marketing and processing co-operatives.

The success achieved in the supervised credit projects highlighted the intensive work carried out by well-trained persons. The training of personnel working in co-operatives as well as of the supervisory personnel determined the efficiency with which co-operatives would perform at the primary level. However, the process of building up skills amongst such personnel was a long-term process, and one should be careful about undue optimism in achieving quick results. The same remark applied to managerial personnel in large-sized marketing and processing societies. Organisations which had been fortunate in having honest and intelligent leaders as well as competent managers, had made excellent progress, with vast benefits flowing to the farmers. Some noteworthy examples were the Central Co-operative Association, Comilla in East Pakistan and the Kaira District Co-operative Milk Producers'

Union in India. Remarkable results could be achieved if such leadership and manpower were also available at the regional and national co-operative federations.

Last but not the least was the availability of adequate finance to co-operative organisations. External assistance in the form of contributions to share capital or long-term loans for meeting block capital requirements, loans for securing capital expenses, as well as financial assistance to build up urgently needed facilities, would go a long way towards providing the co-operatives with the required stimulus in the initial years.

Conclusion

Agricultural co-operatives in the Region had been developed in a number of fields. Agricultural co-operative credit, marketing and processing societies were the most important amongst these. A limited progress had been achieved by these co-operatives on a country-wide basis in providing credit, in supplying farmers with agricultural requisites and in marketing their produce. However, in several countries in the Region, a notable success had been achieved in supervised credit projects. Also, co-operatives had performed rather well as agents of the Government in procuring food grains and distributing fertilisers. Some successful examples of marketing and processing of cash crops were also found in the Region. While these achievements demonstrated the potentiality of co-operatives in achieving substantial economic results, the duplication of such work on a nation-wide scale could be effected only if adequate financial resources and trained manpower were provided to the co-operatives. A positive policy of support by the Government and the formulation of an integrated approach towards agricultural development were other factors of vital importance for ensuring the success of co-operative endeavour.

International Co-operative Seminars in Denmark

An appraisal of 16 years of Danish technical assistance for the promotion of co-operatives in developing countries.

by Aage Bo

Over the past 16 years, international co-operative seminars had been arranged in Denmark for participants from developing countries. The first Seminar, entitled "Inter-regional Training Course", took place in the summer of 1953, and the latest, concerned with farm supply co-operatives, in August 1969. This brought the long series of "Co-operative Seminars in Denmark" for the time being to an end, as it was then intended to conduct the future training activities in the developing countries and to concentrate to a greater extent on other types of technical assistance than limiting it only to seminar activities as hitherto. Thus, an epoch in Danish co-operative technical assistance had ended, but it might be appropriate at this point to evaluate what the past 16 years of Denmark's co-operative activities had meant both for the participants from the developing countries and for the sponsoring organisations.

Planning of the Seminars

From the very beginning, the co-operative seminars in Denmark had been planned and prepared in close collaboration, on the one hand, between the United Nations Specialised Agencies ILO and FAO and, on the other, the Danish Government Agency for Technical Assistance, supported by the Danish co-operative organisations.

All details of the seminar programmes had been agreed upon by the parties mentioned, including the recruitment of international and Danish co-operative experts as lecturers. The invitations had been issued through one of the international organisations—usually the ILO—to the Governments of certain selected countries, which had been asked to nominate candidates. The final selection had been the responsibility of the international organisation in question.

It had been of extreme importance for the Danish organisers to have in their planning the support of the wide experience the Co-operative Departments of the ILO and FAO possessed with regard to the co-operative movements in the developing world. However, some criticism had been voiced that the recruitment procedure had proved at times to be both long and cumbersome in the international organisations as well as in the participating countries, particularly where—as in India—there existed a federal structure of the State. Moreover, the fact that the invitations were sent to Governments and were handled by different Departments made it often difficult for Board members and managers in the co-operative movement to be accepted as participants. A more precise specification in the invitations of the necessary qualifications of the candid-

ates had overcome this difficulty to some extent in recent years.

Form and Content

During the years 1953 to 1963, the "Danish seminars" were of a rather general character, trying to cover all essential aspects of the wide field of co-operative activities. Mainly as the result of the points of view and wishes expressed at the follow-up *Seminar for Africa in Uganda* in 1964, the seminars held since 1965 had concentrated on one specific subject, for instance: in 1965, on co-operative education and training; in the following two years, on marketing of agricultural produce; and in the last two years, on consumer co-operation and co-operative farm supplies.

The duration of the seminars had gradually been reduced from 8 to 4 or 5 weeks, including an introductory or supplementary visit to either the ILO in Geneva or the FAO in Rome. One of the main arguments for the reduction of the length of the seminars was the desire to enable as many qualified participants as possible to attend them. It should be borne in mind that the more responsible post a participant held in his country, the shorter would be the time he could devote to the seminar, in order not to be too long away from home.

Except for one year, all seminars had been held during the months of August or September which, from the point of view of climate, was undoubtedly advantageous for the participants. Most of these seminars took place in a Danish "folk high school" in North Zealand and only one was held in Copenhagen, where the participants had to be accommodated in hotels.

Lectures had, from the start, been the backbone of the seminar programmes, and, as a rule, each subject was dealt with taking into account both international and specific Danish experiences. Over the years,

however, a trend had developed to move away from specific Danish aspects towards more international ones, with emphasis on problems faced by developing countries. Moreover, in recent years, great importance was given to the recruitment of co-operative experts from the developing countries amongst the lecturers.

It must also be mentioned that a marked trend became noticeable to transform the lecture type seminars into a form of conference seminars, where group work was extensively applied. In this context, it should be stressed that ample time had always been set aside for "country statements", giving the participants the opportunity of presenting special problems encountered in their respective home countries.

Another important element in the early seminar programming was the inclusion of 4 to 5 days' field study tours with visits, in small groups, to selected rural districts and aiming at giving the participants the possibility of observing how different co-operative enterprises functioned in practice. At the same time, it was emphasised that these formed part of a larger pattern and should not be regarded as an isolated sector. These district visits included, therefore, cultural, social and economic institutions, such as schools, old age homes, farms, etc., and it may be claimed that this part of the programme was the most appreciated and valuable one, as it gave the participants an insight into Danish conditions and problems.

The question of the language to be used in the Danish seminars constituted a special problem. Mostly, English was the working language, but, in some cases, also French had been used, making rather expensive interpretation and translation arrangements necessary. However, bilingual seminars made extremely interesting exchanges of experiences and opinions amongst participants from English- and

French-speaking countries of Africa possible, as was the case at the 1964 Seminar in Uganda, and again at the Seminar in Colombia in 1968, where both English and Spanish was spoken. The 1967 Seminar in Thailand was conducted in English only. The language question gave rise to many and rather heated discussions with the international organisations, which always wanted the Danish seminars to include participants from French- and Spanish-speaking countries. The Danish point of view was, however, that the seminars should, as far as possible, be conducted in English only, partly because it was preferred to conduct the seminars in one language only, and partly because it was difficult to find qualified co-operative experts in Denmark with an adequate command of French and Spanish.

Participants

Over the years, more than 400 participants from over 70 countries had attended the Danish co-operative seminars. The majority were government officers. Only recently, it had been possible to persuade certain countries also to select some co-operative managers and a few elected Board members. With regard to age, this varied, but the majority were men of mature age, holding responsible positions. The number of female participants was very limited, there were only one or two every second year.

The professional qualifications of the participants had, of course, varied considerably from country to country and from year to year. Even if the formal demands in this respect had been the same, there must inevitably have been a great difference between the participants whom a large, old country, as, for instance, India, and a new, small country in Africa was able to send. Many seminars had, therefore, a rather heterogeneous group of participants, in spite of every endeavour to secure the highest possible uniformity of background and experience. It should be

stressed nevertheless that the level of participants, including those from African countries, had progressively improved. While during the early years, some criticism had been voiced that "the level of teaching was too high", some participants criticised in recent years that some of the teaching was too elementary.

Directors and Staff

Whereas, as already mentioned, the planning of the co-operative seminars in Denmark had been carried out in close collaboration with the ILO and FAO, which had also sent out the formal invitations, the Directors of the seminars were always Danish. The very first seminar had the present Minister of Economic Affairs, Dr. P. Nyboe Andersen, as Director, who was followed for a number of years alternatively by the Secretaries General of the Danish Central Co-operative Committee, Messrs A. Axelsen Drejer and Clemens Pedersen. In recent years, the Danish seminar Directors were Mr Aage Bo (the author of this article), Mr Georg Nielsen and, in 1969, Mr Lund Jensen. Throughout the years, however, the Danish Directors had been assisted by a representative of the Co-operative Branches of both the ILO and the FAO. As to the seminar staff, three Danish group leaders were in charge of the seminar's group work and the local field study tours. It should also be mentioned that all the recent seminar Directors had previously served as group leaders.

Finance

The international co-operative seminars were financed by special contributions to the United Nations Development Programme (UNDP) which were ear-marked for them, but this special arrangement expired at the end of 1969. In recent years, the costs of these seminars had been between 45,000 and 50,000 dollars for a five weeks' seminar, approximately half of which was spent on travel expenses.

Evaluation

As indicated, much effort and a good deal of money had been invested during the 16 years in the international co-operative seminars in Denmark. It was therefore natural to raise the question at the end of this long period what had been gained by this investment. That was no easy question to answer, but the "follow-up seminars" in Africa, Asia and Latin America gave some positive indications in that respect. It was certainly satisfying being able to state that, within each of the three continents, it had to a large extent been possible to recruit the "right type" of participants for the seminars in Denmark, namely, persons holding such positions which gave them the very real opportunity of making use of their newly acquired inspiration and of applying their gained experience to practical work in their home countries. Of course, there would always be a percentage of "waste" of participants who, for one reason or another (as, for instance, language difficulties), had not been able to gain very much, or who, on their return, were transferred to jobs outside the co-operative movement. The follow-up seminars, however, had proved that the great majority of the previous seminar participants were still active within the co-operative movement and that several of them had been promoted to prominent posts within the co-operative administration of their countries. Three of the former seminar participants had later even become cabinet ministers, and about a dozen had been selected as international co-operative experts by the ILO and FAO.

Apart from getting the right type of participants, it was equally important to examine what these participants had gained from their participation in the seminars. It must be realistically accepted that there would always be a limit to how much of the experiences gained at the international seminar in Denmark the individual participants from many different foreign countries could directly apply to

their own countries. As far as the Danish Co-operative Movement was concerned, the most significant importance had been that the Danish achievements and experiences had meant an inspiration for future activity on local ground. In this respect, the Danish study visits had been of great value.

More direct benefit had undoubtedly been gained by listening to, and discussing with, some of the many experienced international experts, who were attached to the seminars, co-operative matters and problems. It was equally of importance that the seminars had brought about a fruitful exchange of experience amongst the participants themselves.

By way of both verbal and written evaluations and appraisals at the end of the seminars, the participants had tried to sum up what they had gained from their participation in them. It might be useful to summarise here briefly a few outstanding points: It had been realised that, if a co-operative movement was to be viable, it must bring about economic benefits for its members and could not rely on co-operative ideology only. Quality of the individual co-operatives must come before quantity—"rather no co-operative than a poor co-operative". The importance of promoting the quality of goods marketed through special payment systems giving extra premiums for good quality had been stressed, with special reference to the payment system applied by the Danish co-operative dairies. It had furthermore been realised that government support, however necessary it might be, should not merely be a controlling instrument, but should also include specific management advice. The importance of good book-keeping and understanding of proper accounts as a basis for rational planning had been strongly emphasised, and the possibilities for more centralised book-keeping systems in this context had aroused great interest.

In the field of organisation, the proper division of work between the elected and the employed management had given rise to much discussion and thought; the same applied to the problem of proper delegation of power within the daily management. Also on this point, the practical examples, seen during the study visits, had been of great importance.

As to education and training, the most important feature had no doubt been the strong emphasis on the proper combination of theory and practice. Another point stressed had been the importance of offering also the elected Board members a proper training for their special duties. Incidentally, the seminars had undoubtedly taught the participants a good deal of the proper planning and conduct of course activities, as well as the use of group work and study visits.

It should not be overlooked that not only the participants had gained from the various seminars; Denmark as the host country had too, and so had the great number of Danes who, in one way or another, had been in contact with the seminars for many years. The Danish co-operative seminars no doubt had meant a good deal in terms of creating and maintaining a goodwill in Denmark and in many countries around the world. Many letters and articles had proved it.

On a more personal level, too, the seminars had been of great benefit to many Danes. Personal contacts had been established, and the perspectives of many a daily job had been widened. In this context, the local study tours—more than fifty over the years—should once again be mentioned. Hundreds of Danish families all over

the country got through these visits an insight and understanding of the problems in the developing countries. Adding to this all the press reports in local newspapers about these visits produced even greater benefit not only to the co-operative seminars as such, but to the Danish technical assistance in general.

Some Perspectives for the Future

An epoch had come to an end, but technical assistance would be continued, only in a somewhat changed form. In line with the development in other fields of technical assistance, and in other countries, the activity in the future would be concentrated in the developing countries themselves, i.e., through closer contact with the problems which were in need of assistance to be solved. There was good reason to believe that this would mean increased efficiency. It should not be overlooked, however, that this change had some negative aspects; when the greater part of Danish technical assistance would be given far away from Denmark, fewer people in Denmark would come into direct contact with this work. It was, therefore, still important that certain activities, for instance, carefully planned study visits for some selected participants from training courses in the developing countries, should take place in Denmark so that an interest in wider circles for this work was maintained. Such an interest and understanding was also a prerequisite for future recruitment of the necessary number of qualified specialists for the co-operative technical assistance in the developing countries—and such specialists would be needed for many years to come.



Group of Participants in the second Seminar at the Kikuya Adult Centre near Nairobi

A New Initiative in Women's Education

by Muriel J. Russell, ICA

It is a far cry from Hamburg to Nairobi, yet when a woman co-operator from Kenya told the ICA Women's Conference there in 1969 "You will be hearing from us, I hope", those present little thought that her words would come true in less than a year. By good fortune, Mr Dan Nyanjom, destined

to become the Regional Director of the ICA Office for East and Central Africa in the near future, was present and found himself responding to the idea that, given education and opportunity in co-operative development and activities, women would not only contribute to the economic well-

being of the community but would actually improve their immediate conditions within the family.

It has to be understood that, despite the great advances being made by many of the countries in Africa, in the rural areas the position of the family and, particularly of the mothers, is still very much the same. The women are expected to provide by their own labour the food which their husbands and children will eat and, if there is any money to be earned by women, then it is the menfolk who determine its use. Therefore, when people from industrialised countries press their case that women should be encouraged to share in the responsibilities and rewards of Co-operation, it is not surprising if co-operative leaders in Africa fear some kind of revolution which could threaten to undermine life which has suited the nations for centuries.

New education and training have to come, not only to benefit women, but to re-educate men to accept that co-operative progress can only be achieved by the involvement of both sexes. Mr Masinde Muliro, Minister for Co-operatives and Social Services, showed his great understanding of this need in the following words:

“It has been found that efficiency in the business performance of co-operatives cannot be fully achieved until women are exposed to the same education that the men are undergoing. If we are looking for quality produce, it is the women who mostly cultivate, look after the crop in the field and prepare and deliver it to the societies for marketing. You must therefore, of necessity, be closely involved in the agricultural extension advice and instructions on good crop husbandry methods. Similarly, you have a big part to play in the economical and efficient operation of the actual marketing side . . . I am afraid we cannot achieve total efficiency in the

business operations of our co-operatives as long as the role of women continues to be one of doing all the work and leaving the men (who are officially the members) to do all the talking at meetings and take the credit for any achievements as well as collect the pay-outs of crop produce.”

These frank, but necessary words were addressed to the Women's Seminar which took place in Limuru, near Nairobi, in July of last year. It was the first of a series of six held in East Africa during the summer and autumn. They were all arranged with the help of the ICA, the national co-operative organisations of the countries concerned and the women's organisations of the Scandinavian countries.

After leaving Hamburg, Mrs Diana Opondo of Kenya collected information in Finland, Sweden and England and took a course on credit societies in the U.S.A. and Canada. On her return, well equipped for the work, she travelled through Kenya, interviewing women who had already some real connection with a co-operative. She was not looking for people who merely wanted to attend a seminar, but had her mind set on the kind of participants who were going to use their new knowledge in follow-up action to the benefit of others in their immediate districts. Finally, she selected about 80 women, 40 to go to the Limuru seminar, where the language used was English, and the others to a seminar at the Kikuya Adult Centre, also near Nairobi, where the programme was in Swahili. The attendance list, which included organisations, indicates the cross-section of rural life which was represented there, e.g., farming, dairying, coffee production, consumers societies, credit and savings societies, and primary and girls schools. In addition, there were government representatives and those from local authorities.

A similar event took place in Uganda in August, both seminars being

held at Tororo, some 200 kilometres from Kampala. Again, as in Kenya, various co-operative interests and all districts of the country were represented. Later came the turn of Tanzania.

Space restricts the possibility of giving individual findings of these seminars, but all produced similar reactions and recommendations which underlined the great need for co-operative education which had been lying dormant. As reported to the ICA Headquarters, these seminars were not used as forums for airing women's grievances, but for the serious promotion of women's opinions on co-operatives and, where mistakes had been made, on methods to rectify them. There was ample evidence of hindrances to women's participation in co-operatives, particularly where membership was allowed only to men or, alternatively, to only one member of the family, which usually meant that the man was the member. Such rules should be altered to ensure women's co-operative rights. Flowing from this, came recommendations on elections, places on committees, education and training, both in specialist courses (where necessary) and in general courses of all kinds, on more field workers, opportunities at national and international level, and safeguards in respect of loans to ensure the welfare of the whole family and not individuals.

Women themselves did not escape criticism. They urged that all women should use what rights they already had. Where they disagreed with a co-operative official, the remedy should be in reference

to the Committee and not in resignation. Although the seminars were primarily called to discuss the women's role in co-operatives, and the major part of the agenda was centred on this subject, some time was given to lively discussions on child welfare, nutrition, family planning, civics, handicrafts and cottage industries, all of which have some bearing on aspects of co-operative organisation within a community.

Now the time has come to review this action so successfully launched. Already the seminars have attracted much publicity and public attention. Planning is in hand to maintain the impetus which has been gained. The intention is not to set up separate women's organisations or groups or to rely on specialist seminars for women only. This would ultimately defeat its object by segregating a group of co-operators, when the need is for united family action. Undoubtedly, there will be a call for more regional and district seminars arranged on similar lines during the next two or three years, while the knowledge passed on by the first participants is disseminated through to village level. Parallel to this must be the initiation of women into the active programme of the co-operatives so that they can make their contribution effective.

This scheme in East Africa gives great satisfaction to those who have been involved, and the ICA hopes that lessons can be learnt by Co-operative Movements in other continents and countries so that they may benefit from this experience.

New Directions for the German Consumer Co-operative Movement*

by Dr. Hans-Eberhard Zaunitzer

Guide-lines to the future of the Bund deutscher Konsumgenossenschaften, BdK (Federation of German Consumer Co-operatives of the Federal Republic of Germany) were drawn up in Berlin at the end of June 1970, three years after its founding. A reform programme was unanimously adopted by the Federal Congress of the Unternehmensgruppe co op (Co-operative Enterprise Group), to which the consumer co-operatives, the Großeinkaufsgesellschaft deutscher Konsumgenossenschaften, GEG (Wholesale Society of German Consumer Co-operatives) and many other co-operative enterprises belong.

Stimulated by a highly topical paper by the Federal Finance Minister, Dr Alex Möller, on the "Tasks of the Collective Economy in the Seventies" and inspired by a survey presented by the President of BdK, Oswald Paulig, the delegates made some noteworthy decisions. Karl Dowidat, the Chairman of the Executive of the largest German Consumer Co-operative, the "Production" Hamburg ("PRO"), formulated them, as follows:

At an extraordinary Congress, proposals are to be considered regarding

* Reprinted in translation from *Hamburger Kurs*, SPD-Landesorganisation Hamburg, No. 8, August 1970.

possibilities of transforming consumer co-operatives into limited companies, whereby the basis of own capital should be strengthened and a wide dispersion of property ownership (Vermögensstreuung) be brought about.

The Four Strong Pillars

The Unternehmensgruppe co op is the collective economic domain of the German consumer goods economy. The three other pillars of the German collective economy are the Bank für Gemeinwirtschaft (Bank for Collective Economy) for the Banking system, the "Neue Heimat" for the construction of houses and town planning, and the Unternehmensgruppe "Volksfürsorge" for insurance business. These four groups work closely together. They are the stimulating and dynamic elements of the economy and society of the Federal Republic of Germany.

If, in the foreseeable future, the Unternehmensgruppe co op adopts a new structure, if the present 155 consumer co-operatives are merged into 20 large regional societies, if members are converted into "stockholders", if co-operative shares become "stocks" and, if the Unternehmensgruppe co op will be welded into an even more efficient collective economic enterprise, then consumers and savers will in the

end have more advantages and more rights than hitherto.

Now this is today's situation of the Unternehmensgruppe co op:

Turnover is increasing considerably and will this year reach some DM 8,500 millions, of which by far more than DM 5,000 millions are in the retail trade of food, furniture, textiles and other non-food articles. The Großeinkaufs-Gesellschaft deutscher Konsumgenossenschaften produces in its 30 factories such items as meat products, frozen foods, tinned goods, spirits and washing agents. It imports goods from practically all countries of the world. The consumer co-operative societies, with their more than 5,500 shops with a total selling space of over a million square metres, have more than 2.2 million members. However, this total is declining. And this is entirely due to the co-operative legislation, which was first introduced in 1889 and is now completely obsolete. There is no legislative change in view.

This means for the Unternehmensgruppe co op that no interest is allowed to be paid now as before on co-operative members' shares and the payment of a dividend is after all impossible for reasons of taxation. In other words, the members do not participate in the growing value of their own enterprise. This should be changed. After transformation of the consumer co-operatives into limited companies, membership will again become more attractive. Potential shareholders will have the chance of a secure and profitable investment.

This would not involve any change in the function of the co op group, on the contrary: co op—and this is the "PRO" in Hamburg—will become more powerful and efficient through the proposed re-organisation; the co op group will be freed from the legislative chains of the previous century and will be able to fulfil its tasks much better than ever before.

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1969

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Co-operatives into Companies?

by Paul Derrick

In the preceding article, Dr. Zaunitzer has described the decision of the Consumers' Co-operative Movement of the Federal Republic of Germany to examine the desirability and practicability of converting retail consumers' co-operative societies to the legal form of limited companies. This is clearly a decision of great interest to Co-operative Movements throughout the world. Hence it was felt that it would be useful to set forth briefly the factors which led to the decision and the broader issues involved.

Co-operative Law in the Federal Republic

Basically, the problem appears to stem from restrictive legislation which makes it difficult for societies to raise the amount of capital required in the highly competitive market of the Federal Republic. As Dr Walter Hesselbach pointed out in his book "Co-operative Enterprises in Western Germany" (1966), adequate supplies of new capital become increasingly important to co-operatives as distribution becomes more capital-intensive, but consumers' co-operative societies have "suffered from a number of institutional handicaps in the matter of taking up new share capital, difficulties which lay partly in the legal status of co-operative societies and partly in legislation hostile to the co-operative movement".

German consumer co-operatives are not allowed to pay interest on shares which

is unfortunate, since such interest would be deductible before surpluses were assessed for tax. Dividends paid on shares are subject to a 60 per cent tax—corporation tax at 49 per cent on income distributed as dividend on shares plus local taxation. Companies, on the other hand, pay corporation tax at the reduced rate of 15 per cent on income distributed as dividends. The Co-operative Movement has tried hard to bring about a change in the law, but without success.

In addition, consumer co-operatives are forbidden by the Rebate Law of 1954 to pay patronage refunds (dividends on purchases) of more than 3 per cent. Since most private chains pay discounts of 3 per cent to all customers, one of the attractions of co-operative membership is neutralised. Moreover, co-operatives are expected to differentiate between surpluses made from trading with members and those resulting from trade with non-members and are also excluded from the "Schachtelprivileg" which allows a company that has a holding of more than 25 per cent in another company to avoid duplication of tax. Because of these restrictive and discriminatory legal provisions, members have little prospect of directly benefiting from the growing value of their societies' assets.

Co-operative Companies

The proposal to convert retail co-operative societies into limited companies may

appear drastic. Nevertheless, in many countries, co-operative organisations have formed companies for specific purposes; and in some, for example, Australia and Canada, co-operative societies often find it convenient to be legally registered as limited companies. This is also true of some agricultural co-operatives in Britain, and a number of the British consumers' societies were originally registered as companies. In France, over 100 years ago, specific co-operative legislation was rejected in favour of a modification of company law as a method of legal protection for co-operative enterprises. In Belgium, co-operatives are regarded in law as a special kind of company.

Dr Hesselbach has pointed out that co-operative productive societies in the building industry of the Federal Republic converted themselves into limited companies in the 1920's, and that housing co-operatives have adopted the legal form of non-profit corporations rather than co-operative societies. The Bund deutscher Konsumgenossenschaften (BdK) is itself a limited company, as is the Co-operative Wholesale Society (GEG).

Co-operative Principles

Many Germans feel that the registration of co-operatives in the legal form of companies would help large regional co-operatives to raise capital by the issue of shares to members, because it would make it possible for a reasonable return to be paid on share capital. Inflation is less in Germany than in some other countries, but the Bank Rate stood at 7 per cent in October 1970 and interest rates are high because of capital-intensive production, because of anti-inflation curbs on demand and, perhaps to some extent, because in inflationary conditions, people come to expect a fall in the real value of money. With high interest rates, co-operative members are all the more reluctant to invest in shares on which they get no return.

Dr Hesselbach argues that co-operative societies should be permitted to pay interest on share capital at a rate comparable to prevailing interest rates, as in Britain. Such a practice would be in full conformity with co-operative principles. The ICA Commission on Co-operative Principles stated that the principle of a limited return on capital requires in practice that the rate of interest paid should bear a direct "relation to the Bank rate of discount or any other rate which is generally regarded as being kept at a fair level in conditions prevailing on the ordinary market". It declared that it is legitimate for co-operative societies to "adjust the upward limit of their interest rates to the level set by long-term movements of interest rates" and added that "contemporary conditions in countries of advanced economic development" demand an "elastic system of interest limitation", and that it is equally legitimate to fix interest rates "for long periods by rule or for short periods by reference to some standard rate prevailing in the market".

There is thus no reason why a change in the legal form of consumers' co-operatives need involve any departure from the co-operative principle of a limited return on capital. Instead of not being allowed to pay anything at all, they would be allowed to pay a reasonable, but still limited, return.

Moreover, as limited companies, it would still be possible for consumers' co-operatives to apply the co-operative principle of one man, one vote. It is true that, if they were limited companies in law, co-operative shares would become transferable instead of withdrawable; but non-voting shares are allowed in the Federal Republic, so there would be no need for any conflict with the co-operative principle of one man, one vote. At the same time, it might be desirable for some restrictions to be placed on share transfers, as is sometimes done with companies, for reasons

indicated in the section of the Report of the ICA Commission on Co-operative Principles dealing with share transfers.

It is noteworthy that the feature of co-operative law in Germany that Dr Hesselbach regards as the major handicap for a capital-intensive enterprise has nothing to do with co-operative principles. In most countries, co-operative shares are usually "withdrawable", that is to say, capital can be withdrawn on certain conditions. This may be a convenience for members, but it is an inconvenience for co-operative societies in need of capital for investment. There is nothing in the Report on Co-operative Principles to suggest that co-operative shares have to be withdrawable rather than transferable. Certainly this would make it much easier for societies to attract capital.

Member Participation in Growth

The conversion of consumers' co-operatives to limited companies might enable them to attract members' savings more easily, but it would not solve the problems created by the arbitrary restriction of patronage refunds to 3 per cent, since there is a similar legal limitation on the granting of discounts by companies. Perhaps some day it may be possible for German co-operators to get this anomalous law repealed. Meanwhile, the societies may be able to pass on to members in lower prices some of the benefit of capital investments and greater efficiency.

Another method of allowing members to benefit would be by paying patronage refunds in non-voting stock instead of in cash. In the United States, large agricultural co-operatives commonly distribute a large proportion of their patronage refunds in the form of non-voting stock instead of cash; this is permitted by law up to 80 per cent of total patronage refunds. A recent proposal that the ceiling should be lowered to 50 per cent

aroused the furious opposition of the whole Co-operative Movement, and the proposal was defeated.

This would make it possible for members to share in the increasing value of their society's assets; but there remains the controversial question as to whether members *should* participate in this way. In many countries, co-operatives are required to plough back a proportion of earnings until reserves reach a certain size in relation to share capital, and in some, these reserves are considered to be "indivisible", that is, not to be distributed to members in the event of winding up, but rather to be handed over to another co-operative.

It was clear from the debate at the Vienna Congress that there are sharp differences of opinion in the Co-operative Movement on the question of member participation in the growth of co-operative assets. A Belgian resolution, supported by the Italians and the French, proposed that the principle of non-participation by members in residual co-operative assets should be incorporated in the resolution on co-operative principles. The French co-operative pioneer Philippe Buchez had insisted strongly that this principle of non-participation by members in the residual assets of co-operative societies was an essential principle of co-operation, but the resolution was nevertheless defeated.

The German proposal to turn retail co-operative societies into companies in law is clearly intended to promote member participation in the growth of assets. In a capital-intensive economy, this growth may be considerable and the Germans think that member participation, as consumers, in such growth will help to ensure member interest and involvement. Presumably, a compromise could be reached, namely, that there should be *some* participation by members in the growth of assets, while, at the same time, retaining certain indivisible reserves in which they do not participate.

Workers' Participation in Growth

Another controversial question that is being discussed by German co-operators as a result of the new proposals is that of *workers' participation* in the growth of co-operative assets. This was a matter of fierce controversy in the British Co-operative Movement at the time the ICA was founded, and many of those who took the initiative in founding the ICA were in favour of such participation. It is a question that has been under consideration by the ICA Auxiliary Committee of Workers' Productive and Artisanal Societies for the last four years; and, in recent years, the more general question of workers' participation in the growth of industrial assets has become a matter of public interest in several European countries.

In Germany, the trade unions, led by the building workers' trade union, have been pressing for a share in the growth of industrial assets through "investment wages", and this has been encouraged by the Capital Formation Act of 1961, 1965 and 1969. In France, the Vallon legislation of 1967 provided for workers' participation in the growth of the assets of companies and of co-operative societies. In Holland and Norway, the trade unions have been pressing for workers' participation in the growth of company assets, and the question is being studied by the TUC in Britain.

The subject is also being studied and discussed in the Social Democratic Party of the Federal Republic and, if German consumers' co-operative societies were

converted to the legal form of companies, the question would undoubtedly arise as to whether workers, as well as consumers, should participate in the growth of co-operative assets. The question is whether the issue of non-voting shares or their equivalent to workers and consumers as earnings are ploughed back would help to promote efficiency and serve the best interests of members and of the community.

Debate on Co-operative Finance

It is to be hoped that the German proposals to convert retail consumers' co-operatives into companies in law will lead to a lively discussion of the whole problem of financing co-operative growth. If appropriately framed, the change in legal form need not lead to any departure from co-operative principles. Much will depend upon how the proposal is worked out in detail, particularly with regard to voting. So far, the idea is only at the discussion stage and the final proposals have yet to be formulated, but mere consideration of the possibility of converting co-operatives to the legal form of companies is certain to initiate a broader discussion of the whole problem of financing co-operatives in conditions of inflation, high interest rates and capital-intensive operations. Co-operators in other countries will watch developments in Germany with great interest, and we hope that they will react by sending us their comments, so that the problems of co-operative finance can be debated in the pages of this Review.

Book Reviews

The International Co-operative Alliance 1895-1970

By W. P. Watkins. Published by the International Co-operative Alliance, 11 Upper Grosvenor Street, London, W1X 9PA, England, 1970; with Appendix I: The Growth of the ICA; Appendix II: ICA Publications (A Select Chronological List); and Index xv plus 385 pp. Published in English. Price £2.50p.

The book written by Mr W. P. Watkins on the occasion of the International Co-operative Alliance's 75th anniversary is an enthusiastic but objective homage paid by one of the great co-operators of our time to one of the most liberal and humane international organisations existing. Who else but he could have described with such mastery, fidelity and objectivity three-quarters of a century of eventful history of the ICA. Such an arduous and delicate task presupposes not only a profound knowledge of co-operative philosophy and theory, but also great experience of the practice of co-operation, of the evolution of the Co-operative Movement throughout the world, as well as of its possibilities. It also requires a highly cultivated mind as well as a remarkable grasp of construction. It is thus that the author, with a lively pen, takes us with giant strides through a great epic story, he avoids "making" history. Like a good chronicler, he is loath to deviate from facts or to interpret them; he simply presents them, leaving it to the reader to find their true meaning and determine their importance. The book, for which we are indebted to him, will certainly find a prominent place in the annals of co-operative activity and will be in any case an effective working tool for those who are

interested in Co-operation. It is to be hoped that this excellent work will be translated into, and widely diffused in, other languages with the assistance, amongst others, of the co-operative member organisations of the ICA.

The work is divided into four chapters. The first, which is entitled "The Idea", brings out in the first place the international nature and origins of the co-operative movement. It brings into focus the role of the majority of the pioneers of Co-operation in the long process of laying the foundations of a genuine international co-operative organisation. The wealth of information gathered reveals the difficulty of exactly locating the origins of the Co-operative Movement which emerged more or less spontaneously and simultaneously in various European countries. However, the origin of the ICA is described with the greatest accuracy, through a whole series of political, economic and social events, whose effects, either beneficial or hindering, or even frustrating, are carefully presented. The idea of an International Co-operative Alliance, which seems quite natural to us today, appeared to be the result of a series of more or less clearly expressed aspirations by the leaders of the Co-operative Movement, and even by Associationists, in the majority of European countries. Amongst these were those of Great Britain, particularly Robert Owen, who, as early as 1835, proclaimed a first idealistic formulation of this international organisation. The exciting prehistory of the ICA came to an end with the first London Congress of 1895; and it thus needed the constant efforts of more than two generations of co-operators, persisting for more than sixty years, and therefore taking almost as long a

period as the life of the ICA from 1895 to 1970. What a fine lesson of unpretentiousness emerges from the comparison of these two figures and what an irresistible force was the perseverance of two generations of men to bring about such an ideal! Lastly, what lofty thoughts were theirs! In fact, throughout the prehistory of the ICA, we rediscover in outline, sometimes very precise, the principal objectives of today's Alliance: the search for Universal Peace, the protection of the workers, the elevation and emancipation of the masses by means of education, development of inter-co-operative relations, propagation of the ideals of co-operation, etc., as well as the essential elements of its constitution.

Chapter Two shows with equal clarity the emergence of the ICA constitution. The process took also a long time, namely, from 1896 to 1910 (when the Congress met for the first time in Hamburg). It resulted in an almost definitive Constitution, for it had been elaborated very wisely in the light of fifteen years' experience, in stages marked by the deliberations of the Congresses of Delft, Paris, Manchester, Budapest, Cremona and Hamburg, which made possible its formulation and the clarification even then of the majority of the Alliance's objectives. Mr Watkins can claim the credit for assembling the essential information about these Congresses so as to enable the reader to follow the progress, and also the set-backs in the long progress of developing these ideas. Now and then, the author found a forgotten treasure which he passes on to us. We are thus informed that the idea of technical assistance by co-operators to others less fortunate had already been expounded in a prophetic manner at the Budapest Congress of 1904 by Count Alexander Karolyi, leader of the Hungarian Co-operative Movement, in his opening address, and that happened fifty years before the last Congress of Paris in 1954, when the first real ICA programme of technical assistance was outlined. The Alliance's devotion to Universal Peace is also revealed as the author works his way through the majority of Congresses of this period until Glasgow, where it became the subject of a unanimously adopted resolution.

Chapter Three deals with the influence of world wars, revolutions and economic depressions on the life of the ICA. It takes up

almost a third of the book, as the relevant material is so rich and varied. The participation of the ICA and of the Co-operative Movement in the efforts undertaken in Europe to help the populations who were the victims of the war, the assistance given to the partially or totally destroyed member co-operatives, the reconstruction of the ICA and its problems of growth, are described here in moving words. The author traces through the Congresses of Basle, Ghent, Stockholm, Vienna and London the steps by which the ICA, in an inspired and patient effort, resumed its interrupted growth and developed its international activities in the fields of trade, banking and insurance amongst others. We also note in this Chapter how the ICA, after the First World War, formed close links with the League of Nations and the International Labour Office which had just been established. It was in that period that the Alliance, in fact, reached out beyond the European Continent by accepting the invitation to be represented at the Wheat Pool Conference in Regina, Saskatchewan, in 1928. In the purely economic sphere, the Alliance had also taken up the struggle on all fronts with vigour from 1920 onwards. Thus, for instance, the ICA, following the example of the Swedish Co-operative Movement, which had plunged into the struggle against cartels, had studied the organisation and operation of these groups leading to the establishment in 1928 of an Agency for the Promotion of International Trade. All this marked as many victorious stages in the life of the ICA after the First World War, which had the greatest consequences for the national co-operative movements and for the international economic policy. There was, in particular, the strengthening of the links between producers and consumers in many countries with the object of eliminating exploitation by powerfully organised trusts or cartels which enjoyed a real monopoly in certain spheres.

Then followed the dark period from 1929 onwards with the Wall Street crash and its world-wide repercussions. Mr Watkins shows with skill how the leaders of the ICA reacted once more to these circumstances. The time had in fact come to demonstrate in contrast to this inability of the national economies to overcome their problems, how the Co-operative Movement, in particular that of the consumers, could preserve a strict discipline in

the management of its affairs. Finally, as if to crown it all, the ICA, at its Congress in London in 1934, defined the outlines of an economic development policy for the International Co-operative Movement embracing all the great problems connected with the world crisis: distribution, production, international exchanges, etc.

The conclusions of the General Secretary on the future orientation of the ICA have shown that its leaders, far from losing hope, were preoccupied with the future. Thus, confronted with the spread of nationalism, the Alliance's Executive Committee had published in January 1936 a declaration addressed to all countries, in which the fundamental principles and the methods of the Co-operative Movement had been reaffirmed. Previously, the ICA had courageously refused to admit the new organisations set up by the Nazi Government and had even intervened in Austria in order to protect the co-operatives there whose freedom had been threatened. Next, there occurred ICA's participation in the Paris Conference, organised in 1936 by the leaders of the pacifist movements of France and Great Britain, which resulted in a recommendation to its members to join the national committees established for the purpose of promoting Peace. Finally, in 1937, was held the Paris Congress, where the atmosphere remarkably recalled that in Glasgow in 1913. Then followed the harsh tribulations for the duration of the Second World War which the Alliance had once more to overcome successfully. However, these years left terrible marks on some of its members, whose countries were directly involved in the conflict. During this "course to the abyss", as the author called it, the ICA had greatly increased its prestige and its dignity.

Chapter Four, entitled "Growth and Development", is the most important, for it deals with nearly thirty years of the ICA's life. That is why it takes up almost half of the book. Here again, Mr Watkins shows great skill. The first section of this chapter opens with the relief and reconstruction work of the Alliance and its members, beginning practically in 1942, when the Inter-Allied Committee for Post-War Reconstruction was formed, which the Alliance promptly joined. Then, in February 1943, the Executive Committee of the ICA launched a successful appeal

to the member organisations to raise the necessary financial means for carrying out the reconstruction of co-operative movements in countries ravaged by the war. The International Conference of Consumers' and Agricultural Co-operative Organisations, convened in London, examined and defined the practical problems connected with this action of reconstruction. At the same time, relations developed between the ICA and International Inter-governmental Organisations and, in particular, with the International Labour Office, which, in its turn, had already been charged in 1942 with setting up a committee for the study of the problems of reconstruction, especially in the field of employment. Following the International Labour Conference in 1945, it was decided to set up a Co-operative Advisory Committee, which came into being in 1946 and consisted of representatives of the Governing Body of the ILO and of the ICA, as well as of those of national co-operative movements. Of course, relations of the ICA were also established with other newly formed institutions, such as the United Nations, the FAO, UNESCO, etc., all of which, including the ILO, admitted the ICA as an Organisation with consultative status. The ICA was, in fact, much stronger than might have been assumed at that time. The war had certainly slowed down its progress, but the fact that, for example, Latin American countries, Nationalist China and Australia had meanwhile applied for membership, compensated to a certain extent for the temporary losses suffered by the organisation. This development was otherwise in process of accelerating, as, in 1948, the Alliance comprised 343,315 primary co-operatives against 260,199 in 1938. Thanks to the Congress at Zürich in 1946, co-operators from all over the world were able once more to renew their contacts. The Congress also performed the important task of discussing the future programme of the ICA and its internal and external policies. International exchanges and relations with public authorities were, amongst other questions, thoroughly examined, with the result that resolutions in favour of the creation of an International Trade Organisation and the establishment of a general Statute for Co-operation, as well as co-operative representation on organs for the orientation and direction of the economic policy of the State. All these activities of the ICA led

to its reinforcement and reorganisation. This was the task which its leaders tackled from 1946 onwards and which was to be actively pursued for many years. The Auxiliary Committees grew in number, the idea of working groups became a reality, and the concept of the organisation of technical conferences began to be a regular feature. Finally, the idea of the necessity of promoting the co-operative movement, in particular in the developing countries, was taking root and spreading. At the Paris Congress of 1954, it actually materialised. In less than five years, it had found realisation at the Conference of Kuala Lumpur in Malaysia (1958) and through the establishment of the ICA Regional Office for South-East Asia.

Likewise, the extension of the ICA outside Europe and North America took a concrete turn in 1962 with the foundation of the OCA in Latin America; at about the same time, an African Co-operative Alliance was created under the aegis of the Co-operative Union of Tanganyika. Both were later to affiliate to the Alliance. In 1962, the number of member countries was 53 and it was certain that this rapid growth was to a great extent the result of this effort to expand. Then followed a fresh reorganisation of the Secretariat, the establishment of new structures and the definition of new objectives.

Mr Watkins, reviewing the work done by the ICA and its various Congresses, shows how this escalation of the activities of the organisation was pursued more and more in connection with the increasing tasks of the United Nations and its Specialised Agencies, namely, the United Nations Development Decade, the UN Housing Programme, the world-wide Freedom from Hunger Campaign of the FAO, the UNESCO Literacy Campaign, the Technical Assistance activities of the ILO in the field of Co-operation, etc. Finally, the ICA received grants which permitted it, not only to associate itself with these activities, but also to carry out its own programmes.

We must be grateful to the author for having mentioned, in connection with this subject, the active part played by the ICA in the work of the Correspondence Committee of the ILO (1962) and especially the ICA's outstanding contribution to the discussions which

took place during the 49th and 50th sessions of the International Conferences of the ILO, where, for the first time, the question of Co-operatives, entitled "The Role of Co-operation in the Economic and Social Development of Developing Countries", figured on the agenda. He underlines quite rightly that the recommendation finally adopted constituted a true co-operative charter which could help governments and co-operators to establish genuine co-operatives on sound bases. The 49th session of the ILO Conference also examined the question of the value of Co-operation in the field of agrarian reform. Here, too, the ICA had played an important role in helping to formulate the Resolution on this subject. Finally, of the two Resolutions adopted at the 50th session of the ILO Conference, one, dealing with the establishment of an International Co-operative Bank, is of the greatest importance. There again, although the author did not stress it, it was the ICA which initiated it indirectly, and which is jointly with the ILO at this moment examining the ways and means of its implementation.

The Congresses in Vienna (1966) and Hamburg (1969) mark the last two stages of the ICA's 75 years of activity. The revision of the Rochdale Principles, the adoption of the International Declaration of Consumer Rights, Co-operative Democracy and Technical Assistance were amongst the most important questions discussed at these last two Congresses. As far as technical assistance is concerned, it should be recorded that the ICA, while continually developing its activities, either by itself or jointly with international inter-governmental organisations, will be called upon to play an important role in the assessment of the contribution which the Co-operative Movement will be capable of making towards the realisation of the objectives of the United Nations Second Development Decade.

It is on this reassuring note that the author ends his book, wisely declining to anticipate the future of the ICA. The history of these 75 years of the ICA's activities, in spite of certain very difficult periods—and perhaps even because of them—leaves the reader with an impression of the irresistible force of this Institution which has passed through the most difficult periods only to resume its upward progress, because it sym-

bolises the idea of human solidarity, the origin of which is lost in the mists of antiquity.

This impression alone would suffice to justify the necessity of undertaking this work. It is fortunate that Mr W. P. Watkins agreed to carry it out. Our thanks go to him therefore in words chosen by Dr M. Bonow in the Foreword to the book, for his "magnificent achievement" in completing this "formidable task".

J. B. Orizet

Amongst the many events which marked the 75th anniversary of the ICA, the publication of Mr Watkins' book is undoubtedly the most important and by far the most successful. None better than the author chosen could have been more suitable for this work. The son of a co-operative leader of national standing, Mr Watkins has devoted his life to Co-operation. It would take too long to enumerate the various tasks he has carried out for the Movement, but it is well known that he directed the ICA from 1951 to 1963, and has since then continued to work for it, notably by drafting the Report of the ICA Commission on Co-operative Principles, presided over by the late Professor Karve. He knew his subject therefore perfectly from within.

The author has not only made use of the entire previous literature on the subject, but has also consulted the Alliance's archives to such an extent that his book supersedes all preceding works on this subject.

In this summary, only a few topics are selected.

Mr Watkins pays tribute to Robert Owen by proving that he was a forerunner of the Alliance. He thus plays a part in putting right an injustice which was, and still is, done today by many co-operators regarding this influential thinker.

The section of the book devoted to the co-operative development during the 19th century is exciting and scrupulously accurate.

It was the Frenchman, J. P. Beluze, who coined the term "International Co-operative Alliance", and the first International Co-operative Congress was to have taken place in Paris in 1867. It was solely the decision

taken at the last minute by the Government of the Second Empire to refuse the authorisation to hold it, which made this first Assembly impossible.

The Englishman Vansittart Neale and the Frenchman De Boyve were the Alliance's principal pioneers. Vansittart Neale died before the first Congress (London, 1895) actually took place; De Boyve could not attend it, but was present at several others. To these two names that of the Englishman Henry W. Wolff should be added, who prevented the proposed organisation from being no more than a meeting of advocates of workers' participation in profits and management, and who, moreover, played a considerable personal role, particularly through his various travels, in bringing together the first Congress members.

At the second Congress (Paris, 1896), the Frenchman Bernadot, the Manager of the *Familistère* at Guise, proposed a flag for the Alliance in rainbow colours, symbolising universal fraternity.

The Alliance's first years were excessively taken up with the problem of profit-sharing. The Hamburg Congress in 1910 later discovered an excellent formula: co-operative societies should provide for their employees "model conditions" of work and remuneration. This same Congress welcomed a resolution adopted a few days earlier by the International Socialist Congress at Copenhagen, which recommended to all socialists and all trade unions to become active members of consumers' co-operatives. The resolution adopted by the Alliance stressed at the same time that it referred to no political question whatsoever and reaffirmed the autonomy of the Co-operative Movement.

There is another problem which is fully elucidated in this book: that of continued membership of the All-Russian Central Union of Consumers' Co-operatives (Centrosoyus) in the Alliance. Centrosoyus has been a member of the ICA since 1903. When the Bolshevik Revolution subjected the Co-operative Movement of the USSR to the control of the State, there arose the question of finding out whether it had retained the characteristics of genuine Co-operation. At the Basle Congress in 1921, Madame Polovtseva, who represented Centrosoyus, put up a skilful

defence of her organisation: the latter had been entrusted by the Revolution with immense tasks. It was in the process of regaining its independence and was becoming a collaborator of the State. By 733 votes to 474, the Congress rejected the Central Committee's proposal which recommended leaving the Russian places vacant in this Committee until a later meeting. In 1922, the ICA was invited to send a delegation to the USSR to investigate the Co-operative Movement in that country. This delegation was composed of the General Secretary, Mr H. J. May, and four other British representatives, of Ernest Poisson (France) and Victor Serwy (Belgium). Dr J. Huber (Switzerland) joined the delegation in Moscow. It submitted its report to the Central Committee meeting at Milan in 1922. The report concluded that a complete internal transformation of the Movement was being accomplished in the direction of uniformity in principle with the Movements of other countries. Shortly after, during the years 1922 to 1924, the world unity of the Alliance was to be threatened by the occupation of Georgia. The same threat was to reappear on several occasions, and particularly on the occasion of the "cold war" (Prague Congress in 1948), at the time of the Soviet intervention in Hungary—which was severely condemned by the Executive Committee of the Alliance (December 1956)—and again at the time of the invasion of Czechoslovakia (1968). On that last occasion, the Central Committee condemned the USSR's attitude in the most severe terms. In the course of the two last-mentioned tragedies, the parts played by the Presidents, first by the late Marcel Brot and then by Dr Mauritz Bonow, were decisive in maintaining the unity of the Alliance, in spite of the conflict of differing convictions. At the present time, there are very few members of the Alliance who do not fully recognise the usefulness and indeed the necessity of pre-

serving for this great association the role of a bridge between East and West, in the same way as it acts as a link between the developed countries and the Third World. It is extremely important that, at the Hamburg Congress in 1969, the International Co-operative Alliance unanimously approved, in a new text of its Statutes, Principles consistent with the Rochdale Rules, which involve total adherence to these rules by all co-operators throughout the world, irrespective of the economic or social system under which they live.

Of course, the repercussions caused by Fascism, Nazism and more recently, the dictatorship in Greece, on the Co-operative Movement are accurately described in the work.

Passing to a less dramatic subject but of very great interest to Co-operation, we are surprised to find that, from its first Congresses onward, the Alliance had been concerned with international economic relations amongst co-operatives, whereas, in fact, so little progress has been achieved up to now.

The book ends with a discussion of the most serious problems with which the Alliance is preoccupied today, namely: Contemporary Co-operative Democracy, the International Declaration of Consumer Rights, and above all, the Role of Co-operation in the next United Nations Development Decade.

Having become by far the most important non-governmental world organisation, the ICA has had the good fortune to find an historian of equal calibre.

Paul Lambert

Note: The French translation of Mr Watkins' book is now in preparation and will be issued later this year.

International Co-operative Alliance
Regional Office and Education Centre for
South-East Asia

Regional Director: Mr P. E. Weeraman
PO Box 3021, 43 Friends Colony
New Delhi 14, India Tel. 631541; 632093.

International Co-operative Alliance
Office for East and Central Africa

Regional Director: Mr Dan Nyanjom
PO Box 946, Moshi, Tanzania Tel. 2616.

Affiliated Organisations

Algeria: Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 6 et 8 rue du Cercle Militaire, Oran. Tel. 205-00; 237-75; 368-64; also at - 21 rue Edgar Quinet, Algiers, and 9 rue Mathurin Régnier, 75 Paris 15.

Argentina: Federación Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires. Tel. 28-5381/3.

Intercoop, Editora Cooperativa Limitada, Rivadavia 4426 (1er piso), Buenos Aires. Tel. 99-3193.

Asociación Argentina de Cooperativas y Mutualidades de Seguros, Belgrano 530, 5 Piso, Buenos Aires. Tel. 33-0222/7138.

Federación Argentina de Cooperativas de Crédito Ltda., Pueyrredon 468, 2 Piso, Buenos Aires (RC 24). Tel. 86-6283.

Australia: Co-operative Federation of Australia, 569 Wellington Street, Perth, Western Australia. Tel. 4-50-83.

Austria: "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, Vienna VI. Tel. 57-75-38. Membership (1967): 476,200; turnover: retail trade: Sch. 4,646 mill. (thereof consumers' societies: Sch. 3,895 mill.; department stores: Sch. 713 mill.; other retail trade: Sch. 38 mill.); wholesale society (G.Ö.C.): Sch. 1,821 mill.; own production: consumers' societies: Sch. 472 mill.; G.Ö.C. and subsidiaries: Sch. 415 mill.

Bank für Arbeit und Wirtschaft A.G., Seitzer-gasse 2-4, Vienna 1.

Zentralkasse der Konsumgenossenschaften, Theobaldgasse 19, Vienna VI.

Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, 1, Bösendorferstrasse 7/11, 1010 Vienna. Tel. 65-71-63; 65-13-25.

1969: Affiliated organisations: 301 (comprising 189 societies and 112 associations); membership: 146,767; dwellings administered: 310,124 (comprising 136,462 societies and 173,662 associations); balance at 1968: 45.2 milliard Sch. (divided as to societies 22.2 milliards, associations 23 milliards).

Österreichischer Raiffeisenverband, Seilergasse 16, Vienna 1. Tel. 52-69-34.

Belgium: Fédération belge des Coopératives (FEBECOOP), 26-28 rue Haute, Brussels 1. Tel. 13-28-60; 11-83-50.

Affiliated consumers' societies: 21; membership: 300,000; turnover (1968): Frs. 4,180 mill.; shops: 1,409; Wholesale society turnover (1968): Frs. 1,272 mill.

Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151 rue Royale, Brussels 3. Tel. 18-80-80.

Premiums (1966): Frs. 1,903 mill.; reserves: Frs. 6 milliards; insurance funds, life: Frs. 20 milliards.

Fédération Nationale des Coopératives Chrétiennes, 135 rue de la Loi, Brussels 4. Tel. 35-60-90.

(1967): 1,250 shops; turnover: Frs. 1,430 mill.; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 mill.; reserves: Frs. 1,300 mill.

L'Economie Populaire, 30 rue des Champs, Ciney (Namur). Tel. 210-04.

Branches (1968): 460; membership: 92,000; turnover: F.B. 1,069,000,000; savings deposits: F.B. 592 mill.; capital and reserves: F.B. 184 mill.

L'Institut Provincial de Coopération Agricole, 42 rue des Augustins, Liège. Tel. Liège 32-36-52.

OPHACO (Office des Pharmacies Coopératives de Belgique), 602 Chaussée de Mons, Anderlecht-Brussels. Tel. 22-56-90.

Union of 28 co-operative 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), Rua General Jardim 645, 3º Andar, São Paulo.

Bulgaria: Central Co-operative Union, Rue Rakovski 103, Sofia. Tel. 7-83-11; 8-03-11.

Central Union of Productive Co-operatives, Boulevard Dondoukov 41, Sofia. Tel. 88-45-90.

Cameroon (West): West Cameroon Co-operative Association Ltd., P.O. Box 135, Kumba, Meme Division, West Cameroon. Tel. Kumba 251.

Canada: Co-operative Union of Canada, 111 Sparks Street, Ottawa 4, Ont. Tel. 232-9657. A federation of English-language co-operative organisations, organised in 1909.

Conseil Canadien de la Coopération, 111 Sparks Street, Ottawa 4, Ont. Tel. 232-0468.

Ceylon: Co-operative Federation of Ceylon, P.O. Box 1669, Co-operative House, 455 Galle Road, Colombo 3. Tel. 85496.

Chile: Federación Chilena de Cooperativas de Ahorro y Crédito, Ltda., *Dieciocho 246, Clasificador 760, Santiago de Chile*. Tel. 61373.

Cooperativa Sodimac Ltda., *Casilla 3110, Santiago de Chile*. Tel. 734023.

Cooperativa de Empleados Particulares Ltda., *Teatinos 601, Casilla 424, Santiago de Chile*. Tel. 82935.

Instituto de Financiamiento Cooperativo, IFICOOP, Ltda., *Agustinas 853, Oficina 547, Casilla 1118, Santiago de Chile*. Tel. 398253.

Colombia: Cooperativa Familiar de Medellín Ltda., *Calle 49, No. 52-49, Medellín*. Tel. 45-00-55; 41-71-13; 41-53-78.

Cyprus: Co-operative Central Bank Ltd., P.O. Box 1447, Nicosia. Tel. 62921; 62677; 63311. Cyprus Turkish Co-operative Central Bank Ltd., P.O. Box 791, Nicosia. Tel. 4257.

Vine Products Co-operative Marketing Union Ltd., P.O. Box 314, Limassol. Tel. 2331; 2872; 4582.

Czechoslovakia: Ustredni Rada Druzstev, *Tesnov 5, Prague 1*. Tel. 621-54; 647-51.

Denmark: De samvirkende danske Andels-selskaber (Andelsudvalget), H. C. Andersens Boulevard 42, 1553 Copenhagen V. Tel. (01)12-67-97.

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.

Det Kooperative Faellesforbund i Danmark, *Kronprinsengade 13, 1114 Copenhagen K*. Tel. (01)12-22-62.

Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprising consumers', workers', artisans', productive and housing societies, etc.

Faellesforeningen for Danmarks Brugsforeninger (FDB), *Róskildevej 65, Albertslund*. Tel. (01)64-88-11.

Affiliated societies (1969): 1,742; members: 839,000; turnover: 4,032 mill. D.Kr.; wholesale turnover: 2,198 mill. D.Kr.; own production: 741 mill. D.Kr.

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

Eire: Irish Agricultural Organisation Society Ltd., *The Plunkett House, 84 Merrion Square, Dublin 2*. Tel. 64783/4-6.

National Organising and Advisory Body for Agricultural Co-operatives. Affiliated societies: 333; membership: 127,000; turnover (1967): £152 mill.

Co-operative Development Society Ltd., 35 Lower Gardiner Street, Dublin.

Finland: Suomen Osuuskauppojen Keskus-kunta (S.O.K.), *Vilhonkatu 7, Helsinki 10*. Tel. 90-650-611.

Affiliated societies (1968): 298; members: 561,851; whole-sale turnover: Fmk. 1,377 mill.; own production of SOK: Fmk. 270 mill.

Yleinen Osuuskauppojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki 10*.

Affiliated societies (1968): 298; members: 561,851; turnover of societies: Fmk. 2,543 mill.; total production of the affiliated societies: Fmk. 47 mill.

Kulutusosuuskuntien Keskusliitto (K.K.), r.y., P.O. Box 10740, *Mikonkatu 17, Helsinki 10*. Tel. Helsinki 10491.

Affiliated societies (1969): 81; members: 579,400; turnover: Fmk. 2,009.4 mill.; own production: Fmk. 302.6 mill.

Keskusosuusliike O.T.K., P.O. Box 10120, *Helsinki 10*. Tel. 71-13-22; 70731.

Affiliated societies (1969): 81; turnover: Fmk. 1,189.1 own production: Fmk. 336.1 mill.

Pellervo-Seura, Central Organisation of Farmers' Co-operatives, *Simonkatu 6, Helsinki K*. Tel. 61046.

Affiliated organisations (1963): 10 central organisations; 1,102 societies.

France: Fédération Nationale des Coopératives de Consommation, F.N.C.C., *89 rue la Boétie, 75 Paris VIII*. Tel. 225-99-98.

Affiliated societies (1964): 475; membership: 3,460,000; shops: 9,900; turnover: NF. 3,600 mill.

Société Générale des Coopératives de Consommation, *61 rue Boissière, 75 Paris XVI*. Tel. 553-88-22.

Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, *88 rue de Courcelles, 75 Paris VIII*. Tel. 622-40-48; 622-45-20.

Confédération Générale des Sociétés Coopératives Ouvrières de Production, *88 rue de Courcelles, 75 Paris VIII*. Tel. 622-07-81/2.

Banque Coopérative des Sociétés Ouvrières de France, *88 rue de Courcelles, 75 Paris VIII*. Tel. 227-48-03.

Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, *129 Bd. St. Germain, 75 Paris VI*. Tel. 033-93-31.

Caisse Nationale de Crédit Agricole, *91-93 Boulevard Pasteur, 75 Paris XV*. Tel. 273-90-00.

Fédération Nationale des Sociétés Coopératives d'Habitation à Loyer Modéré (H.L.M.), *17 rue Richelieu, 75 Paris 1er*. Tel. 742-77-99.

Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", *3 ave. du Coq, 75 Paris 9e*. Tel. 742-45-79; 874-67-62.

Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, 75 Paris VIII. Tel. 267-14-50.

Gambia (The): Gambia Co-operative Central Banking and Marketing Union Ltd., P.O. Box 505, Bathurst. Tel. 581.

Federal Republic of Germany: Bund deutscher Konsumgenossenschaften G.m.b.H., Besenbinderhof 52, (2) Hamburg 1. Tel. (0411)284-4001.

Affiliated societies (December 1969): 115; membership (end of 1969): 2,235,000; turnover (1969): D.M. 4,827 milliards.

Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., Besenbinderhof 52, (2) Hamburg 1. Tel. (0411)284-4310.

Total turnover incl. subsidiaries (1969): D.M. 2,462 milliards.

Gesamtverband gemeinnütziger Wohnungsunternehmen, Breslauer Platz 4, (22c) Cologne. Tel. 733252.

Volksfürsorge Lebensversicherung Aktiengesellschaft, An der Alster, (2) Hamburg 1.

Volksfürsorge Deutsche Sachversicherung Aktiengesellschaft, Steinstrasse 27, (2) Hamburg 1.

Deutscher Raiffeisenverband e.V., Adenauerallee 127, 53 Bonn. Tel. (0-22-21) 1061.

Ghana: The Alliance of Ghana Co-operatives Ltd., Post Office Box 2068, Accra. Tel. 25560.

Greece: Pan-Hellenic Confederation of Unions of Agricultural Co-operatives (S.E.S.), 56 El. Venizelou Street, Athens 142.—Membership suspended.

Guyana: Guyana Co-operative Union Ltd., Ministerial Buildings, High Street and Brickdam, Georgetown.

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

Hungary: Federation of Hungarian Co-operative Societies, Szabadság 14, Budapest V. Tel. 113-600; 112-800.

National Federation of Producers' Co-operatives (OKISZ), Pesti Barnabás 6, Budapest V. Tel. 188-806.

National Co-operative Council, Szabadság tér 14, Budapest V. Tel. 113-600; 112-800.

Iceland: Samband Isl. Samvinnufélaga, Reykjavik. Tel. 17080.

India: National Co-operative Union of India, 72 Jorbagh, New Delhi 3. Tel. 611123; 611343; 619328.

Iran: Sepah Consumers' Co-operative Society, Avenue Sevvom Esfand, Rue Artèche, Tehran. Tel. 332015; 332019.

Credit and Housing Co-operative Society of Iran, 20-22 Shahabad Avenue, Tehran.

Central Organisation for Rural Co-operatives of Iran, 357 Pahlavi Avenue, Tehran. Tel. 64210.

Israel: General Co-operative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., P.O.B. 303, Tel-Aviv. Tel. 46111-35. Affiliated societies and companies (1963): 1,855 in all branches.

"Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, 44 Rothschild Bd., P.O. Box 75, Tel-Aviv. Tel. 65085.

"Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, 8 Kaplan Street, P.O.B. 209 Tel-Aviv. Tel. 250881.

"Bahan" Audit Union of Agricultural Co-operative Societies in Israel, 47 Nahmani Street, P.O.B. 622, Tel Aviv. Tel. 614933.

Italy: Lega Nazionale delle Cooperative e Mutue, Via Guattani 9, Rome. Tel. 868-141/2-4.

Confederazione Cooperative Italiane, Borgo Santo Spirito 78, 00193 Rome. Tel. 653-875; 565-605; 565-614.

Associazione Generale delle Cooperative Italiane, Via Parma N. 22, 00184 Rome. Tel. 462-659; 471-846.

Jamaica (W.I.): Jamaica Co-operative Union Ltd., 14-16 Barry Street, Kingston. Tel. 24737.

Japan: Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Co-operative Union), 1-13, 4-chome, Sendagaya, Shibuya-ku, Tokyo. Tel. Tokyo (404) 3231.

Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Co-operatives), 5, 1-chome Otemachi, Chiyoda-ku, Tokyo.

Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Co-operative Associations), Sankaido Building no. 9-13, 1-chome, Akasaka, Minato-ku, Tokyo.

National Federation of Forest Owners' Co-operative Associations, 11-35, Nagato-cho, 1-chome, Chiyoda-ku, Tokyo 100.

Jordan: Jordan Co-operative Organisation, P.O.B. 1343, Amman. Tel. 23101/3.

Kenya: Kenya National Federation of Co-operatives Ltd., P.O.B. 9768, Nairobi. Tel. 21486.

Korea: National Agricultural Co-operative Federation, 75, 1st Street, Chung-Jong-Ro, Sodaemun-ku, Seoul. Tel. 73-0021; 75-2681.

Malaysia: Co-operative Union of Malaysia Ltd., Peti Surat 685, Kuala Lumpur. Tel. 23903.

Sarawak Co-operative Central Bank Ltd., Kuching, Sarawak.

Malta: Farmers' Central Co-operative Society Ltd., *New Building, Middleman Street, Marsa.* Tel. Cent 24896.

Mauritius: Mauritius Co-operative Union, *Co-operation House, Dumat Street, Port Louis.* Tel. Port Louis 822.

Netherlands: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikscoöperaties, "CO-OP Nederland", *Postbus 6008, Vierhavensstraat 40, Rotterdam 7.* Tel. (010) 235180.

Association of Enterprises on a Co-operative Basis, *Bloemgracht 29, Amsterdam.* Tel. 62303.

Nigeria: Co-operative Union of Western Nigeria, Ltd., *c/o Co-operative Buildings, New Court Road, Ibadan.* Tel. Ibadan 24399; 2446.

Lagos Co-operative Union Ltd., Co-operative Office, *147 Broad Street, Lagos, W. Nigeria.* Tel. 58920/85.

Mid-Western Nigeria Co-operative Federation Ltd., *c/o Ministry of Co-operative and Rural Development, Co-operative Societies Division, P.O.B. Benin City.* Tel. Benin 594.

Norway: Norges Kooperativ Landsforening, *Revierstredet 2, Oslo 1.* Tel. (47-2)20-62-90.

Affiliated societies (1969): 783; membership: 392,000; turnover of local societies: Kr. 3,030 mill.; of N.K.L.; Kr. 1,044 mill.

Norske Boligbyggelags Landsforbund (NBBL), *Trondheimsveien 84-86, Oslo 5.* Tel. 33-32-42.

Pakistan: East Pakistan Co-operative Union Ltd., *9/D-Motijheel Commercial Area, 8th floor, Dacca 2.* Tel. 255846.

West Pakistan Co-operative Union, *5 Court Street, P.O.B. 905, Lahore 1.* Tel. 54203.

Karachi Central Co-operative Bank Ltd., *14 Laxmi Building, Bunder Road, Karachi 2.* Tel. 36185.

Karachi Central Co-operative Consumers' Union, *Iqbal Market and Cold Storage, Soldier Bazar, Karachi.* Tel. 70917.

Karachi Co-operative Housing Societies' Union, *Shaheed-e-Millat Road, Karachi 5.* Tel. 40244.

Karachi Co-operative Union Ltd., *Co-operative House, Shaheed-e-Millat Road, Karachi 5.* Tel. 230289.

Karachi Fishermen's Co-operative Purchase and Sales Society Ltd., *West Wharf Road, Karachi.*

Sind Baluchistan Provincial Co-operative Bank, Ltd., *Provincial Co-operative Bank Bldg., Serai Road, P.O. Box 4705, Karachi 2.* Tel. 32361; 37290; 34736.

Provincial Fishermen's Co-operative Society Ltd., *Iqbal Road, Patharghata, Post Box 27, Chittagong.* Tel. 80587; 85967.

Peru: Cooperativa de Seguros "INCA" Ltda., No. 181, *Camilo Carrillo 225, Of. 602, Lima.* Tel. 43198.

Cooperativa de Seguros del Peru, *Maximo Abril 542, Lima.* Tel. 46769.

Philippines: Central Co-operative Exchange Inc., *P.O.B. 1968, Manila.* Tel. 7-60-09.

Poland: Central Agricultural Union of "Peasant Self-Aid" Co-operatives, *Kopernika 30, Warsaw.* Tel. 26-39-69; 26-10-81.

Central Union of Building and Housing Co-operatives, *Ul. Jasna 1, Warsaw.* Tel. 6-72-21.

"Spolem" — Union of Consumer Co-operatives, *Grazyny 13, Warsaw.* Tel. 45-32-41.

Central Union of Work Co-operatives, *Surawia 47, Warsaw.*

Puerto Rico: Co-operative League of Puerto Rico, *458 Fernando Calder Street, Box 177, Roosevelt.* Tel. 766-2592; 766-1382.

Roumania: Uniunea Centrala a Cooperativelor de Consum "Centrocloop", *Calea Victoriei 29, Bucharest.* Tel. 16-00-10; 13-87-31.

1969/70: Associated 1,728 Consumers' Co-operatives in 39 District Unions; membership: 7 mill.; 28,000 retail shops; of which 8,100 public catering units; 7 processing and marketing enterprises; 18 production enterprises; 17 building enterprises; 20,400 servicing units; 18 educational centres.

Uniunea Centrala a Cooperativelor Mestesugaresti, "Ucecom", *Calea Plevnei 46, Bucharest.* Tel. 16-21-40.

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

Sweden: Kooperativa Förbundet, *S-104 65 Stockholm 15.* Tel. 44-95-60.

Affiliated retail societies (1969): 246; membership: 1,534,000; total turnover of consumer societies: Kr. 7,237 mill.; turnover of K.F.: Kr. 5,686 mill. (thereof Kr. 4,156 mill. to affiliated consumer societies); K.F.'s own production: Kr. 2,654 mill.; total capital (shares, reserves and surplus) of K.F.: Kr. 1,132 mill. and of affiliated retail societies: Kr. 1,290 mill.

Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund (H.S.B.), *Fleminggatan 41, P.O. Box 18029, Fack, S-100 21 Stockholm 18.* Tel. 54-06-40.

1969: Affiliated Building Societies: 100; with individual members: 340,000; number of flats administered by local societies: 300,000; value of real estate: Kr. 15,000 mill.

Svenska Riksbyggen, *Hagagatan 2, P.O. Box 19015, S-104 32 Stockholm 19.* Tel. (08)34-05-20.

Folksam Insurance Group, *Folksam Building, Stockholm 20.* Tel. 22-01-00.

Lantbrukarnas Riksförbund, *S-105 33 Stockholm.* Tel. (08)14-16-00.

Kooperativa Gillesförbundet, *S-104 65 Stockholm* 15. Tel. (08)44-90-60; (08)44-95-60.

Switzerland: Coop Schweiz, *Thiersteinerallee 14, CH 4002 Basle*. Tel. (061)35-50-50.

Affiliated societies (1969): 330; retail outlets: 2,642; membership: 884,900; Coop-total turnover: Frs. 3,175.2 mill.; Coop-retail turnover: Frs. 2,683.9 mill.; Coop Schweiz, wholesale turnover: Frs. 1,601.8 mill.

Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), *Schaffhauserstrasse 6, Winterthur 8401*.

Verband sozialer Baubetriebe, *c/o SBHV, Sihlpostfach, Zürich*.

Genossenschaftliche Zentralbank, *Aeschenplatz 3, CH 4002 Basle*.

CO-OP Lebensversicherungs-Genossenschaft Basel, *Aeschenvorstadt 67, CH 4002 Basle*.

Tanzania: Co-operative Union of Tanganyika Ltd., *National Co-operative Building, P.O. Box 2567, Dar-es-Salaam*. Tel. 23077; 23344; 23347.

Turkey: Türk Kooperatifçilik Kurumu (Turkish Co-operative Association), *Mithatpasa Caddesi 38, Yenisehir, Ankara*. Tel. 12-43-73.

Uganda: Uganda Co-operative Alliance, *P.O.B. 2215, Kampala*. Tel. 56984/6.

U.S.S.R.: Central Union of Consumers' Co-operative Societies of the U.S.S.R. and RSFSR, "Centrosoyus", *Tcherkassky per no. 15, Moscow*. Tel. 221-7253.

Consumers' societies (1967): 16,489; members: 55 mill.; shops: 356,700.

United Kingdom: Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester M60 0AS*. Tel. (061) 834-0975.

Affiliated retail societies (1969): 469; membership: 12,500,000; share capital: £181 mill.; retail sales: £1,132 mill.

Co-operative Wholesale Society Ltd., *P.O.B. 53, New Century House, Corporation Street, Manchester M60 4ES*. Tel. (061) 834-1212.

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*. Tel. (061) 832-8686. Assets (1964): £369 mill.

Scottish Co-operative Wholesale Society Ltd., *Centenary House, 100 Morrison Street, Glasgow C.5*. Tel. (041) 429-2100.

Affiliated societies (1967): 153; sales: £89,008,059; reserves and insurance funds: £9,474,291; total resources: £23,139,384.

U.S.A.: Co-operative League of the U.S.A., *59 East Van Buren Street, Chicago, Ill. (60605)*. Tel. 312-922-0726; 202-628-9000; and *1012 14th Street, N.W., Washington 5, D.C.*

Yugoslavia: Glavni Zadružni Savez FNRJ, *Terazije 23/VI, Belgrade*. Tel. 30-947/9.

Zambia: Eastern Province Co-operative Marketing Assoc. Ltd., *P.O.B. 108, Chipata*. Tel. 439; 485.

National Co-operative Development Committee, *Mulungushi House, Independence Avenue, P.O. Box 1229, Lusaka*. Tel. Lusaka 51744.

INTERNATIONAL ORGANISATIONS

Organization of the Co-operatives of America, *G.P.O. Box 4103, San Juan, Puerto Rico 00936*. Tel. 765-8520.

Nordisk Andelsförbund (Scandinavia), *3 Axel-torv, Copenhagen V, Denmark*. Tel. 15-15-33.

International Co-operative Bank Co. Ltd. (INGEBA), *Dufourstrasse 54, P.O.B. 711, CH 4002 Basle, Switzerland*. Tel. (061)23-58-27.

International Co-operative Petroleum Association, *11 West 42nd Street, New York, N.Y. 10036, U.S.A.* Tel. LA 4-4455.

Sociedad Interamericana de Desarrollo de Financiamiento Cooperativo (SIDEFCOOP), *Casilla de Correo 4311 Buenos Aires, Argentina*.

Review of INTERNATIONAL CO-OPERATION

The official Organ of the International Co-operative Alliance

Editor: J. H. Ollman

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CONTENTS

	Page
Cinderella's New Dresses, —Si—	46
Forging a New International Co-operative Press Instrument for the Seventies — First Meeting of the ICA Working Party on Co-operative Press, Vöslau, Austria, 7th December 1970, J.H.O.	50
The Role of the International Co-operative Press in the Field of Education and Information on the Subject of Development and Developing Countries — Report of the Conference at Vöslau, Austria, 8th-10th December 1970, by W. P. Watkins	53
Structure of Consumers' Co-operatives in India, by K. K. Taimni	67
Bertrand Russell on Co-operation, by P. R. Dubhashi	72
Book Reviews	73
Accessions to the ICA Library, A. L.	77

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Cinderella's New Dresses

If we pause to look back at 1970, which the United Nations had designated as the International Education Year, and if we have not forgotten that co-operatives also have some other than purely economic aims, we are sure to recognise that a number of events which took place in the field of international co-operative education during that year were highly significant.

The International Co-operative Alliance may, without any doubt, feel satisfied with the results achieved and with the contribution it has made to the world-wide scheme of the International Education Year, for which it had prepared itself well in advance.

At the International Conference on Co-operative Education, held in Hamburg on the eve of the ICA's 24th Congress at the end of August 1969, the possibilities of co-operative participation were outlined in the broader context of UNESCO's aims and programme, and thereafter the Congress itself pointed out certain gaps in the field of co-operative training.

A direct impetus for a large-scale re-orientation of the ICA's activities in the educational field was given two months later by the Basle Conference of Chairmen and Secretaries of the Auxiliary Committees, where the importance of linking the education and training programme with practical requirements was emphasised.

As the ICA was simultaneously embarking on the Co-operative Development Decade, all these factors were taken into account and incorporated in a detailed memorandum, subsequently worked out and circulated amongst Member Organisations, containing specific proposals for making the ICA's educational work more meaningful to these in advanced as well as developing countries, in accordance with the requirements of the present stage of economic, social and technical development.

While, on the one hand, it was felt that specialisation would be important in some of the educational schemes organised by the ICA, it was simultaneously evident that a sound balance should be established between what the ICA would be doing in the educational sphere for the benefit of advanced and developing countries, respectively. Furthermore, the somewhat hesitant and half-hearted support given to the proposal submitted earlier to the 12th Conference of International Non-Governmental Organisations in consultative relations with UNESCO (held in Paris towards the end of 1969), seeking UNESCO's official recognition of the great importance of co-operative education in general, indicated that something more must be done, namely, that co-operative education must first educate the world about its own

importance, if it is not to remain confined to the Cinderella role to which it would be condemned by those whom its enlightening message has failed to reach.

The beginning of 1970 augured well for co-operative education, the significance of which for developing countries was expressly pointed out in a report submitted to the Economic and Social Council by the

high level and, on the other hand, holding it, for the first time, on the other side of the Atlantic. These intentions were then transformed into reality, and thus it happened that over 25 different co-operative organisations of the USA, Canada, Sweden and the USSR, together with UNESCO, helped the ICA to assemble several dozen high-ranking representatives of co-operative



Mr A. Buitrón (UNESCO), Dr A. F. Braid (FAO) and Mr D. L. W. Anker (ILO) attending the ICA/UNESCO International Conference of Co-operative Education Leaders at Jongny-sur-Vevey

Secretary-General of the United Nations (document of ECOSOC No. E/4807 of 27th March 1970, Articles 51 to 54).

Meanwhile, the ICA was preparing its 39th International Co-operative Seminar, intending to make it a landmark in the history of these annual events by, on the one hand, narrowing its subject to a specialised field studied at an appropriately

organisations of all continents (except Australia) in Madison, Wisconsin (USA), as participants of the 39th ICA Seminar on the subject of "Co-operative Management for the Seventies". In the theoretical part, lectures and lively exchanges of views on the experiences of the national and regional co-operative organisations filled the programme and developed into a most

profitable cross-fertilisation of ideas on modern management problems. The study tour which followed enabled participants to see some practical results of co-operative activities in the States of Wisconsin and Ohio, as well as in the Canadian Provinces of Ontario and Quebec.

However, the ICA's main contribution to the International Education Year was yet to come in the form of a World Conference of Co-operative Education Leaders on problems relevant primarily to developing countries, organised in co-sponsorship with UNESCO and together with the national co-operative organisations of Switzerland and Austria. The importance of the subject was eloquently illustrated by the number and high level of the participants who then gathered at Jongny-sur-vevey, near Lausanne, Switzerland, to attend the Conference, which was chaired by the President of the ICA, Dr Mauritz Bonow. Nearly 50 participants from 27 countries were joined by representatives of three Specialised Agencies of the United Nations—UNESCO, ILO and FAO—for deliberations which lasted a whole week, supplemented by two study tours in Switzerland and Austria, respectively. The conclusions of this Conference are most likely to prove a helpful guide for the Authorities determining the ICA's policy in the field of educational activities concerning developing countries, at least for the first part of the Co-operative Development Decade.

This is all the more likely, because the participants in the Jongny Conference took already in the conclusions, as well as in all their deliberations, into account what can, hopefully, be considered a most significant event, opening up new possibilities for co-operative education in the international field: the approval, by the 16th Session of the General Conference of UNESCO, of a Resolution expressly recognising "the advantages of the co-operative movement as a potential method of releasing powerful forces of self-help for social, economic, cultural and educational



Dr Mauritz Bonow, President of the ICA chairing the Education Conference at Jongny. Next to him Dr R. Kohler (Coop Schweiz) and Dr S. K. Saxena (Director, ICA)

progress, . . ." and hence, inviting the Director-General of UNESCO to act, in future, with due regard to this attitude.

This Resolution was the culmination of several years' efforts made by the ICA to bring the importance of co-operative education to the attention of the world's highest educational institution—the UNESCO. It was, indeed, most rewarding to hear, in one of the largest conference halls of UNESCO's palatial building in Paris, in the early part of November 1970, speeches convincingly

pointing out the importance of co-operative education as a most helpful instrument for the attainment of the objectives of the Second Development Decade of the United Nations and, at the same time, to see that the audience, attentively listening and evidently agreeing, consisted of the world's top-level educationists, including Ministers of Education of numerous Member States of UNESCO, as well as representatives of dozens of International Non-Governmental Organisations. The Resolution was subsequently almost unanimously adopted—without a single dissenting vote, and with just one abstention.

Several other international events also took place in 1970 in the field of co-operative education—but it is certainly not necessary to list them all to show that,

indeed, the almost traditional Cinderella got her “new dresses”—which, of course, though they had been very badly needed, are only the first essential prerequisites for practical achievement. However, the ICA is aware of this necessity. Hence, the main theme chosen for the 40th International Co-operative Seminar, to be held by the ICA in the USSR in September 1971, will be “Co-operative Education as a Factor Enhancing the Role of Co-operatives in the Economy and in Public Life”. This indicates that the ICA does realise that co-operative education is not an end in itself, but that it ranks amongst the essential means for the attainment of very worth-while objectives.

—Si—



The Austrian Federal Chancellor, Dr Bruno Kreisky, talking to Conference participants

Forging a New International Co-operative Press Instrument for the Seventies

*First Meeting of the ICA Working Party on Co-operative Press, Vöslau, Austria,
7th December 1970*



The Austrian Vice-Chairman of the Working Party on Co-operative Press, the Secretary and three members checking the final text of the Rules of the Working Party

Seventeen countries responded to the ICA Authorities' decision in January 1970 to establish for the Co-operative Movement's oldest arm, its Press, a Working Party. Twenty-nine editors, publishers and information officers, in this instance from most of industrialised countries, met at Vöslau and formed, for a trial period of three years, the ICA Working Party on Co-operative Press.

Some months prior to the Vöslau meeting, the Director and the Editor of the ICA had circulated to its affiliated organisations a set of suggested rules for such a Working Party, and these were, with some amendments, accepted by the Working Party which also adopted the unique formula to create from amongst its members a Working Party Executive, consisting of its Chairman, Mr J. Boniface (France), and three Vice-Chairmen, Director F. Schmidt (Austria), Mr A. Büchert (Denmark), and Mr A. Fomin (USSR). The ICA Editor was elected Secretary of the Working Party and its Executive.

The opening discussion at the Working Party's first meeting ranged around such topics as how to be an effective Press with severely limited financial means and yet remain the co-operatives' advertiser, educator and missionary, which has been the brave story of the Movement's Press over many decades of co-operative history. No one knows better than those who are charged with the running of the Movement's Press that its format and appearance must be as large and attractive and its style as lucid as the newspapers produced by the national mass media circulations in our respective countries. The need for a national or even supra-national or regional co-operative Press, grouped perhaps in world language regions, is not too far off. These needs require much thought and work on an international level, and that only our World Organisation can supply for the Co-operative Movement.

Today, our papers, unlike those of the past decades, are not written for a

readership with a common idea or ideology. The co-operative journalist in the seventies must, like the paper he represents, be a true "all-rounder". He must comprehend the economical, technical and social aspirations of his Movement and be equally conversant with the problems affecting the life of the co-operative members, from water pollution to traffic questions or from religion to sex, and also be in the Board's confidence. For the co-operative Press in the seventies, both nationally and internationally, it is of paramount importance to establish common lines of action, so that the full weight of the Co-operative Movement's opinion on all important issues of our time can be seen reflected in the printed word. We must not and cannot afford to remain outside the stream of public opinion of our day. In fact, we must strive in this decade to be an opinion former, and for this we need a large Press, in which we can make the Principles for which Co-operation stands known. It is in the forefront that co-operative papers must stand to inform, educate and to enlighten, so as to being eventually purchased by the co-operative member and the general public as an opinion former.

With reflections of that kind, the representatives seriously considered the areas of work of the new Working Party on Co-operative Press, and the choice of an Executive, representing large language areas of our world, reflects a good understanding of the needs in the seventies.

In the Working Party's further discussions, ranging over the whole field of co-operative press activities in both industrially advanced and less developed countries, the common problem found was a lack of resources by co-operative unions, societies and editors to develop adequate modern Press services; even for old-established journals which are in constant competition with large private and joint-stock publishing houses, dependence on international collaboration is greatly needed, but also by the richer co-operative move-

ments the setting up of the Working Party was welcomed.

The Working Party considered in the afternoon session other important areas of its activity and decided first to prepare a full questionnaire to enable its members to produce a summary and evaluation of the Working Party Membership's papers which should be available at its next meeting in the autumn of 1971. From such an inquiry, the potential strength and weakness of parts of our Co-operative Press can then be judged and plans for future activities be made. This questionnaire has already gone out to all members of the Working Party.

A further step decided on was the possibility of creating a "Press Idea Bank" and the building up of an Information Centre, firstly, to make sure that there would be an easy and direct flow of correspondence and information between the members on matters of news and importance and, secondly, to ensure that any material found useful would be forwarded to the Press of the developing countries; at the same time, all members of the Working Party pledged themselves to make new ideas in the field of Press work available to each other and to the ICA. The Working Party will also offer its help to the Press of the Co-operative Movements in the Third World and urged that research into this need should be facilitated, requesting the ICA Authorities to ask research departments in the developed countries to help gather essential data needed by Press officers in developing co-operative movements.

For a theme for the Working Party's meeting at the triennial Congress only one suggestion was made at the Vöslau meeting, namely: "The Role of the Co-operative Press in the Solution of the Problems of Co-operatives and the Role of the Co-operative Press in Maintaining and Consolidating Peace." The Press of the co-operative movements in the planned and market economy countries and the developing countries has been invited to

participate in this meeting, and the Authorities of the ICA have been asked to prepare a synopsis of this theme for discussion.

With its well formulated rules, allowing for the widening of the participants' circle by invitation of its Executive, the Working Party benefited greatly from the presence of the ILO information specialist, Mr Raymond Louis.

The success of its first meeting was in no small measure due to the choice of the excellent venue, the College of the Austrian "Arbeitskammer", a new, modern and well equipped school, also functioning as a first class hotel, and the generous hospitality shown by our Austrian hosts who warmly welcomed the members of the Working Party. The possibilities for a Working Party, composed as ours is, are indeed immense in giving help to those charged by their movements with the running of the Press, publication and information media in the organisations affiliated to the ICA, and in assisting the Co-operative Press in the developing countries, with a view to promoting closer links between other working parties of the ICA and governmental and non-governmental international bodies interested in the field of co-operative information and strengthening the ICA information activities.

On this note of commitment and resolve to be mutually useful to each other and the ICA, one of the most stimulating meetings came to an end, pointing to a future of important activity and collaboration amongst the members of the Working Party on Co-operative Press and the Co-operative Movement in the whole world.

The presence and advice of the ICA Director, Dr S. K. Saxena, throughout the Working Party's first meeting was greatly appreciated by all members.

J.H.O.

THE ROLE OF THE INTERNATIONAL CO-OPERATIVE PRESS IN THE FIELD OF EDUCATION AND INFORMATION ON THE SUBJECT OF DEVELOPMENT AND DEVELOPING COUNTRIES

Report of the Conference at Vöslau, Austria, 8th-10th December 1970

by W. P. Watkins



Conference Participants at the Opening

In order to mark the initiation of the Second Development Decade of the United Nations and the Co-operative Development Decade of the International Co-operative Alliance, the Vienna Institute for Development combined with the Austrian Co-operative Unions "Konsumverband" and "Raiffeisenverband" to invite the Alliance to join in organising a Conference on Development which should follow immediately on the first meeting of the ICA Working Party for the Co-operative Press. The presence of a number of Editors of important national co-operative journals governed the choice of a theme which would bring out the importance of effective communications for the success of development policies and projects and of the Co-operative Press as a medium of

education and information for that important section of the public represented by the membership of Co-operative Societies.

The participants included Editors of journals and publicity officers of the Co-operative Movements of 19 countries, including Austria, officials of the Vienna Institute for Development, representatives of the International Labour Office and UNESCO, besides the Director, ex-Director, Editor of Publications, and Co-ordinator of Development Programmes of the International Co-operative Alliance.

First Session, 8th December, morning

The Conference was opened by the Chairman of the day, Generaldirektor **Andreas Korp, President of the "Konsumverband"**, who welcomed the participants. He emphasised that the problem of development was one of translating emotion into practical aid. In the developed countries, public opinion was oppressed by the facts of poverty, ignorance and over-population in the Third World. The hope of progress would depend on mutual help and solidarity. The task of the Co-operative Press was to report fundamental truths realistically. In the twenty-fifth year of the Second Austrian Republic, Austrian co-operators rejoiced to be able to take part in the work of development as free men amongst free men. In the name of the **Federal Chancellor, Dr Bruno Kreisky**, who was prevented by official duties from being present, **Legationsrat Dr Jankowitsch** also extended a welcome, giving reasons why governments should regard the Co-operative Movement as a most valuable collaborator in the work of economic and social progress in that it helped the poor to help themselves. **Ingenieur Hrdlitschka, President of the Vienna Chamber of Labour**, in whose Training Centre the Conference was being held, declared, in greeting the Conference, that there had always been a close collaboration, based on an underlying idea of solidarity, between the Co-operative and Trade Union Movements.



Mr Andreas Korp, President of the Konsumverband

Co-operation and Development

With the address of **Dr S. K. Saxena, Director of the ICA**, the Conference turned to the subject of the day's discussion: Co-operation and Development. Dealing with the international aspect of this subject, Dr Saxena pointed out certain basic considerations which should be borne in mind in organising assistance in developing regions. It should be given in vital areas and should be capable of initiating changes which could be sustained. Projects should be thoroughly studied before operations were attempted. They should be in conformity with the social and economic planning of the country concerned, but leave open the possibility of experiment. They should not compete but rather complement one another. They should also be self-liquidating in the sense that they should result in institutions which those receiving were capable of managing themselves.

Reviewing the agencies now engaged in development aid, Dr Saxena first referred to those on the national plane, which could be both governmental and voluntary. In either case, the Co-operative Movement could be involved. The best results were often obtained by a marriage of governmental and voluntary action. On the international plane were the Specialised Agencies of the United Nations, which were attaching an increased importance to Co-operation and its contributions to development in the Third World. Dr Saxena referred also to the Resolution on the Co-operative Movement of the United Nations General Assembly of 1969-70 and the plans which were to be ready by 1972. There was no lack of resolutions indicating objectives and lines to be followed. The great need was to fill them out with muscle and blood. That meant co-ordination of activities and determination of priorities.

Since its Congress of 1954, Dr Saxena continued, the ICA had carried out a number of small projects and research studies for international action. It was necessary, in drawing up the Co-operative Development Programme for the 1970's,

to think on a much larger scale and to plan for more comprehensive schemes requiring the collaboration of several different agencies. The contribution to development which could be made by voluntary organisations was vital and should be maximised, and the solution of development problems would be successful only through the mobilisation of human resources both in the countries giving aid and those receiving it.

Second Session, 8th December, afternoon

This session began with the showing of a film entitled "Not Enough", produced by the Organisation for Economic Co-operation and Development, in order to review the various activities characteristic of the First UN Development Decade. Illustrating the life of insecurity and hardship still lived by millions of people in South-Eastern Asia, the film was designed to reveal the full magnitude of the development problem and the inadequacy of attempts on the present scale to solve it satisfactorily. It disclosed some of the mistakes made, often through under-estimating the difficulties and complexities of the problem, as well as the dead weight of resignation and indifference which required to be lifted before the peoples of the developing regions could be aroused to their responsibility for their own destinies.

Two working papers were also available for discussion. The first, prepared by **Dr A. F. Laidlaw, Professor of Adult Education and Co-operative Studies at the Coady International Institute, St. Francis Xavier University, Antigonish, Nova Scotia, Canada**, was presented by his colleague **Dr H. Gillis, Director of the Coady Institute**. The second, prepared by **W. P. Watkins, Director of the ICA from 1951 to 1963**, dealt with Co-operation's contribution to moral and civic advancement in developing countries.

Dr Laidlaw's paper dispensed with any account of the economic advantages derived by the individual members of co-operatives in order to concentrate on



Co-operation's role in general economic development and its influence on national economic policy. In this context, he described the evolution which had taken place in the concepts both of development and of the potentialities of Co-operation, step by step, as those engaged in promoting development had learnt from twenty years of experience. In particular, it had been learnt that promotion could not be limited to purely technical assistance, nor even to the economic field, but that economic could not be divorced from social and cultural progress. The more this was realised, as, for example, in the Recommendation adopted by the International Labour Conference of 1966, the more the special advantages of Co-operation became apparent. Dr Laidlaw enumerated these advantages, which derived mainly from Co-operation's combination of association with self-help and self-discipline. He concluded by pointing out the dangers lurking in a tendency to neglect the importance of the part played by Co-operation in elevating the poorer and less privileged classes of the industrially developed nations.

Dr Gillis, speaking to Dr Laidlaw's paper, first referred to the great underlying problem of development assistance: the interpretation of the experience of one country in terms of another. This problem of communication was all the more serious, since the gap between the developed and the newly developing countries was widening rather than narrowing with social and political consequences. Moreover, the development process had been conceived as an exercise in economic planning for growth without considering the effect of growth on the people's way of life. The factors, which had made for the success of the Marshall Plan in Europe twenty years or more ago, were lacking in the developing regions. Co-operation was uniquely fitted to co-ordinate the three elements: money, machines and people. It could exert a leavening influence and counteract the concentration of power, if it were capable of

interesting more than an elite. Co-operation should not be too rigidly limited to traditional models, but seek to promote new kinds of activities in developing sectors. Its leadership would demand more than economic effectiveness. Hence the need for efficient communications, and the mission of the Co-operative Press was therefore to assist the process of interpretation from country to country.

Mr Watkins' paper stated in general terms the argument that, although economic, moral and social questions can be separated in thought, they cannot be kept apart in practice. Therefore, no system of economic organisation, based on division of labour and exchange through markets, can work apart from general acceptance of standards, not simply of technical efficiency, but also of personal conduct and integrity. Economic development cannot proceed far without a corresponding adjustment or evolution of behaviour and moral and social values. Co-operation possesses the advantage of explicitly recognising the moral and social nature of mankind and the necessity of subjecting economic activity to definite principles which those, who wish to enjoy Co-operation's benefits, must discipline themselves to understand and practise. The other great advantage was the training it could give people in taking an intelligent view of their own interests and in appreciating how their interests are bound up with the interests of others. In a period of disintegration of traditional social systems, it offered new forms of association more suitable to modern conditions than ancient mutual aid customs. In countries new to parliamentary government and a popular franchise, Co-operation could help to create a moral climate favourable to effective democratic government.

In presenting his paper, Mr Watkins described a number of examples of co-operative activity, illustrating the moral consequences of successful co-operative enterprise—how producers learnt through the market that it did not pay to adulterate

their products; how the receipt of a regular money income from the sale of produce enhanced self-respect and courage to stand up for rights; how people scraping a bare living from casual cultivation could be transformed within a decade into true peasants with an understanding of their land, stock and crops. The developing countries need Co-operative Movements which do not aim solely at material success and which know how to use economic success for the purpose of teaching social lessons. In any scheme of social construction or nation-building Co-operation is an indispensable element, since it assists both self-help and government to make their best contributions to social well-being.

In the subsequent discussion, Dr O. Winkler (Institute for International Collaboration, Vienna) stressed that the promotion of development must get away from its charitable image. People must learn through multi-purpose co-operatives to help themselves to supply their various needs. Dr A. E. Rauter (Konsumverband, Vienna) emphasised the mission of the Press in arousing interest in development problems in certain circles at present indifferent. Mr J. Boniface (Coopérateur de France, Paris) believed that 75 per cent of the gross national product of the developing countries benefited foreigners. Was it not the mission of the Co-operative Movement to expose this state of economic colonisation? Mr A. E. Oram, Co-ordinator of Development Programmes (ICA), pointed out that the Co-operative Press had a twofold task, one in the developed, the other in the developing countries. In the latter countries, it was essential to secure the acceptance of the co-operative method as indigenous. Dr Rosenberg (Konsumverband) said it was important to influence leaders of opinion, while Mr P. Dodge (Co-operative League, USA) mentioned the Press as an important medium of technical information.

Dr Gillis, replying to the discussion, pointed out that education, formerly orientated towards European traditions,

was being altered in many developing countries. There was increased technical education within these countries which the Co-operative Press could publicise. Such a problem as illiteracy, however, called for other media.

Dr A. E. Rauter, Rapporteur, in his review of the day's proceedings, extracted a number of salient points from the papers and speeches. From Dr Gillis he gathered that development promotion should not aim at imposing the models of Western culture and civilisation on the developing world. The various countries should have the opportunity of creating their own models and this principle should be followed in all development activities. The motto should be: "No development without involvement". Dr Gillis also maintained that the Co-operative Press should aim at creating a better understanding which was necessary, whenever experts from the industrialised nations were carrying out projects in developing countries. From Mr Watkins he deduced that one of the lessons taught by co-operatives was that unfair practices by one member could result in disadvantages for all the others and that the Rochdale rule of pure goods and just weight was still valid in developing countries, where co-operatives could provide consumers as well as producers with better protection than government legislation. By relieving women from drudgery, Co-operation could enhance their social status. By encouraging active participation in co-operatives, the Movement could help consolidate democracy and, with the assistance of UNESCO, lead its members towards the idea of world citizenship.

Third Session, 9th December, morning

The second day's proceedings were directed by Dr W. Schindl, Public Relations Officer of the Raiffeisen Union, deputising for Dr Franz Reinthaler, its General Secretary. The day's theme, "The Co-operative Press and Development", was treated from two aspects. The first, "The Importance of

Informing Members about Development”, occupied the forenoon and was introduced by speakers from Switzerland, Sweden, and Poland respectively. The second aspect, entitled “The Present State of Development Information in the Co-operative Press and some Aspects of Future Developments”, was introduced in the afternoon by speakers from the ICA and from France.

For the guidance of the discussion, the Rapporteur, Dr A. Haselbach, Director of the Vienna Institute for Development, circulated a short questionnaire in which the topics were grouped under four heads, as follows: 1. From where do we get information on development and on Co-operative Movements in developing countries? 2. What kind of information do we want to publish? 3. What kind of information can we publish? 4. Can we persuade our members to take action on development issues?

Dr W. Kellerhals, Editor of “Coop”, Basle, stated that the action initiated by the Swiss Consumers’ Co-operative Movement ten years previously had been closely followed by the Movement’s Press. Its members’ journals, published in the three national languages, had a total circulation of 900,000 and therefore constituted a useful publicity instrument. Its effectiveness depended on the success achieved in attracting and maintaining the interest of the members and in judging the right amount of space to be devoted to development topics. The power of the Co-operative Press to attract attention depended on the efficiency and success of the Movement’s business organisation, not only in the developing but also in the developed countries. The public was interested in the demonstrated success of the co-operative form of economic organisation. Co-operative failures had precisely the opposite effect. Development topics were somewhat peripheral. The central task of the Co-operative Press was to help in meeting competition.

Mr Lars Eronn, Editor, Kooperatören, Stockholm, said that development was a

constant subject of articles and reports in the Swedish Consumers’ and Agricultural Co-operative Press. The Editors regarded it as a duty to support the “Utan Gränsar” (Without Boundaries) campaign, for which money was regularly collected from the members. It was customary to report to the members on the progress of the campaign at least once a year, usually in January. The results were difficult to measure, except in money terms. In 1969, Kr. 2 million were collected and, in 1970, Kr. 3½ million, figures which, in relation to the Movement’s total turnover of more than Kr. 7,000 million, were not good. The effect on the readers’ opinions were difficult to gauge, as they did not, as a rule, write back, and there was a great deal of misinformation about development in the general Press. It was easier to win the interest of special social groups, such as school teachers. How to test results, still remains an unsolved problem, on which ideas and experience would be welcome.

Dr Z. Juchniewicz, Editor, Polish Central Agricultural Union of “Peasant Self-Aid” Co-operatives, Warsaw, recalled that it was due to a Polish initiative that Co-operation was playing an important role in the United Nations Second Development Decade. The Polish Co-operative Movement embraced the majority of the adult population, which was entitled to be thoroughly informed about what was done in its name. Communication was the function of official public relations officers who worked in liaison with an officer of each Press organ. In addition to the issue of brochures and other special publications, there was co-ordination of communication media and meetings. Emblems were freely used. More information was needed in the developing countries themselves and reader contacts were organised throughout Poland. Efforts were made to obtain readers’ opinions and all letters were answered, even when they were not suitable for publication.

In the course of the ensuing discussion, Director Franz Schmidt, Kon-

sumverband, Austria, pointed out that, in relation to the problem of interesting the membership in problems of the developing countries, the question of who was to decide what should appear in the Movement's journals was crucial. The Co-operative Press existed to promote the policy of the Movement's organisations and to bring the members nearer to the management. The Press depended for its influence on the economic success of the Movement, and the position of the Consumers' Co-operative Movement at the head of the Austrian retail trade was a great advantage. In the collection of funds organised in 1971, the method adopted would be a direct approach to the members and the infinity sign ∞ would be employed as an international symbol. Mr Smedescu, Editor, Centrocoop, Bucharest, stated that the policy of the Roumanian Co-operative Press was to give priority to co-operative affairs, but also to broaden the views and interests of the members by publishing reportages on events in other countries. The purpose was to influence people's opinions and attitudes and cultivate a world outlook. A bulletin in several languages was issued in order to induce people from other countries to visit Roumania.

Mr A. E. Oram reported that, with the help of the Czechoslovak Co-operative Movement, an emblem would be available as a badge which could be used in publications and offered for sale in raising funds. It was difficult to influence the general public as a whole, but there was within the general public a public—perhaps 10 per cent—connected with churches and progressive organisations which was interested in development. Dr S. K. Saxena, referring to sources of news and information, advocated a central point, from which articles could be made available. Distribution to India and Africa could be arranged from the ICA Secretariat in London. Much valuable information could be gathered from experts returning from their various missions. There could

be joint utilisation of material and joint employment of correspondents.

Mr R. Louis, Editor, Co-operative Information, ILO, pointed out that the developing regions were dependent on world prices of raw materials, and co-operators should be made aware of their responsibility as citizens for economic policy. The results of the methods hitherto employed to interest both co-operative and non-co-operative consumers were not impressive, and he was doubtful about the effectiveness of an emblem. Direct intervention could be encouraged by making use of the young. Leaders of the Co-operative Movement in the developing regions could be encouraged and their sense of isolation relieved, if they regularly received journals from developed countries. Mr P. Dodge remarked that the Co-operative Press in the developing countries was much more advanced than was commonly supposed and was moving towards greater equality with the developed countries. Trade would help readers in all countries to realise that they had much more in common. Mr I. Mikus, Editor, Central Co-operative Council, Prague, outlined the present situation of the Co-operative Press in Czechoslovakia, indicating the wide circulation of the Czechoslovak Co-operative News, published in seven languages.

Fourth Session, 9th December, afternoon

Introducing the second aspect of the general theme, namely, "The Present State of Development Information in the Co-operative Press and some Aspects of Future Developments", Dr J. H. Ollman (ICA) emphasised the defects and lack of balance of information offered to the public about the developing countries by the general Press. The dangers of continuing overpopulation, under-nourishment and unemployment were played down. Differences of social structure restricted the ability to understand the problems of developing countries, but regular newspaper readers, active citizens, social workers and leaders of voluntary organisations,

with an outlook broader than the merely national, were capable of being interested in these problems. Unfortunately, newspaper analyses showed that reports from the Third World consisted mostly of war news. To report only bad news made no contribution to understanding, and news of starving people quickly reached the reader's point of satiety. Nor was news for investors about European new enterprises much more helpful. What was needed was a true balance-sheet of the action taken and its results. The attitude of governments also influenced voluntary action and willingness to give. The success of the Second Development Decade would depend on a less conventional presentation of facts and situations, as could be achieved through such media as school current affairs programmes. The great need was a recognised centre of development information.

Mr J. Boniface emphasised that the written Press still has a future, although it was no longer the only source of information. In the USA, newspaper circulation was increasing more rapidly than the population. There was a parallel evolution in Europe. It was still possible to found new newspapers attractive to youth. The use of cassettes for television would grow and some about developing countries were already available. But despite the spread of communications media, the Co-operative Press needed to become increasingly pluri-national in its outlook.

In the discussion, Dr O. Winkler maintained that the primary problem was how to bring accurate factual information before the members. It was necessary to speak more about working together than about assistance. Development was not a form of one-way traffic and it embraced more than the distressed areas. The ultimate aim was international equilibrium based on justice. There were analogies with the growth and rise of Agricultural Co-operative Movements in the developed countries. Education experts and demonstrators, trained for work in developing regions, also had a role to play in reporting:

The Co-operative Movement should work for a quicker distribution of news through Press Services and Press Releases, the constitution of pressure groups to influence parliaments and the public in industrialised countries and collaboration with other organisations in arranging seminars in which journalists could take part. Mr H. Ryden, Editor, Swedish Agricultural Union, Stockholm, spoke of the efforts made by the Swedish Agricultural Co-operative Press to broaden the views of the farming population which needed in the 1970's to understand the world of international markets. The farmers were good co-operators, but reluctant to respond in certain cases, which needed particular treatment. The way of approach was to educate leaders. He believed in the freedom of Editors to exercise their judgement on what should be published.

Dr A. E. Rauter, Konsumverband, Vienna, considered the task of the Co-operative Press to consist in conscious publicity. It should represent a fighting element for new ideas and methods, reminding people of their social responsibilities. It should make co-operators and the public aware of the aims and value of bilateral help. Work and responsibilities undertaken should be made known widely and promptly so that a definite attitude is built up, otherwise public attitudes would be reflected inside the Co-operative Movement. Mr Lars Eronn remarked that the work in developing countries, so far from being peripheral, must be regarded as a problem of their own Movements by co-operators in the developed countries. He had always regarded it as his function, as an Editor, to enable the Swedish people to understand what Co-operation really is.

Dr A. Haselbach, Rapporteur, ended the discussion with a summary of the principal conclusions and suggestions. It must be recognised that only a small minority in Western nations understood development problems. A larger minority sympathised with development assistance on humanitarian grounds. It was the reading public

that was most open to influence. It was the duty of the Co-operative Press to report effectively on development, and the initiation by the ICA of the Co-operative Development Decade made this task easier. Through various projects, readers should be helped to identify themselves as co-operators. The Co-operative Press must base its policy and methods on the fact that it was one medium of communication amongst many. Information should be spread through all the other media, but the Co-operative Press should make its proper contribution through its members' and technical journals, as well as through publications designed for specific purposes. The membership, because of the relatively low level of education, should be reached systematically through careful planning and choice of media, as Dr Juchniewicz had described in Poland. Regular reporting was a necessity, and readers must know where they can expect to find development information in their journals. In addition, special issues had advantages from the standpoint of use for reference and for special distributions, but they could not replace regular reporting. The Co-operative Press should also assist the Movements' fund-raising efforts during the Development Decade, not only by stimulating the members' activity but also by helping in the selection and adoption of the best methods. More important, continued Dr Haselbach, would be the influence of the Co-operative Press in enabling co-operators to grasp the full meaning of development, of which economic growth was only a part. The end in view was social justice within and between nations, for without a more equitable distribution of benefits, the gap between affluence and poverty would grow wider and not narrower. Moreover, it was necessary to convince people that development demanded recognition of interdependence at the international level and that progress was hindered and assistance frustrated, so long as certain nations profited from unfair structures of world trade and production

at the expense of others. The aim of development was not charity, but the ability of those helped to support themselves. When co-operative journalists come to evaluate the results of their efforts to inform and interest their readership, they may well find that the latter's reaction to government programmes for aid or trading policies may be a truer indicator than willingness to subscribe funds.

Fifth Session, 10th December, morning

Under the chairmanship of Dr S. K. Saxena, the Conference dealt on the third day with "Further Improvements in the Press Coverage—Problems Encountered and Ways of Solving them". It was joined by the members of the ICA/UNESCO Conference on Co-operative Education who were concluding at Vienna the tour of Austria following their meetings at Jongny in Switzerland. The discussion was based on contributions by five speakers.

Mr R. Louis began by pointing out that the problems confronting the Co-operative Press today were rendered more urgent and complex, not only by the enhanced role played by information in contemporary life, but also by the urgent need to bring the masses of the people nearer to the centres of decision and to close the widening gap between the older and the rising generation, the latter of which would come to power in the next ten to twenty years. The Co-operative Press needed fresh thinking and a new policy. At present, there was a lack of unity and cohesion, not simply between the journals of the developed and the newly developing countries, but also between the various branches of the Movement and the different types of publication and their special readership. He thought that the new policy should be based on (1) real inter-cooperation; (2) enlistment of the help of those responsible for general education; (3) appeal to the young; and (4) employment of all the new techniques. Inter-cooperation implied the gratis exchange of publications and all other materials be-

tween co-operative publishing offices; technical help by the more to the less advanced; exchanges of trainees, including some from developing countries; and the creation of a central organisation—on either a regional or world basis—which would keep records of all inter-co-operative activities. It might be possible to establish in one or another developing country a printing and publishing enterprise in the form of a workers' productive society, with the technical assistance of the older Co-operative Movements and finance from UNIDO. Periodicals in the developing countries could be assisted by forming networks of correspondents in the advanced countries. All this should be co-ordinated with radio and television programmes and the use of transistors and video-cassettes; with the assistance of school teachers, not only in forming scholars' co-operatives, but in the management of village co-operatives; voluntary service by young people from the developed countries; the organisation of inter-co-operative trade, finance and tourism, co-operative trade union relations, etc.

Mr Louis went on to give a detailed list of the numerous kinds of help which the ILO could provide, notably, the collection since 1952 of reports on technical assistance in different countries, reports of international conferences and seminars, research studies and monographs, photographic material, etc., most of which could be made available to co-operators all over the world. He also cited one instance from *Togoland* amongst many others to show how remarkable examples of co-operative promotion could be entirely ignored by the Movement's Press owing to existing defects in communication and understanding. With the effective use of resources now available, much could be hoped for during the first Co-operative Development Decade.

Mrs Calvert-Marty, Office of Public Information, UNESCO, Paris, explained a number of features of the UNESCO programme for 1971-72, more especially in

the fields of the Press and out-of-school education. UNESCO was still following up its efforts to promote literacy in developing countries, and scholarships were available for participation in seminars. The Gift Coupon Programme was still in force to surmount currency difficulties. The Co-operative Press could well be used as reading material for adults who had recently learnt to read. Co-operative Education was a rubric in the programme, but Co-operation could also be introduced elsewhere, even though titles might not appear at first sight to permit it.

Mr P. Myllymäki, Editor, Co-operative Union K.K., Helsinki, stated that the Co-operative Press had a circulation of 2¼ million in Finland, the journals being delivered by post. The tendency was for members' journals to become general reviews, with co-operative material occupying a minor amount of space. It should be remembered that readers' capacity to be interested in any one subject was limited and that over-pressure produces a counter-reaction. Tactful treatment, however, would lead to support at the right time in the right manner. The bias of the Finnish Co-operative Press was towards consumer enlightenment and protection, with a discussion forum for readers. While Western journalism became ever more sensational, the Co-operative Press, by offering good material well presented, could enhance the prestige of the Movement and assist its trade.

Dr K. Bredehöft, Co-operative Publishing Society, Hamburg, said that there was general agreement that it was the duty of the Co-operative Press to support the Co-operative Development Decade. This could best be done when the Co-operative Press could take its own initiatives, for the Press could stimulate interest, anticipate the decisions of the Movements' authorities and promote them after they had been taken. In Germany, the Consumers' Co-operative Movement's action in India, which had been the subject of a film and financed by a collection, had been

throughout supported by its Press organs, as had also the training of young co-operators from the developing countries. But the Press could not afford to lose touch with the co-operative situation in the home country, and in Germany there were difficulties, because journals could not be sent through the post, but had to be distributed by the societies' shops. Press conferences were arranged in order to pass on the co-operative message through the general Press, and this would be done for the Co-operative Development Decade by the issue of special news services. He pleaded for an extension of the information services of the ICA and for additional background information to be made available within its present News Service. Its work as an Information Centre should be expanded and additions with staff were necessary.

Mr J. Boniface pointed out that, in the contemporary world, no event really happened unless the Press and other mass media reported it. This consideration applied to the Co-operative Development Decade and a well thought out campaign was necessary to make it adequately known. First, it was necessary to convince the authorities of the various organisations that it ought to be publicised and to be reported in the Movements' technical journals. Second, there should be a public relations campaign through the friendly Press and youth movements. Third, there should be an approach to the active co-operators (militants) through a speech at the National Congress, followed up by the societies' propaganda services at local meetings, with ICA support. Fourth, the hostesses at the information kiosks in the large stores should be employed to bring it to the members' attention.

In the discussion, Mr H. Ryden, Editor of "Land" (Sweden), pointed out that co-operative journalists work under the same influences as the general Press. Their task is to create an atmosphere around co-operative enterprises so as to attract the attention of the Press and the

public. Dr Rauter considered that Editors were not supplied with sufficient first-hand information to interest the public effectively. They needed quicker access to information. Editors-in-chief should have opportunities of seeing things at first hand in developing countries within the framework of the Co-operative Development Decade. Mr Eronn said that good results had been obtained in Sweden by sending competent journalists and was supported by Mr Ryden who described how a group of 15 to 20 journalists from daily papers visited East Africa to study Swedish aid projects. The costs were borne by government and co-operative aid funds. Journalists educate themselves and it is better to send a journalist than to ask an expert to report. Dr Haselbach thought group tours should be made by international groups. Why not hold the next meeting of the Working Party at a place where some project is being carried out? The Chairman pointed out that opportunities might occur in connection with current projects and that help to meet costs might be obtainable from the ILO or UNESCO. Dr Gillis regretted that the Co-operative Press was too much like a house-journal, reaching only the converted. It must endeavour to reach the dispossessed, the alienated and youth. Quality was more important than quantity of readership. He pleaded for more investment in multi-media communications, specially aimed at the developing countries. Dr Winkler supported the idea of travel to visit projects and of creating a network of correspondents, who should be young and have co-operative affiliations, covering areas where development aid is being provided. Material provided for new literates should take account of differences of language, cultural levels and interests. Mr Myllymäki argued that co-operative journals belong to the whole Movement and Editors should have freedom within lines agreed with its authorities.

Sixth Session, 10th December, afternoon

Mr A. E. Oram contributed a number of suggestions, projected by the ICA, for the purpose of increasing the quality and variety of the material available for Editors desiring to promote the Co-operative Development Decade. Efforts to attract co-operative development had to compete with a commercial Press, which lived by news, which was sensational, shocking and highly personalised. Co-operative activity rarely conforms to that concept of news, thus the Co-operative Press had to employ different means of arousing interest, and the ICA's mission was to assist it to surmount the difficulties. The first suggestion was the circulation of articles, such as Dr Laidlaw's paper and the syndicated articles circulated already and from time to time in the future. The second was the emblem already mentioned, manufactured in the form of a badge in Czechoslovakia. The third was a calendar which it was hoped the Centrosoyus of the USSR would produce for 1972. The fourth was the expansion of the ICA Co-operative News Service so as to include more news and information in regular issues, besides special supplements. The fifth was that the national journals should each publish a regular column on International Co-operation. The sixth was a campaign of information and education aiming at practical activity leading up to the next Congress during the preparatory period of the Co-operative Development Decade.

In the subsequent discussion, speakers of developed countries represented in the Education Conference also expressed their opinions. Mr A. Fomin, Chief Editor, Centrosoyus, USSR, emphasised that the circulation of news helped to create international solidarity. It was a mistake to under-estimate the influence of the Press or to ignore the big problems. These should be defined and discussed in the Press with a view to finding solutions. Not simply practical matters should be reported, but the knowledge necessary to solve vital problems must be diffused. Mr L. N.

Gulbrandsen, Editor, NKL, Oslo, believed that articles should be supplied gratis, but that each journal should pay a basic contribution to the development fund at the end of every year. The supply of photographs was a vital question and a regular service should be organised. Dr Ollman said the problem was to collect the right kinds of pictures. The Editors themselves could help themselves by contributing up-to-date photographs to the ICA collection. Mr J. M. Rana, Education Director, ICA, New Delhi, welcomed the suggestions of a photo service and a calendar. The Co-operative Press in South-East Asia is attempting to play a part in education for co-operative development and looked forward to wider collaboration. Dr Carlos Uribe-Garzón, OCA, Bogotá, Colombia, stressed the importance of background information about origins and history in addition to current news. Dr L. Sieber, Education Secretary, ICA, emphasised the importance of good presentation of material. Mr Shah, India, recommended an approach to distributors in order to obtain greater use of films.

Mr W. P. Watkins, Rapporteur for the day, briefly recapitulated the discussions of the previous two days in order that the members of the Education Conference might be informed. He recalled that the concept of the development process had passed in the last twenty years from simple technical assistance through economic planning for growth to the improvement of the human situation as a whole, resulting from the promotion through economic organisation of better modes of living. This situation offered wider opportunities while making greater demands on the Co-operative Movement, as well as for co-operation in the wider sense of collaboration. External help in the developing countries must more and more lose its charitable character and become association on a basis of equality leading to self-help, so that the developing nations can discover and build up their own originality. The work would be less and less trans-

plantation of European or American co-operative growths, more and more the invention and propagation of indigenous forms of Co-operation, suitable for, and therefore flourishing in, a given country or region.

As for the mission of the Press, the statement that its central task was to help in meeting competition was unexceptionable provided that it was interpreted broadly enough. If the concept of competition was limited to trade, the Co-operative Press would decline into an advertisement medium and become a shopper's guide. It should never be forgotten that the co-operative idea itself was always in competition with other ideas for the progress and welfare of human society and that this was crucial for the advancement of the Movement in the developing countries. People need to understand the full meaning and nature of Co-operation

as a social system.

Dr Rauter and Dr Haselbach had dealt in their summaries respectively with the aims and policies of the International Co-operative Press in relation to the Development Decade. The statements made by the openers and in the discussion on the third day of the Conference had brought out a wealth of practical suggestions regarding the supply of journalistic material and its sources from which Editors could choose whatever suited their journals and their readership. The paper of Mr Louis, in particular, had revealed what enormous stores of information were in the possession (and largely unused) of the International Labour Office. Journalists must not expect all their background information to be supplied to them spoon-fed. They could, for example, use the Review of International Co-operation, the annual statistics and other information



Participants of the Conference at a Reception by Dr Bruno Kreisky, Federal Chancellor of Austria

published by the ICA in conjunction with its News Service and specialised Bulletins.

Mr Watkins concluded by an allusion to the significance of a joint meeting between the Movement's pressmen and its educationalists. The Co-operative Movement advanced by economic organisation

and education. When either of these was defective, the Movement marched with a limp. The pressmen and the educationalists were natural allies in the common task of making Co-operation intelligible to the common people of the world, whatever the degree of their economic advancement.

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Structure of Consumers' Co-operatives in India

by K. K. Taimni

The Consumers' Co-operative Movement, as it exists in India today, essentially owes its origin to the initiative taken by the Government of India in the wake of the Chinese aggression in 1962. Massive amounts of finance were pumped into hastily organised consumers' co-operatives, with a view to making available to the community an alternative channel for the distribution of consumer goods and ensuring a regular and smooth flow of essential commodities at a reasonable price to the general public.

The setting up of a chain of these consumers' co-operatives under a well-publicised scheme, sponsored by the Government of India, was largely an administrative measure—*ad hoc* in nature and limited in scope. One might as well add that it was also an attempt to assuage the outraged feelings of the people, as the prices started to mount under conditions of artificial scarcity. Because of its origin and the circumstances, the scheme had suffered from its very inception structural and organisational malformations, as any socio-economic body, organised with State initiative, would do under such circumstances.

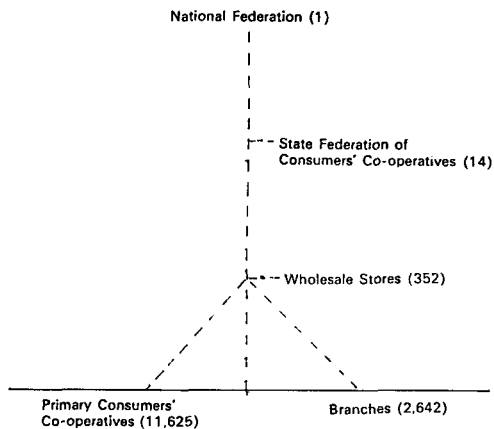
This centrally sponsored scheme of 1962 of setting up a country-wide chain of consumers' co-operatives had originally envisaged the organisation of at least twenty primary consumers' co-operatives

in different neighbourhoods of towns with a population of more than 100,000. It had been further envisaged to have a central wholesale store for these twenty primary units. Subsequently, the scheme was extended in two stages to towns with a population of more than 25,000 or above—the number of primary units to be determined on the basis of the size of the town's population. In 1965, it was decided by the Government of India to establish a Federation of the Central Wholesale Stores for each State in the Union of India and a National Co-operative Consumers' Federation for the country as a whole. Thus, the entire Movement was structured on a pre-determined 4-tier model by the State, where each tier was to draw its strength from the affiliated units similar to the administrative and political set-up in the country itself, where there is the Central Government of India at the top and a Government for each State, a District Administration and a Local Authority, with a distinctly defined functional role, written into the Constitution.

It had often been claimed by those who were responsible for the scheme that the meticulously envisaged structure combined in it, as it were, the essence of co-operative ideals and business efficiency, for whereas federalism ensured democratic control, the pyramid structure ensured integration of the primary co-operative

retail shops with wholesaling. This line of argument betrayed any understanding of the elementary realities of the Indian market conditions in spite of the clear warning given by Mr Ashleman, an ILO Consultant, who was asked to study the structural relationships amongst consumer co-operatives in India. He had commented that "there are serious flaws in the organisational strategy. It does not provide the co-operatives with an organisational structure strong enough to stand up to the competition from private trade. The concept is out-moded, the scale too small and operations too nominal to make any impact".

His recommendations, however, did not go completely unheeded, and a couple of state governments did venture to go against the accepted conventional policy of having a 4-tier structure and set up instead large primary co-operatives with branches in bigger towns in place of a number of primaries and federating these into a wholesale store for each town. Thus, in India, the structure of the Consumers' Co-operative Movement as it was in 1969 is shown in the diagram below.



Let us now consider the actual working of this vertically placed 4-tier structure and the relationship amongst the organisations at various levels. Before any

meaningful attempt is made in this direction, it will be useful to discuss the Indian market conditions in which these organisations operate, if only to demonstrate the prospective for the subsequent discussions.

The size and the structure of a given set of business units in a particular socio-economic set-up are largely determined by the market environment in which these have to operate, and the type and degree of competitive pressure they have to fight in order to survive.

Size

In the consumer business, the size of the retail outlet is largely determined by the following two important factors:

- (1) The pattern of its management costs, and
- (2) the standard of living of the clientèle in its catchment-area.

The first factor, indeed, is decisive because in order to cover the costs, which will have different patterns for "individually owned and operated shops" and "professionally managed shops with absentee ownership", it becomes imperative to capture a given volume of business so as to ensure the viability and profitability of the enterprise. This volume of business, along with the standard of living of the clientèle, thus determines the size of the shop, i.e., the requirements of space, staff, investment, trading level and other related aspects.

This equation is of fundamental importance to any kind of retail business, and no amount of loud proclamations of, and appeals to, co-operative ideals and State patronage can alter the situation.

Retail trade in India has been by and large neglected by the commercial world and remains an obvious refuge for the countless unemployed persons with little capital and no education. When goods are abundant, there is cutthroat competition, and trade margins are amongst the lowest in the world. The shopkeeper operates a one-man show, and all chores are carried out by him, though he sometimes

gets help during peak hours from his children and, at times, also from other members of his family. His costs are low, the margin which the business yields is meagre, and there is hardly an element of service in his activities. On the other hand, the consumers remain unorganised and, as a class, are perhaps the most exploited in the whole society. Widespread adulteration, sub-standard articles, short weight, sudden disappearance of essential articles, which are subsequently sold at exorbitant prices, are some of the factors with which the Indian consumer has generally to contend with.

A certain amount of change has taken place in the distribution of textile and other durable articles, and the outlets dealing with these are modern environments and offer various types of services which have come to be associated with retailing in the developed countries. But this is only a feeble attempt, and the food distributive trade remains almost the sole monopoly of the petty retailer; food distribution has always been the core around which the co-operative retail business has been structured and built.

If such is the retail setting of India, obviously the consumers' co-operatives cannot survive for long, if they have to fight competition at the level of the petty retailers, especially in respect of the size of the shop, its location and the range of assortments, since while the pattern and volume of management costs for the co-operative retail shop and private retail shop are almost the same, the income pattern is tilted in favour of the private retailer who, at times, indulges in short weight, adulteration, etc., and has the sure touch of hereditary professionalism in his activities.

Most of the 15,000 and odd co-operative retail outlets, with shop areas of less than 300 square feet, are struggling hard to remain in business. Happily, however, since 1966, the Government has encouraged the setting up of large-sized co-operative retail outlets (called super-bazaars) with a very large assortment and

where business in non-food goods equals the business in food articles.

Structure

Primarily, the growth of a structure in a business setting is either in response to the competitive environment or in recognition of market realities. Any structural development or relationship which ignores either of these two important factors is bound to result in amorphous growth, and the structure itself becomes a parasite thriving on the sinews which link up the different tiers.

Competitive Environment

In the Indian setting of today, a detailed study is not necessary to find out that there is just not sufficient integration between the different agencies that form the distributive link between the producer and the consumer in the private trade except what is necessary for survival. In fact, one does find rather too many intermediaries in the entire process of distribution. Thus, the competitive environment is such that the consumers' co-operative leadership, especially at the primary level, does not face the kind of challenge from the private trade which would force it into a closer co-ordination and integration of retailing activities with those of wholesaling. On the other hand, there is also a lack of professional competence in the management cadres of the societies to view objectively the necessity of such a relationship and appreciate the potential advantages that accrue as the market environment becomes more competitive. The socio-economic factors, however, operating in the community are such that a section of the co-operative leadership has over a period of time developed vested interests in keeping some of these pygmy one-room primary consumers' co-operatives away from the general stream and in thwarting any move for closer relationship between different tiers of the Movement. This was confirmed by the findings of the Programme Evaluation Organisation of the

Planning Commission of the Government of India in its report on the working of consumers' co-operatives.

Market Environment

1. A minute study of the location of production centres of different groups of consumer articles reveals the concentration of such centres in only a few pockets of the country. In other words, no single co-operative organisation in a specific geographical or administrative area is self-sufficient to meet the demand of the consumer within its area, and procurement from other centres in the country is inevitable in the existing situation. For instance, more than 60 per cent of the country's textile production is distributed through the Bombay market; most of the cereals are procured from the markets of Punjab, Haryana and Madhya Pradesh. Similarly, most of the toilet and cosmetic articles are produced in a few centres in the country, and spices are procured from Kerala. The situation of the procurement of most of the other consumer articles is similar.

2. Wholesaling is not simply a label, it covers a definite area of activities in the process of distribution of consumer articles. Wholesaling implies essentially:

- (a) Procurement of goods from the producers/manufacturers; and
- (b) in sufficiently large volume to result in economies of scale to the wholesaler.

If a micro-study were to be made of the existing wholesale structure within the Indian Consumers' Co-operative Movement under the prevailing market environment in the context of the above definition of wholesaling, it would become apparent that none of the 14 State-level federal bodies could effectively discharge the role of a wholesaler for a given range of assortment, since neither the volume of business that these individually handle in relation to other wholesalers in the private sector, nor the location of their headquarters

which in most cases are away from the producing centres, warrant such a label for their activities. These can at best discharge the role of a petty semi-wholesaler, which indeed they do at present, without bringing any tangible benefit to the consumer co-operatives operating at the primary level. Even for discharging such a role, they need managerial resources and the will to take calculated risks, which are generally discouraged.

Consequently, all the State-level federal bodies have been in the red ever since their inception. Those which showed a nominal surplus, did so, not because of their normal business operations with the affiliated units, but because of the commission they earned on sale of scarce commodities allotted by the Government, or on the sale of imported goods and the dividends earned from the National Federation on the purchases made by the consumers' co-operatives operating within their respective areas of operation and affiliated to these State-level federations.

The National Federation, from which much was expected, has also not shown eagerness in dealing with the problem. Its activities have by and large remained "purchase orientated", in that it procures only those articles for which it receives firm orders. Its efforts are mainly directed to obtaining consumer articles confiscated by the Indian Customs, importing a few articles against a Government licence and procuring a cross-section of textiles against an allotment made by the Government and arranging distribution of these amongst the affiliated units. It never ventured into the genuine field of marketing, perhaps because it never enjoyed any close link-up with the retail shops operating in the country.

Thus, the primary units, in spite of the heavy burden of a meticulous structure, have really never been able to derive any benefit from the federal organisation and continue to suffer from an immediate need for a centralised wholesaling and co-ordinating agency capable of giving

them succour in their activities.

An obvious solution to their problem lies in a closer integration between the central organisation and the primary units without any intermediaries as at present, and rationalisation of the whole co-operative retail outlet structure in terms of size, location, assortment, selling system and the types of shops, with a view to making them individually viable and capable of providing surer outlets for a given volume and range of business to the National Federation so that it may command a sizable share of the total retail market in the country. The latter aspect is of crucial significance, for under such circumstances alone can the Movement decisively influence the pattern of trade and the market in the country.

Other measures which could help the Consumers' Co-operative Movement include the opening of warehouses at the

major centres of procurement and production of consumer articles by the National Federation and an aggressive campaign to present a common image of a unified integrated Movement engaged in the task of protecting the interests of Indian consumers. Professionalisation of the management of the societies, both at the central as well as at the local level, is yet another step which is long overdue. In fact, the modern marketing concept needs to be applied to the whole Movement at all levels.

The current trend in the thinking of the co-operative leadership in the country is in this direction, but old loyalties die hard and reluctance to subordinate the independence exercised at present at various levels is obstructing rapid integration and structural rationalisation of the Movement.

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Bertrand Russell on Co-operation

by P. R. Dubhashi

Bertrand Russell, the intellectual colossus of the twentieth century passed away on February 3rd, 1970. Many obituary notices and articles on his intellectual accomplishments have drawn attention to the very wide range of his interests and his many-sided contributions to human thought. During the early years of his life, he made fundamental contributions in the fields of Mathematics and Philosophy; but in his later years, he brought his powerful intellectual equipment to bear on the economic and social problems of our times and suggested many ways, through which a newer and better economic and social order could be brought into being for the happiness of humanity. Very few co-operators are aware that, in his scheme of social reconstruction, Russell accorded an important place to the Co-operative Movement.

Russell was critical of the capitalistic economic system. He thought capitalism should be an exception rather than the rule. His critique of capitalism was based on his diagnosis of the evils of the capitalistic system, which he believed first and foremost to rob most men of initiative and, consequently, caused their settling into a stereotyped immobility. The whole of the controlling purpose is concentrated in the capitalist, while the wage-earning class is totally separated from the purpose for which the work is done. Because of the lack

of initiative on the part of a large majority of the workers and of the monotony of operation, their work ceases to be interesting, and they have no opportunity or outlet for a creative impulse. This causes universal weariness amongst the urban and industrial populations and ultimately devitalises them. It is, therefore, necessary that the monarchical organisation of industry is swept away and the whole industry is conducted on a democratic basis. Secondly, Russell saw that the capitalistic system was based on an essential conflict of interests. Thus, the purpose of the capitalist is to secure the maximum of work for the minimum of wages, while the purpose of the wage-earner is to secure the maximum of wages for the minimum of work. The capitalistic system, therefore, cannot be expected to work smoothly and successfully or to produce a community with any pride in efficiency or a sense of harmony. The evils of the capitalistic system result from the separation between the various interests of the consumer, producer and capitalist.

Russell felt that the co-operative system, based on democratic and federal principles, can remove many of these evils. It would introduce democracy in industry. While men and women have struggled to achieve political democracy, they have done little to introduce democracy in industry, which can result from the growth

of the co-operative movement. Russell felt therefore that incalculable benefits might be derived from the introduction of democracy on the co-operative model. The Co-operative Principle of voluntary membership with its character of participation which gives every member a voice in management, can give a sense of initiative to the large masses of the people.

Russell was not against large organisations as such. He was trying to discover an economic system which can reconcile large-scale advantages with the growth of the individual and felt that the co-operative system could achieve this.

He was not sure whether the co-operative system can fully reconcile the conflicting interests of the consumer, producer and the capitalist. He observed that the co-operative system amalgamates the interests of the consumer and capitalist; syndicalism would unite the interests of the producer and capitalist. Neither of these two systems merges all three interests of the producer, consumer and the capitalist and makes them identical with those of the community. Perhaps Russell was not fully aware of the implications of the ideal of a "co-operative commonwealth". It is true

that co-operatives in specific sectors of the economy cannot reconcile all the interests. Thus, the consumer co-operative amalgamates the interests only of the consumer and the trader (capitalist), but the producers' co-operative or the industrial co-operative does reconcile the interests of the producer and the capitalist. The credit co-operative amalgamates the interests of the borrower and the lender; the housing co-operative those of the landlord and the tenant; and the marketing co-operative those of the producer and the trader. If the principle of "Co-operation amongst co-operatives" is fully applied to inter-co-operative relationships, all the sectional interests could mutually be reconciled with the general interest of the community.

We all can fortify ourselves and draw inspiration from the great. Russell was the truly great thinker of the twentieth century, and his penetrating analysis of the capitalistic system and his vision of the contribution of the Co-operative Movement to the growth of a democratic, federal and creative economic organisation can be of abiding inspiration to the co-operators all over the world.

Book Reviews

Co-operators.

By Prof S. P. Dneprovsky. *Economica*, 1968, Moscow.

This book, which was one of three books awarded the ICA Triennial Prize in 1970, is a successful attempt to present to the reader an interesting and complete account of the history of co-operative ideas and movements in Russia and to trace the connection of these with those of the West from their inception up to the present.

The book opens with a description of the foundation of the first two consumer co-operatives in Russia—both of them in Siberia—one, in 1827, in a hard labour prison and the other, in 1831, in a prison factory. A short foreword stresses that this is the first published account of these predecessors of Russian Co-operation.

The founders were the first Russian revolutionaries, known to posterity as Decembrists, most of them Imperial Guards Officers belonging to the Russian aristocracy. As a result of the sentence of hard labour, these aristocrat-utopians lost their wealth and their

civil rights and were thus reduced to proletarian status. They suffered acutely because of the stringent conditions imposed on them. (The vengeful attitude of Tsar Nicholas I to these "rebels" was well known and his personal instructions to the prison authorities were interpreted as a sentence of slow death.) Nevertheless, the prisoners succeeded in applying their lofty ideals, acquired from Western Europe in the aftermath of the Napoleonic Wars—ideas which had never before been tried or implemented. The activities of the "Large Artel"* (founded in 1827) and the "Small Artel"* (founded in 1831) enabled the majority of them to survive the sentence of hard labour and to overcome the privations of the exile, which followed the prison sentence, an exile which ended only after the death of Tsar Nicholas in 1856.

The Decembrists, or at least some of them, knew the ideas of Robert Owen, a fact which is acknowledged in the chapter of the book dedicated to him. It is emphasised that the elaborate List of Rules of the "Small Artel" in 1831 is very similar to the List of Rules of the Rochdale Pioneers of 1843, both obviously worked out under different conditions of life, but influenced by the same ideas.

The impact of the co-operative activities of the Decembrists, great as it was because of the political conditions, remained unknown except in parts of Siberia. The book contains a very interesting chapter on the self-help funds and co-operatives of the political exiles and their effect on the co-operative movements which, until the first revolution of 1905, had, with few exceptions, to fight for recognition of their legality.

Co-operative ideas became known to the Russian intelligentsia during the short period of relaxation of censorship following the death of Nicholas I: radical writers vividly brought forward the ideas of Owen and of the Rochdale Pioneers. But, by 1863, the famous novel by Czerniszevsky "What has to be done", containing ideas about producers' co-operatives, had to be written in the Petropavlovskaja Fortress in St. Petersburg and could not be completely published until 1905.

Following up the development of the Russian Co-operative Movement, the author has dwelt on the difficulties met by the workers'

co-operatives which had begun to appear as a result of the industrialisation process in the last quarter of the nineteenth century. He also draws attention to the influence of workers who came from Western Europe at that time, and how this encouraged the industrial workers to fight against the obstacles put in the way of projected workers' co-operatives. The effect of the revolution of 1905 to 1907 in loosening the restrictions against the formation of new co-operatives is described in detail and helps the reader to understand the part played by Lenin in the International Socialist Congress held in Copenhagen in 1910, at which he was chosen to serve on the committee concerned with the co-operative movement, together with Western socialist leaders of all political shades. The author asserts that Lenin was already aware of the part which co-operatives should play in preparing the workers to fight, as well as of their role after the revolution.

Prof Dneprovsky gives a clear account of the wide support for co-operative ideas and for the Russian Co-operative Movement by liberal-minded people of all classes and from socialists of all shades. Until the end of 1917, all co-operators were working for the common cause of co-operative development.

A considerable part of the second half of the book is dedicated to the struggle within the Co-operative Movement in the years of revolution and civil war. Prof Dneprovsky clearly defines Lenin's line which determined the development of Consumer Co-operation for the next 50 years. He handles with great care and with an attempt at objectivity the events within the "Co-operative Movement" between 1917 to 1920; but he also makes it quite clear that Lenin meant that all who wished the co-operatives to be "independent" were antagonists of Soviet power. He says "... in analysing the petit bourgeois slogan of independence of the co-operatives, Lenin emphasised that the endeavour of the co-operators to be independent of the capitalist State was natural . . . however, when the power of the capitalists was overthrown and Soviet power had become the true spokesman of the toiling masses, there could not be any talk about independent activity by the co-operatives . . . however, this did not exclude the autonomy of the Co-operative Movement in its internal organisation and affairs".

The history of Centrosoyus naturally

*"Artel" is a collective enterprise of peasants or workers in the Soviet Union (Oxford Dictionary).

has its place in the book, and the author—an old co-operator—writes with a special warmth about the pre-revolutionary anti-bolshevist co-operators who, after a period of hesitation, dedicated themselves to the work of the co-operatives, and particularly to Centrosoyus. The activities of Centrosoyus are followed up to the present day and, in the post-script, the activities and some of the resolutions of the 23rd ICA Congress are mentioned. The book was published just before the 24th Congress; at present, there is only a Russian edition.

I. R.

Robert Owen, Prince of Cotton Spinners.

A Symposium edited by Dr John Butt. Published by David and Charles, Newton Abbot, England. Illustrated, with photographs and architectural plans, chronology and index. 265 pages. Price £3.75.

The sub-title of this admirable symposium is one evidence, amongst a number, of a change of viewpoint and emphasis in the study of Robert Owen's life and ideas that is to be welcomed, as the bicentenary of his birth draws near. Dr John Butt, the editor, points out in his introduction that previous works have mostly been "based more on the intellectual and philosophical positions of their authors than on Owen's own position". The aim of Dr Butt and his seven colleagues of the University of Strathclyde is to study Owen more than "Owenism" and to write biography rather than hagiography. A similar striving for objectivity was evident in the introduction to a recent reprint of Owen's *New View of Society and Report to the County of Lanark*.

All such efforts are to be applauded. Robert Owen need not be diminished in anyone's estimation, if his portrait be painted, like Oliver Cromwell's, "warts and all!" Critical discussion of his ideas and projects does not detract one jot from the admiration due to the man who rose up alone to challenge the assumptions underlying the popular economic science and public policies of his time and the arguments employed to defend them. On the other hand, respect for Owen is not enhanced by ascribing to him ideas, such as democracy, which he did not expound or even hold.

The scope of the book may be briefly indicated by a rapid glance at its contents. Besides the introduction, Dr Butt contributes a fascinating essay on Robert Owen as a business man, an outstanding example of a type, first required by the Industrial Revolution of the eighteenth century and possibly even more by the industrial revolutions of the twentieth, because of his capacity for managing, financing and developing large-scale undertakings. Dr James H. Treble discusses Owen's social and economic thought, emphasising the essential paternalism of his community plans, his distrust of radical political action and class conflict as means to economic and social betterment, his belief in the advent of a new harmonious social order attainable by educational methods. Mrs Margaret Browning follows immediately with an essay on Owen as educator. His merit, in her opinion, resides not so much in originality as in his synthesis of "the best that had been thought and said" on the subject and also on his broad conception of education's aim as the full development of each man and woman. If he was most influential as a pioneer of infant schools, he was no less notable for recognising the value of heuristic methods and visual and mechanical aids to learning, as distinct from merely verbal instruction. Owen had less success with adult education, not only because his association with the labour movement was too brief, as Mrs Browning says, but also because, as Mr W. H. Fraser writes in his essay on "Robert Owen and the Workers", he did not really understand their aspirations. The workers, for their part, although many were encouraged and uplifted by his proclamation of an approaching social millennium, never trusted him enough to accept his leadership. Whereas Owen, on the one hand, rejected co-operative trading associations as having no part in his co-operative system, the co-operators, in Congress assembled in 1832, unanimously declared that their movement was not to be identified with the tenets of Mr Owen or any other individual. Cross-purposes appear again in Owen's second period of agitation for factory reform, which is examined in Mr J. T. Ward's essay on Owen as Factory Reformer. While the old campaigners for shorter working hours set their course, in the hostile Parliament which followed the Reform Act of 1832 for a reduction of the normal working day to 10 hours, the wind was taken out of their sails by

the programme of Owen's National Regeneration Society which included an 8-hour day with no reduction of wages. The resulting division set back the cause of factory reform by more than a decade. In the first part of his essay, Mr Ward studies the efforts of the factory reformers between Owen's Bill of 1815 and Peel's Act of 1819, a mountain in labour that produced a mouse, largely because of the ruthless and unscrupulous opposition of Owen's fellow cotton spinners.

The two remaining essays, Mr Jan Donnachie's on the Orbiston Community, and Mr J. R. Hume's on the Industrial Archaeology of New Lanark, have, quite appropriately, a special Scottish interest, but are no less valuable on that account. Orbiston, the first attempt to realise Owen's community plan in practice, after three years of uphill struggle, ended in complete failure. In its proper assessment, however, this failure needs to be studied in conjunction with later attempts at Ralahine and Queenwood. Mr Hume's essay brings out the enormous value of New Lanark mills and

village as a source of knowledge and a means of understanding of industrial and social history of the last quarter of the eighteenth and the first quarter of the nineteenth century. Its reprinting as a separate brochure would surely be a powerful reinforcement for the New Lanark Association in its worthy endeavour to preserve for this and succeeding generations the aspect of an industrial community, as David Dale and Robert Owen developed it.

There remains space only to mention gratefully the wealth of illustrations—portraits, plans and photographs of buildings—which supplement the text, as well as the notes, with their copious references to other sources, appended to the introduction and to each of the essays, the general index and chronology of Owen's life. The whole work has been excellently conceived and executed to refresh Owen's image as an industrialist, reformer and visionary on the occasion of his bicentenary.

W.P.W.

English issue of the new edition of the F. W. Raiffeisen Book

“Die Darlehenskassenvereine” (The Credit Unions)

The English translation of the new edition of the Raiffeisen Book “Die Darlehenskassenvereine” (The Credit Unions), which was republished in German by Drüsedau/Kleinhans as an anniversary issue during the Raiffeisen year in 1968, has just been printed.

In the new edition of the book, the fundamental Co-operative Principles remained the same, but the rules and methods were adapted to present-day requirements.

Credit must be given to the editors that the original fifth edition, edited by Raiffeisen himself, has been made more comprehensible to readers of our time by a thorough revision, abbreviation and commentary revealing anew the essence of the old work.

The supporters and pioneers of Raiffeisen's ideas who were outside the German group are mentioned in a Roll of Honour in the Appendix. At the end of the book are illustrations of co-operative institutions in Germany and abroad.

The price of the English edition is **£1-00**.

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Regional Office and Education Centre for
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Regional Director: Mr P. E. Weeraman
PO Box 3312, 43 Friends Colony
New Delhi 14, India. Tel. 631541; 632093.

International Co-operative Alliance
Office for East and Central Africa

Regional Director: Mr Dan Nyanjom
PO Box 946, Moshi, Tanzania. Tel. 2616.

Affiliated Organisations

Algeria: Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 6 et 8 rue du Cercle Militaire, Oran. Tel. 205-00; 237-75; 368-64; also at - 21 rue Edgar Quinet, Algiers, and 9 rue Mathurin Régnier, 75 Paris 15.

Argentina: Federación Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires. Tel. 28-5381/3.

Intercoop, Editora Cooperativa Limitada, Rivadavia 4426 (1er piso), Buenos Aires. Tel. 99-3193.

Asociación Argentina de Cooperativas y Mutualidades de Seguros, Belgrano 530, 5 Piso, Buenos Aires. Tel. 33-0222/7138.

Federación Argentina de Cooperativas de Crédito Ltda., Pueyrredon 468, 2 Piso, Buenos Aires (RC 24). Tel. 86-6283.

Australia: Co-operative Federation of Australia, President's Office: 50-54 Ferry Street, South Brisbane, Queensland 4101. Tel. 4-5083. Secretariat: 569 Wellington Street, Perth, Western Australia 6000. Tel. 21-0191.

Austria: "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, Vienna VI. Tel. 57-75-38. Membership (1967): 476,200; turnover: retail trade: Sch. 4,646 mill. (thereof consumers' societies: Sch. 3,895 mill.; department stores: Sch. 713 mill.; other retail trade: Sch. 38 mill.); wholesale society (G.Ö.C.): Sch. 1,821 mill.; own production: consumers' societies: Sch. 472 mill.; G.Ö.C. and subsidiaries: Sch. 415 mill.

Bank für Arbeit und Wirtschaft A.G., Seitzer-gasse 2-4, Vienna 1.

Zentralkasse der Konsumgenossenschaften, Theobaldgasse 19, Vienna VI.

Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, 1, Bösendorferstrasse 7/11, 1010 Vienna. Tel. 65-71-63; 65-13-25.

1969: Affiliated organisations: 301 (comprising 189 societies and 112 associations); membership: 146,767; dwellings administered: 310,124 (comprising 136,462 societies and 173,662 associations); balance at 1968: 45.2 milliard Sch. (divided as to societies 22.2 milliards, associations 23 milliards).

Österreichischer Raiffeisenverband, Seilergasse 16, Vienna 1. Tel. 52-69-34.

Belgium: Fédération belge des Coopératives (FEBECOOP), 26-28 rue Haute, Brussels 1. Tel. 13-28-60; 11-83-50.

Affiliated consumers' societies: 21; membership: 300,000; turnover (1968): Frs. 4,180 mill.; shops: 1,409; Wholesale society turnover (1968): Frs. 1,272 mill.

Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151 rue Royale, Brussels 3. Tel. 18-80-80.

Premiums (1966): Frs. 1,903 mill.; reserves: Frs. 6 milliards; insurance funds, life: Frs. 20 milliards.

Fédération Nationale des Coopératives Chrétiennes, 135 rue de la Loi, Brussels 4. Tel. 35-60-90.

(1967): 1,250 shops; turnover: Frs. 1,430 mill.; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 mill.; reserves: Frs. 1,300 mill.

L'Economie Populaire, 30 rue des Champs, Ciney (Namur). Tel. 210-04.

Branches (1968): 460; membership: 92,000; turnover: F.B. 1,069,000,000; savings deposits: F.B. 592 mill.; capital and reserves: F.B. 184 mill.

L'Institut Provincial de Coopération Agricole, 42 rue des Augustins, Liège. Tel. Liège 32-36-52.

OPHACO (Office des Pharmacies Coopératives de Belgique), 602 Chaussée de Mons, Anderlecht-Brussels. Tel. 22-56-90.

Union of 28 co-operative 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.

Centrale des Caisses Rurales du Boerenbond Belge (CERA), Minderbroedersstraat 8, 3000 Leuven. Tel. 016/279.31.

Bulgaria: Central Co-operative Union, Rue Rakovski 103, Sofia. Tel. 7-83-11; 8-03-11.

Central Union of Productive Co-operatives, Boulevard Dondoukov 41, Sofia. Tel. 88-45-90.

Cameroon (West): West Cameroon Co-operative Association Ltd., P.O. Box 135, Kumba, Meme Division, West Cameroon. Tel. Kumba 251.

Canada: Co-operative Union of Canada, 111 Sparks Street, Ottawa 4, Ont. Tel. 232-9657. A federation of English-language co-operative organisations, organised in 1909.

Conseil Canadien de la Coopération, 111 Sparks Street, Ottawa 4, Ont. Tel. 232-0468.

Ceylon: Co-operative Federation of Ceylon, P.O. Box 1669, Co-operative House, 455 Galle Road, Colombo 3. Tel. 85496.

Chile: Federación Chilena de Cooperativas de Ahorro y Credito, Ltda., Dieciocho 246, Clasificador 760, Santiago de Chile. Tel. 61373.

Cooperativa Sodimac Ltda., Casilla 3110, Santiago de Chile. Tel. 734023.

Cooperativa de Empleados Particulares Ltda., Teatinos 601, Casilla 424, Santiago de Chile. Tel. 82935.

Instituto de Financiamiento Cooperativo, IFICOOP, Ltda., Agustinas 853, Oficina 547, Casilla 1118, Santiago de Chile. Tel. 398253.

Colombia: Cooperativa Familiar de Medellin Ltda., Calle 49, No. 52-49, Medellin. Tel. 45-00-55; 41-71-13; 41-53-78.

Cyprus: Co-operative Central Bank Ltd., P.O. Box 1447, Nicosia. Tel. 62921; 62677; 63311.

Cyprus Turkish Co-operative Central Bank Ltd., P.O. Box 791, Nicosia. Tel. 4257.

Vine Products Co-operative Marketing Union Ltd., P.O. Box 314, Limassol. Tel. 2331; 2872; 4582.

Czechoslovakia: Ustredni Rada Druzstev, Tesnov 5, Prague 1. Tel. 621-54; 647-51.

Denmark: De samvirkende danske Andelselskaber (Andelsudvalget), Vester Farimagsgade 3, DK-1606 Copenhagen V. Tel. (01)12-14-19. 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.

Det Kooperative Faellesforbund i Danmark, Kronprinsensgade 13, 1114 Copenhagen K. Tel. (01)12-22-62.

Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprising consumers', workers', artisans', productive and housing societies, etc.

Faellesforeningen for Danmarks Brugsforeninger (FDB), Róskildevej 65, Albertslund. Tel. (01)64-88-11.

Affiliated societies (1969): 1,742; members: 839,000; turnover: 4,032 mill. D.Kr.; wholesale turnover: 2,198 mill. D.Kr.; own production: 741 mill. D.Kr.

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

Finland: Suomen Osuuskappojen Keskuskunta (S.O.K.), Vilhonkatu 7, 00100 Helsinki 10. Tel. 90-650-611.

Affiliated societies (1970): 274; members: 572,610; wholesale turnover: Fmk. 1,804 mill.; own production of SOK: Fmk. 332 mill.

Yleinen Osuuskappojen Liitto r.y. (Y.O.L.), Vilhonkatu 7, 00100 Helsinki 10.

Affiliated societies (1970): 274; members: 572,610; turnover of societies: Fmk. 3,152 mill.; total production of the affiliated societies: Fmk. 53 mill.

Kulutussosuuskuntien Keskusliitto (K.K.), r.y., P.O. Box 10740, Mikonkatu 17, Helsinki 10. Tel. Helsinki 10491.

Affiliated societies (1969): 81; members: 579,400; turnover: Fmk. 2,009.4 mill.; own production: Fmk. 302.6 mill.

Keskussuusiike O.T.K., P.O. Box 10120, Helsinki 10. Tel. 71-13-22; 70731.

Affiliated societies (1969): 81; turnover: Fmk. 1,189.1 mill.; own production: Fmk. 336.1 mill.

Pellervo-Seura, Central Organisation of Farmers' Co-operatives, Simonkatu 6, Helsinki K. Tel. 61046.

Affiliated organisations (1963): 10 central organisations; 1,102 societies.

France: Fédération Nationale des Coopératives de Consommation, F.N.C.C., 89 rue la Boétie, 75 Paris VIII. Tel. 225-99-98.

Affiliated societies (1970): 315; membership: 3,400,000; shops: 8,300; turnover: NF. 6,100 mill.

Société Générale des Coopératives de Consommation, 61 rue Boissière, 75 Paris XVI. Tel. 553-88-22.

Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88 rue de Courcelles, 75 Paris VIII. Tel. 622-40-48; 622-45-20.

Confédération Générale des Sociétés Coopératives Ouvrières de Production, 88 rue de Courcelles, 75 Paris VIII. Tel. 622-07-81/2.

Banque Française de Crédit Coopératif, 88 rue de Courcelles, 75 Paris VIII. Tel. 227-48-03.

Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, 129 Bd. St. Germain, 75 Paris VI. Tel. 033-93-31.

Caisse Nationale de Crédit Agricole, 91-93 Boulevard Pasteur, 75 Paris XV. Tel. 273-90-00.

Fédération Nationale des Sociétés Coopératives d'Habitation à Loyer Modéré (H.L.M.), 17 rue Richelieu, 75 Paris 1er. Tel. 742-77-99.

Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 3 ave. du Coq, 75 Paris 9e. Tel. 742-45-79; 874-67-62.

Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, 75 Paris VIII. Tel. 267-14-50.

Gambia (The): Gambia Co-operative Central Banking and Marketing Union Ltd., *P.O. Box 505, Bathurst*. Tel. 581.

Federal Republic of Germany: Bund deutscher Konsumgenossenschaften G.m.b.H., *Besenbinderhof 52, (2) Hamburg 1*. Tel. (0411)284-4001.

Affiliated societies (December 1969): 115; membership (end of 1969): 2,235,000; turnover (1969): D.M. 4,827 millions.

Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof 52, (2) Hamburg 1*. Tel. (0411)284-4310.

Total turnover incl. subsidiaries (1969): D.M. 2,462 millions.

Gesamtverband gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4, (22c) Cologne*. Tel. 733252.

Volksfürsorge Lebensversicherung Aktiengesellschaft, *An der Alster, (2) Hamburg 1*.

Volksfürsorge Deutsche Sachversicherung Aktiengesellschaft, *Steinstrasse 27, (2) Hamburg 1*.

Deutscher Raiffeisenverband e.V., *Adenauerallee 127, 53 Bonn*. Tel. (0-22-21) 1061.

Ghana: The Alliance of Ghana Co-operatives Ltd., *Post Office Box 2068, Accra*. Tel. 25560.

Greece: Pan-Hellenic Confederation of Unions of Agricultural Co-operatives (S.E.S.), *56 El. Venizelou Street, Athens 1 42*.—Membership suspended.

Guyana: Guyana Co-operative Union Ltd., *Ministerial Buildings, High Street and Brickdam, Georgetown*.

Haiti (W.I.): Caisse Populaire Dominique Savio, *57 Rue Rigaud, Pétiou-Ville*.

Hungary: Federation of Hungarian Co-operative Societies, *Szabadság 14, Budapest V*. Tel. 113-600; 112-800.

National Federation of Producers' Co-operatives (OKISZ), *Pesti Barnabás 6, Budapest V*. Tel. 188-806.

National Co-operative Council, *Szabadság tér 14, Budapest V*. Tel. 113-600; 112-800.

Iceland: Samband Isl. Samvinnufélaga, *Reykjavik*. Tel. 17080.

India: National Co-operative Union of India, *72 Jorbagh, New Delhi 3*. Tel. 611123; 611343; 619328.

Iran: Sepah Consumers' Co-operative Society, *Avenue Sevvom Esfand, Rue Artèche, Tehran*. Tel. 332015; 332019.

Credit and Housing Co-operative Society of Iran, *20-22 Shahabad Avenue, Tehran*.

Central Organisation for Rural Co-operatives of Iran, *357 Pahlavi Avenue, Tehran*. Tel. 64210.

Ireland: Irish Agricultural Organisation Society Ltd., *The Plunkett House, 84 Merrion Square, Dublin 2*. Tel. 64783/4-6.

National Organising and Advisory Body for Agricultural Co-operatives. Affiliated societies: 333; membership: 127,000; turnover (1967): £152 mill.

Co-operative Development Society Ltd., *35 Lower Gardiner Street, Dublin*.

Israel: General Co-operative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv*. Tel. 46111-35.

Affiliated societies and companies (1963): 1,855 in all branches.

"Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, *44 Rothschild Bd., P.O. Box 75, Tel-Aviv*. Tel. 650885.

"Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, *8 Kaplan Street, P.O.B. 209, Tel-Aviv*. Tel. 250881.

"Bahan" Audit Union of Agricultural Co-operative Societies in Israel, *47 Nahmani Street, P.O.B. 622, Tel Aviv*. Tel. 614933.

Italy: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome*. Tel. 868-141/2-4.

Confederazione Cooperative Italiane, *Borgo Santo Spirito 78, 00193 Rome*. Tel. 653-875; 565-605; 565-614.

Associazione Generale delle Cooperative Italiane, *Via Parma N. 22, 00184 Rome*. Tel. 462-659; 471-846.

Jamaica (W.I.): Jamaica Co-operative Union Ltd., *14-16 Barry Street, Kingston*. Tel. 24737.

Japan: Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Co-operative Union), *1-13, 4-chome, Sendagaya, Shibuya-ku, Tokyo*. Tel. Tokyo (404) 3231.

Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Co-operatives), *5, 1-chome Otemachi, Chiyoda-ku, Tokyo*.

Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Co-operative Associations), *Sankaido Building no. 9-13, 1-chome, Akasaka, Minato-ku, Tokyo*.

National Federation of Forest Owners' Co-operative Associations, *11-35, Nagato-cho, 1-chome, Chiyoda-ku, Tokyo 100*.

Jordan: Jordan Co-operative Organisation, *P.O.B. 1343, Amman*. Tel. 23101/3.

Kenya: Kenya National Federation of Co-operatives Ltd., *P.O.B. 9768, Nairobi*. Tel. 21486.

Korea: National Agricultural Co-operative Federation, 75, 1st Street, Chung-Jong-Ro, Sodaemun-ku, Seoul. Tel. 73-0021 ; 75-2681.

Malaysia: Co-operative Union of Malaysia Ltd., Peti Surat 685, Kuala Lumpur. Tel. 23903.

Sarawak Co-operative Central Bank Ltd., Kuching, Sarawak.

Malayan Co-operative Insurance Society Ltd., 36 Jalan Ampang, P.O. Box 817, Kuala Lumpur. Tel. 87915/6.

Malta: Farmers' Central Co-operative Society Ltd., New Building, Middleman Street, Marsa. Tel. Cent 24896.

Mauritius: Mauritius Co-operative Union, Co-operation House, Dumat Street, Port Louis. Tel. Port Louis 822.

Netherlands: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikcoöperaties, "CO-OP Nederland", Postbus 6008, Vierhavensstraat 40, Rotterdam 7. Tel. (010) 235180. Association of Enterprises on a Co-operative Basis, Bloemgracht 29, Amsterdam. Tel. 62303.

Nigeria: Co-operative Union of Western Nigeria, Ltd., c/o Co-operative Buildings, New Court Road, Ibadan. Tel. Ibadan 24399 ; 24446. Lagos Co-operative Union Ltd., Co-operative Office, 147 Broad Street, Lagos, W. Nigeria. Tel. 58920/85.

Mid-Western Nigeria Co-operative Federation Ltd., c/o Ministry of Co-operative and Rural Development, Co-operative Societies Division, P.O.B. Benin City. Tel. Benin 594.

Norway: Norges Kooperatve Landsforening, Revierstredet 2, Oslo 1. Tel. (47-2)20-62-90. Affiliated societies (1969): 783; membership: 392,000; turnover of local societies: Kr. 3,030 mill.; of N.K.L.: Kr. 1,044 mill.

Norske Boligbyggelags Landsforbund (NBBL), Trondheimsveien 84-86, Oslo 5. Tel. 33-32-42.

Pakistan: East Pakistan Co-operative Union Ltd., 9/D-Motijheel Commercial Area, 8th floor, Dacca 2. Tel. 255846.

West Pakistan Co-operative Union, 5 Court Street, P.O.B. 905, Lahore 1. Tel. 54203.

Karachi Central Co-operative Bank Ltd., 14 Laxmi Building, Bunder Road, Karachi 2. Tel. 36185.

Karachi Central Co-operative Consumers' Union, Iqbal Market and Cold Storage, Soldier Bazar, Karachi. Tel. 70917.

Karachi Co-operative Housing Societies' Union, Shaheed-e-Millat Road, Karachi 5. Tel. 40244.

Karachi Co-operative Union Ltd., Co-operative House, Shaheed-e-Millat Road, Karachi 5. Tel. 230289.

Karachi Fishermen's Co-operative Purchase and Sales Society Ltd., West Wharf Road, Karachi.

Sind Baluchistan Provincial Co-operative Bank, Ltd., Provincial Co-operative Bank Bldg., Serai Road, P.O. Box 4705, Karachi 2. Tel. 32361 ; 37290 ; 34736.

Provincial Fishermen's Co-operative Society Ltd., Iqbal Road, Patharghata, Post Box 27, Chittagong. Tel. 80587 ; 85967.

Peru: Cooperativa de Seguros "INCA" Ltda. No. 181, Av. Brasil 1360, Apartado 10159, Lima 21.

Cooperativa de Seguros del Peru, Maximo Abril 542, Lima. Tel. 46769.

Philippines: Central Co-operative Exchange Inc., P.O.B. 1968, Manila. Tel. 7-60-09.

Poland: Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Kopernika 30, Warsaw. Tel. 26-39-69 ; 26-10-81.

Central Union of Building and Housing Co-operatives, Ul. Marchlewskiego 13, Warsaw. Tel. 20-90-29.

"Spolem" — Union of Consumer Co-operatives, Grazyny 13, Warsaw. Tel. 45-32-41.

Central Union of Work Co-operatives, Surawia 47, Warsaw.

Puerto Rico: Co-operative League of Puerto Rico, 458 Fernando Calder Street, Box 177, Roosevelt. Tel. 766-2592 ; 766-1382.

Roumania: Uniunea Centrala a Cooperativelor de Consum "Centrocoop", Calea Victoriei 29, Bucharest. Tel. 16-00-10 ; 13-87-31.

1969/70: Associated 1,728 Consumers' Co-operatives in 39 District Unions; membership: 7 mill.; 28,000 retail shops: of which 8,100 public catering units; 7 processing and marketing enterprises; 18 production enterprises; 17 building enterprises; 20,400 servicing units; 18 educational centres.

Uniunea Centrala a Cooperativelor Mestesugaresti, "Ucecom", Calea Plevnei 46, Bucharest. Tel. 16-21-40.

Singapore: Singapore Co-operative Union Ltd., Post Box 366; Office and Library: 3-JJK Clifford House, Singapore 1.

Sweden: Kooperativa Förbundet, S-104 65 Stockholm 15. Tel. 44-95-60.

Affiliated retail societies (1969): 246; membership: 1,534,000; total turnover of consumer societies: Kr. 7,237 mill.; turnover of K.F.: Kr. 5,686 mill. (thereof Kr. 4,156 mill. to affiliated consumer societies); K.F.'s own production: Kr. 2,654 mill.; total capital (shares, reserves and surplus) of K.F.: Kr. 1,132 mill. and of affiliated retail societies: Kr. 1,290 mill.

Hyresgästernas Sparkasse- och Byggnadsför-
eningars Riksförbund (H.S.B.), *Fleminggatan 41*,
P.O. Box 18029, Fack, S-100 21 Stockholm 18.
Tel. 54-06-40.

1969: Affiliated Building Societies: 100; with individual
members: 340,000; number of flats administered by local
societies: 300,000; value of real estate: Kr. 15,000 mill.

Svenska Riksbyggen, *Hagagatan 2, P.O. Box*
19015, S-104 32 Stockholm 19. Tel. (08)34-
05-20.

Folksam Insurance Group, *Folksam Building*,
Stockholm 20. Tel. 22-01-00.

Lantbrukarnas Riksförbund, *S-105 33 Stock-*
holm. Tel. (08)14-16-00.

Kooperativa Gilllesförbundet, *S-104 65 Stock-*
holm 15. Tel. (08)44-90-60; (08)44-95-60.

Switzerland: Coop Schweiz, *Thiersteinallee*
14, CH 4002 Basle. Tel. (061)35-50-50.

Affiliated societies (1969): 330; retail outlets: 2,642;
membership: 884,900; Coop-total turnover: Frs. 3,175.2
mill.; Coop-retail turnover: Frs. 2,683.9 mill.; Coop Schweiz,
wholesale turnover: Frs. 1,601.8 mill.

Verband ostschweiz. landwirtschaftlicher Ge-
nossenschaften (V.O.L.G.), *Schaffhauserstrasse*
6, Winterthur 8401.

Verband sozialer Baubetriebe, c/o *SBHV*,
Sihlpostfach, Zürich.

Genossenschaftliche Zentralbank, *Aeschenplatz*
3, CH 4002 Basle.

CO-OP Lebensversicherungs-Genossenschaft
Basel, *Aeschenvorstadt 67, CH 4002 Basle*.

Tanzania: Co-operative Union of Tanganyika
Ltd., *National Co-operative Building, P.O. Box*
2567, Dar-es-Salaam. Tel. 23077; 23344; 23347.

Turkey: Türk Kooperatifcilik Kurumu (Turkish
Co-operative Association), *Mithatpasa Caddesi*
38, Yenisehir, Ankara. Tel. 12-43-73.

Uganda: Uganda Co-operative Alliance, *P.O.B.*
2215, Kampala. Tel. 56984/6.

U.S.S.R.: Central Union of Consumers' Co-
operative Societies of the U.S.S.R. and RSFSR,
"Centrosoyuz", *Tcherkassky per no. 15, Moscow*.
Tel. 221-7253.

Consumers' societies (1967): 16,489; members: 55 mill.;
shops: 356,700.

United Kingdom: Co-operative Union Ltd.,
Holyoake House, Hanover Street, Manchester
M60 0AS. Tel. (061) 834-0975.

Affiliated retail societies (1969): 469; membership:
12,500,000; share capital: £181 mill.; retail sales: £1,132
mill.

Co-operative Wholesale Society Ltd., *P.O.B. 53*,
New Century House, Corporation Street, Man-
chester M60 4ES. Tel. (061) 834-1212.

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. Tel. (061) 832-8686.

Assets (1964): £369 mill.

Scottish Co-operative Wholesale Society Ltd.,
Centenary House, 100 Morrison Street, Glasgow
C.5. Tel. (041) 429-2100.

Affiliated societies (1967): 153; sales: £89,008,059;
reserves and insurance funds: £9,474,291; total resources:
£23,139,384.

U.S.A.: Co-operative League of the U.S.A.,
59 East Van Buren Street, Chicago, Ill. (60605).
Tel. 312-922-0726; 202-628-9000; and *1012*
14th Street, N.W., Washington 5, D.C.

Yugoslavia: Glavni Zadruzni Savez FNRJ,
Terazije 23/Vi, Belgrade. Tel. 30-947/9.

Zambia: Eastern Province Co-operative Market-
ing Assoc. Ltd., *P.O.B. 108, Chipata*. Tel. 439;
485.

National Co-operative Development Committee,
Mulungushi House, Independence Avenue, P.O.
Box 1229, Lusaka. Tel. Lusaka 51744.

INTERNATIONAL ORGANISATIONS

Organization of the Co-operatives of America,
G.P.O. Box 4103, San Juan, Puerto Rico 00936.
Tel. 765-8520.

Nordisk Andelsförbund (Scandinavia), *3 Axel-*
torv, Copenhagen V, Denmark. Tel. 15-15-33.

International Co-operative Bank Co. Ltd.
(INGEBA), *Dufourstrasse 54, P.O.B. 711, CH*
4002 Basle, Switzerland. Tel. (061)23-58-27.

International Co-operative Petroleum Associa-
tion, *28 West 44th Street, New York, N.Y. 10036*,
U.S.A. Tel. LA 4-4455.

Sociedad Interamericana de Desarrollo de
Financiamiento Cooperativo (SIDEFCOOP), *Ca-*
silla de Correo 4311, Buenos Aires, Argentina.

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The official Organ of the International Co-operative Alliance

Editor: J. H. Ollman

Publications Assistant: Miss E. Stiassna

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CONTENTS

	Page
Declaration of the ICA	86
49th International Co-operative Day by S. K. Saxena	88
Robert Owen of New Lanark, by Margaret Cole	89
Austria's Great Old Man—The 100th Birthday of Dr. Karl Renner, by Dr. E. Spielmann	93
Director's Commentary, S.K.S.	97
A Key Conference for the Co-operative Development Decade, A.E.O.	101
Are Co-ops for the Poor? by Alex Laidlaw	105
Book Review	108
Accessions to the ICA Library, A.L.	110

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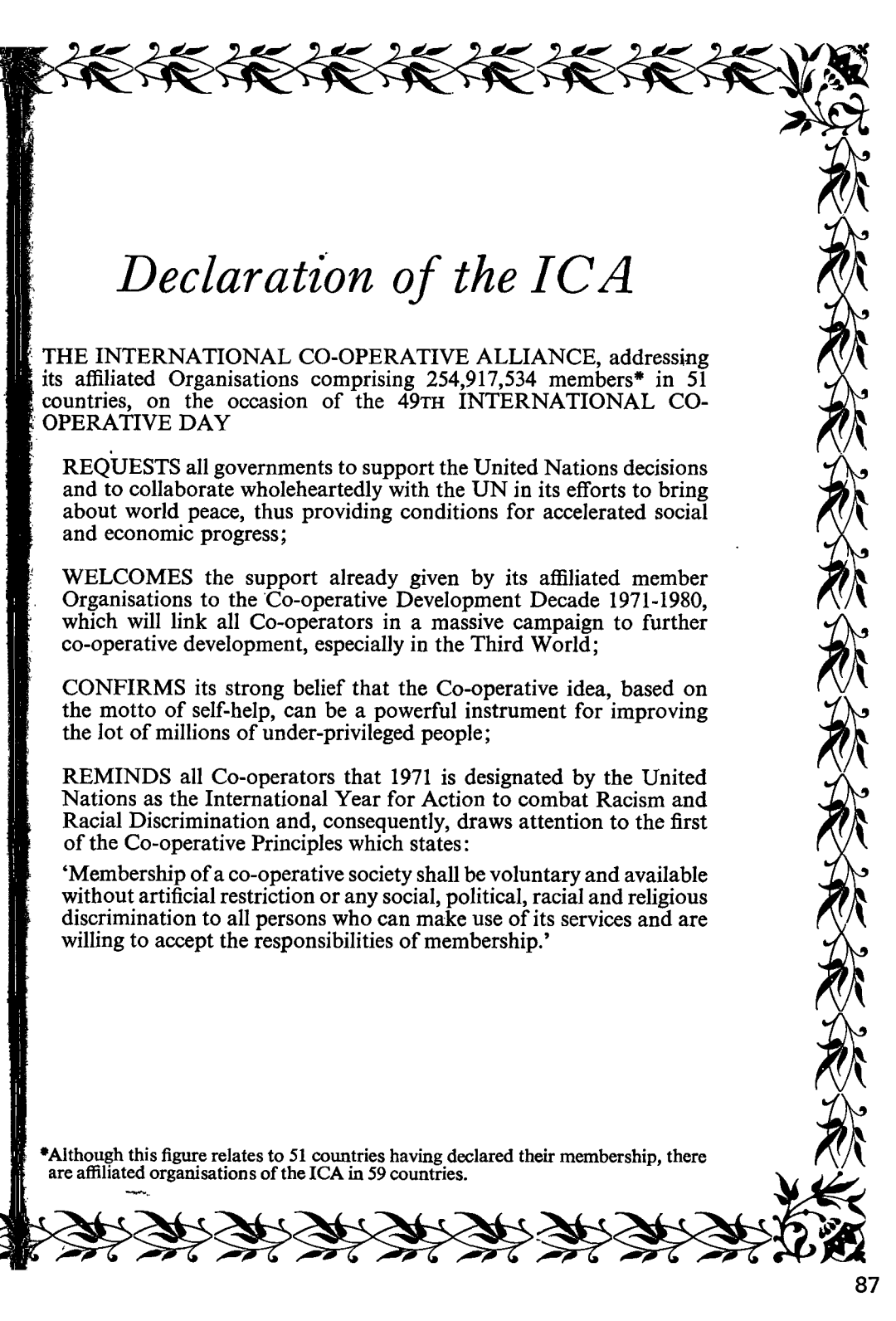
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*49th
International
Co-operative
Day*



Saturday 3rd July 1971

A decorative border of stylized leaves and vines runs along the top, right, and bottom edges of the page. The border is composed of repeating leaf-like shapes connected by thin, curving lines.

Declaration of the ICA

THE INTERNATIONAL CO-OPERATIVE ALLIANCE, addressing its affiliated Organisations comprising 254,917,534 members* in 51 countries, on the occasion of the 49TH INTERNATIONAL CO-OPERATIVE DAY

REQUESTS all governments to support the United Nations decisions and to collaborate wholeheartedly with the UN in its efforts to bring about world peace, thus providing conditions for accelerated social and economic progress;

WELCOMES the support already given by its affiliated member Organisations to the Co-operative Development Decade 1971-1980, which will link all Co-operators in a massive campaign to further co-operative development, especially in the Third World;

CONFIRMS its strong belief that the Co-operative idea, based on the motto of self-help, can be a powerful instrument for improving the lot of millions of under-privileged people;

REMINDS all Co-operators that 1971 is designated by the United Nations as the International Year for Action to combat Racism and Racial Discrimination and, consequently, draws attention to the first of the Co-operative Principles which states:

‘Membership of a co-operative society shall be voluntary and available without artificial restriction or any social, political, racial and religious discrimination to all persons who can make use of its services and are willing to accept the responsibilities of membership.’

*Although this figure relates to 51 countries having declared their membership, there are affiliated organisations of the ICA in 59 countries.

Dear Co-operators,

49th International Co-operative Day

In a world experiencing a new industrial revolution resulting from the changes that have taken place in technology and management, Co-operative Organisations in the '70s face challenges and competition undreamt of by the founders of our Movement over a hundred years ago.

In constantly examining their structure, their policies and methods, leaders of co-operatives in the industrialised countries, facing problems arising from the European Common Market, from the spread of multi-national corporations, and the difficulty of raising finance from within the Movement, have made use of the opportunities provided under the umbrella of the Alliance to discuss their common problems. The experiences and the technical resources of the advanced movements will need to be increasingly pooled so that sensible solutions can be found to the large number of urgent and complex problems which beset the movements today.

In several developing countries, however, where co-operatives are in their infancy and are trying to overcome problems associated with extremely meagre resources of finance and skilled management, the Alliance has concentrated its efforts on providing education and training. Our programme of the Co-operative Development Decade (1971-80) has received encouraging response from our member organisations and we have been greatly heartened by the message of U Thant, the Secretary-General of the United Nations, who wrote: 'By mobilizing the many co-operative organizations throughout the world to stimulate the development of co-operative movements in the developing countries,' the ICA 'will be making a greatly needed contribution to the implementation of the goals of the Second United Nations Development Decade.'

It is my sincere hope that, on the occasion of the 49th International Co-operative Day 1971, co-operators will recall the mutual bonds which have united us all in the family of the Alliance for seventy-five years and will look forward to concerted action for the future success of the Co-operative Movement.

Yours sincerely,



S. K. SAXENA
Director, ICA

Robert Owen of New Lanark

by Margaret Cole

It would not be sensible, in the space of a single article, to try to give an account of the long life and many works of Robert Owen, which are, in any case, fairly well known to most readers. All I shall do in the way of generalities, therefore, is just to draw attention to the singular paradox of the Owen story, namely, that for half his life, he was an eminently *practical* man and gained a world-wide reputation for efficiency; and that it was only when he had lost (not undeservedly) his reputation for efficiency that he became an inspiration to all that was good and idealistic to the socialist and reforming movements which set their sights by him. In the days, when he was a cotton-spinner of genius, in the days, when he doubled the money value of the factory which he managed at New Lanark, while at the same time producing a surplus sufficient to create a village, which was in many ways a model community, and to build, and run, schools for *all* the children of the place (not just for a selected *élite*) which anticipated educational reforms, which it has taken hundred and sixty years to put into effect—in those days, he was startlingly successful both in practical management and in the persuasion of human beings and persons of all ranks in all strata of life were ready to listen to him with admiration.

But to listen is one thing and to imitate in action quite another. Owen was convinced that what he had so successfully achieved at New Lanark, could be done for the whole of Britain by following the simple principles and philosophy which he had—or thought he had—worked out for himself and that his plan for villages of co-operation and community living could be

applied to solve all the problems created by the industrial revolution and the wars with Napoleon. When he found that things were not so simple, that there was strong and violent opposition, not merely from greedy or stupid owners of factories, but also from orthodox economists, from churchmen and politicians in the seats of power—and, more distressingly, from radicals who believed, like Cobbett and Hunt, that the only solution lay in the reform of Parliament—then, unfortunately, he gradually lost both his head and his judgment, and argued that bad education (including all religious teaching) was the real obstacle, and what was needed was to go on endlessly preaching and teaching, and meanwhile to embark upon *any* experiment in co-operative living, however casually founded and imperfectly financed. From this derived the failures, from the New Harmony settlements onwards, which were associated with his name; but hence, also, the great surge of working-class enthusiasm shown in the Co-operative Movement, the National Building Guild, the great trade unions of the early 1830s—and later, the secular societies of the mid-Victorian era—all made up of people who had been inspired by Owen's idealistic vision of a society of peaceful development without hate and strife, and who, like him, had failed to realise the strength of the forces which stood in the way.

These movements went down to immediate disaster. Owen, the Prophet, though an inspiration for very many years after the catastrophe, was an extremely bad leader. But he was not a different person from the Owen of the earlier period. For

one thing, he retained all his life the remarkable courtesy, gentleness and hatred of cut-throat competition, to which all who ever knew him bore witness, and what is not, in general, a characteristic of reformers. From his school-days, when he hated prize-winning, because it gave such pain to the loser, to the Manchester manufacturer deliberately refraining from approaching the customers of the man who had wriggled out of the promise to give him a partnership, to the father rebuking his young son for losing his temper with another boy—"You must *never* strike anyone, Robert"—his "fine temper", as Harriet Martineau called it, put shame on his critics and made all children love him. But besides that, and besides the main bulk of his teaching, he threw out, as it were spin-offs, which his countrymen would have done well to pay heed to, generations before they did.

He thought it obvious that factory-owners should give at least as much attention to the condition of the men they employed as to the machines which they worked. So it is; but it was thirty years after he said it that the Ten Hours' Act became law. He said that in deep depressions increased wages to the working classes would help to bring back prosperity; in the twentieth century, Henry Ford told the world about "the economy of high wages". He said that, while changes in production and trade put men out of work through no fault of their own, it was the responsibility of the community to see that they did not suffer for it: it was Keir Hardie and Beatrice Webb who, in the first years of this century, advocated this as a policy. Owen did not believe in punishment: in an age when children were still hanged for petty stealing, he abolished all punishment (including fines) in his own factories, refused to allow his school-children to be punished, or even harshly rebuked, and gave money to Elizabeth Fry for her work amongst the felons in Newgate Prison. He was the first in England to advocate town-planning on a large scale;

with it, he combined suggestions for green belts surrounding the towns and villages, outside which the factories would be built; he thought of communal kitchens cooking for the households of whole districts, communal restaurants where people could meet one another while they ate, and even communal heating systems. He thought there should be a government census of production in order to ascertain what the country was really doing and what it ought to do; the first proper census of production was carried out under Edward VII.

He also believed that the State should make itself responsible for the training of teachers for its children, but this was only one of his fundamental proposals for education. I have already mentioned his abolition of punishments, but he also thought that the gaining of knowledge ought to be *pleasurable*—a quite staggering heresy in that generation—and that it ought to be gained, not by reading text-books or by learning by rote the answers to lists of questions on matters of no interest to children, but by offering free discussions after lectures and never, never refusing answers to questions or putting the questioner off; by providing maps and diagrams and specimens—the kind of thing modern pundits call Visual Aids—and by encouraging them to explore the countryside and bring in specimens. He believed also in singing and dancing, and getting children to move about doing what they felt like doing—even going to sleep if they were tired—and designed and made for them loose clothes, tunics or kilts, in which they could move about freely. "Common-places", you may say today—but how long was it before children in British primary schools were allowed to move from their heavy desks iron-clamped to the stepped floors?

Robert Owen was a Welsh shop-boy, whose own school-days stopped effectively when he was seven years old; how much misery might have been saved if his elders could have appreciated and followed up even a tithe of the suggestions he made?



ROBERT OWEN

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Austria's Great Old Man — The 100th Birthday of Dr Karl Renner

by Dr E. Spielmann

That Austria is now able to rejoice in a peaceful development after two World Wars which had mortally menaced its very existence, is in the last analysis due to a man, who was one of the most outstanding statesmen in Austrian history. It was he who, twice during the biggest political and economic crises, came to the rescue of the country and its people and saved them from total destruction.

Born as the youngest of 18 children—his twin brother had died—in Untertannowitz in Moravia, a crown land of the former Austro-Hungarian Monarchy, he got to know poverty and destitution already in his earliest youth. Making the greatest sacrifices, his parents had sent their highly gifted son to a grammar-school, but after his matriculation, he paid his way himself through his law studies by coaching weaker students and by accepting casual jobs. As a young Doctor of Common and Roman Law, he had been accepted in 1896 as scientific assistant in the library of the Empire Council and, in 1932, he left the civil service as Chief Public Librarian.

Already in 1899, he began a series of his numerous publications, at that time, however, still under pseudonyms, such as Rudolf Springer, Synopticus and Karl von Tannow, to mention only a few. Equally as early, he joined the Social-Democratic Party and was sent in 1907 to the Empire Council by the constituency of Neun-

kirchen. From then onwards and until the beginning of the authoritarian régime, he remained without interruption a representative of the people.

Twice, due to the people's confidence in him, he was called to the highest office as Head of State; twice, owing to his far-sighted intellect and his competence to establish order, he was entrusted with the destiny of a wrecked State in order to save what could still be saved. Once again, he led two generations out of the chaos which was left behind by two World Wars into the order of a new form of state.

He has always been a champion for peace—of course, for a just and lasting peace. As Head of the Austrian peace delegation, he took in 1919 the road to Canossa to get to St. Germain. He who, during the times of the Monarchy, had always been one of its severest critics, saw now the dangers resulting from its collapse. In spite of the hostile attitude of the succeeding States, in spite of the enormous resistance, he was successful as Austria's Chancellor of State to consolidate the frontiers.

With the same tenacity, he worked in 1949 for the re-establishment of Austria. Since 1934, left out in the cold, he had retired to his home in Gloggnitz, where he worked on a comprehensive work, a study about past, present and future social organisations. The book was never to be



Austrian President opening the Renner Museum

published; a direct bomb hit destroyed it, together with many other valuable manuscripts.

When, in April 1945, the Red Army reached also Gloggnitz, he became the spokesman for the population. The district commander, who recognised him, informed Marshal Koniev about it, who, in turn, after several telephone calls to Moscow, appointed him as Head of the Provisional Austrian State Government. This had not been done because of sympathy—the thought behind it having been the certainty of easy play with the friendly old gentleman with his amicable smile and the white beard of a patriarch. In which particular way might he, after all, resist?

However, it turned out that everybody was grossly mistaken. Although Renner was friendly, obliging and ready to help, when it came to the crux, the Soviet Occupation Power bit on granite. Renner

had no intention at all to be led by the nose and to be used as a Russian puppet. He took the reins of the State firmly into his hands, full of energy and strength—a man of 75 years of age with the fiery spirit of a youth.

Renner was not only as statesman one of the most remarkable personalities of the more recent history. He was also one of the most outstanding representatives of the Austrian Co-operative Movement. Already in 1910, he entered also in this sphere brilliantly the public scene—he published numerous essays on Co-operation and all his life was filled with the idea of this Movement. It was in 1911 that he was elected Chairman of the then “Zentralverband österreichischer Konsumvereine” (Central Union of the Austrian Consumers’ Co-operative Societies) and was called to the Board of Directors of the “Großverkaufsgesellschaft österreichischer Consum-



Dr Renner's Working Room

vereine, GöC" (Wholesale Society of the Austrian Consumers' Co-operatives). In 1912, he founded the Credit Union which formed the foundation of the future Workers' Bank (Arbeiterbank) which he had established in 1923 and led until 1926. In the same year, on 1st January 1926, he also took over the presidency of the Wholesale Society of the Austrian Consumers' Co-operatives. The Co-operative Movement sent him also to the Central Committee of the International Co-operative Alliance as its representative.

The conditions which prevailed then in the Co-operative Movement were vastly different from those existing today. At that time, during the Monarchy and in the first Republic, the consumers' co-operatives were not yet joined together in one unit, as it is the case today. Some comprised workers and others employees and civil servants. Today, all Austrian Consumers'

Co-operatives are united in the Central Union and represent a Movement embracing all strata of consumers regardless of their Party affiliation and social origin.

Renner, who had been elected Federal President by the people's overwhelming vote of confidence, showed even in the last five years of his life a continual and lively interest in the expansion and development of the consumers' co-operatives. Even shortly before his death on his eightieth birthday on 14th December 1950, he still opened the Bildungsheim (Training Centre of the Consumers' Union) at the Hohe Warte, which had been inaugurated in his honour on that day. This Centre houses today an interesting "Renner Museum" which contains numerous souvenirs, works and manuscripts, as well as the Dr Karl Renner plaque, with which deserving co-operators are presented as a token of distinction, and the Karl Renner-Stiftung

(Foundation), which serves the training of young co-operators, all these are an expression of the grateful remembrance of

this wise and great statesman, who was such a loyal and upright friend and promoter of the Co-operative Movement.

The International Co-operative Alliance 1895-1970

by **W. P. Watkins**

This volume of ICA history commemorates the 75th Anniversary of the International Co-operative Alliance tracing its evolution from its first manifestation as a phrase on the lips of a few 19th century co-operators to its present status as the largest consultative organisation recognised by the United Nations with over 255 million adherents.

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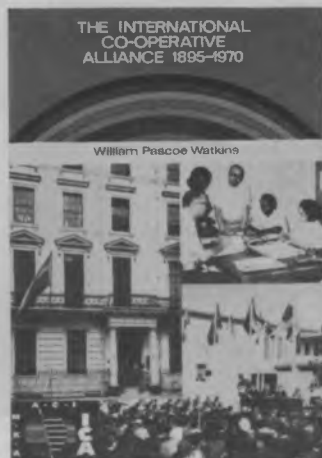
The second chapter traces the development of the ICA's democratic constitution, its efforts to recruit members, hold them together and devise effective administrative organs and working methods in its first fifteen years.

The third chapter relates the struggles of the Alliance to maintain its existence and keep on its proper course amid the successive wars, political revolutions and economic depressions and upheavals which shook the world between 1914 and 1945.

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Director's Commentary

Regional Meetings

As the range and diversity of activities under the umbrella of the Alliance increase, discussions in regional bodies continue to assume greater importance. This was clearly in evidence in a series of meetings which took place at our Regional Office for South-East Asia in New Delhi in February this year. The Agricultural Sub-Committee, the Advisory Council and the Board of the Institute for the Development of Agricultural Co-operation in Asia (IDACA)—which has close relationship with our South-East Asian Office—reviewed their work and made plans for next year. The climax came with the Tenth Anniversary celebrations of the Regional Office, at which a special tribute was paid to the late Professor D. G. Karve, who, in his capacity as Chairman for many years, guided the work of the Council with devotion and skill.

The Advisory Council consists of leading co-operators from the movements in the Region. It had before it a report on the work accomplished by the Office during the past twelve months in the fields of education, technical assistance and trade,

and relations with member movements and the United Nations Agencies. Out of this varied agenda, two items stand out as particularly significant. First, the ICA, together with the Japanese Co-operative Union, have completed the first part of a preliminary Draft Survey of Agricultural Co-operative Marketing in South-East Asia. One of the objects of the Survey is to identify projects where technical assistance from Japan to developing countries could help there in the production of commodities to be exported to Japanese Co-operatives. Thus, a pattern of assistance will emerge which will combine aid and trade and will help in overcoming some problems of both the donor and the recipient countries. Clearly, considerably more work of policy and of an operational nature will need to be accomplished before the findings of the preliminary Survey can begin to yield practical results.

Secondly, a new emphasis in educational activities is to be attempted by launching, on a modest scale, a field project with a view to applying pedagogic techniques to a practical co-operative activity.

While the programme of regional seminars will continue to provide intra-regional exchange of experience, the slight shift in emphasis will help in bridging the gap between the class-room and the field which, in a phase of rapid change, could assume unfortunate proportions.

Two Enquiries

1. Financing Consumer Co-operatives

The problem of raising adequate capital on terms and conditions which would allow consumer co-operatives to undertake massive investment programming required by large structural changes, is a subject very much under discussion in the movements, especially in Western Europe. The traditional source of financing from members' savings, it is pointed out, is inadequate for two reasons: continuing inflation, without a built-in escalator to ensure upward adjustment of the net worth of savings, has reduced the attractiveness of the co-operative society. Moreover, the considerable freedom with which members can withdraw their savings at a time convenient to them is seen to act as a hindrance for long-term financial planning in a period when short-term measures will fall short of the radical changes required. On the other hand, borrowing from outside sources, on a major scale in tight money market conditions is not easy and, without proper safeguards, may have wide-ranging consequences for the movement on its ideology and operations.

Set within the context of highly competitive market situations, the problem of finding adequate resources on favourable terms is both urgent and complex. The Executive Committee has asked the Secretariat to prepare a synopsis of the problem for further discussion at the next meetings of the ICA Authorities.

2. Is there an Ideal Environment for Co-operatives?

This large, seemingly theoretical question has assumed urgency in several developing

countries. Some recent reports have drawn attention to the indifferent performance of co-operatives, and it is being recognised that co-operative movements, albeit themselves agents of change, cannot realise their full potential without a series of reforms in the socio-economic structure of a country. A legal framework which denies the free play of voluntary leadership, an outmoded agrarian structure, which acts as a powerful disincentive to the farmer-member of a co-operative, a rather narrowly defined and inflexible statutory relationship of co-operatives with government institutions, general absence of literacy making communication difficult, are some of the more obvious handicaps under which co-operatives have to operate. For a variety of reasons, including those which, they believe, stem from the rigours of scientific discipline, social scientists, with some refreshing exceptions, have failed to generate a meaningful debate on some of these crucial issues. Policy recommendations, they claim, should be left to the planners and the governments and they will not have their scientific detachment tarnished by indulging in value judgments.

For co-operators, however, the above aspects directly affect the performance of co-operatives and identify the basic handicaps which must be kept in mind in making an objective assessment of the achievements of the movements. The Secretariat is currently involved in working out a general synopsis of the subject in the hope that, at a later stage, the issues could be sharpened to a point when worth-while discussions will be possible.

Common Market and Co-operatives

The INTER-COOP and EURO-COOP are to be congratulated for holding in Brussels with the Common Market Authorities a Conference in March this year. In its limited but important objective of providing relevant information to representatives of consumer co-operatives, the Conference was a success. In intensive sessions lasting nearly two days, a panorama of vastly

complex issues was unfolded by senior officers of the Community. We were led through a maze of problems connected with the harmonisation of legislation in different fields, elements of industrial and regional policies were outlined, managerial and technological gaps were identified, and the objectives of the Common Agricultural Policy and ways of achieving them were spelled out. Inevitably, a Conference of this kind, addressed by people involved in day-to-day operations, concentrated more on the problems than on the achievements of the Common Market. If the Conference will enable co-operators to think and work out regional co-operative responses to the developments in the Common Market, which appears on the brink of enlargement, the Conference would have served a very useful purpose.

75th Anniversary of FDB, Denmark

The 75th Anniversary of the FDB was celebrated on the 25th May 1971 at its modern premises in Albertslund. Preceding the celebrations, the General Assembly met in Copenhagen and decided to accept changes in the Rules which have now opened the possibility for the creation of a single society for the whole of Denmark. The hall was packed with almost 3,500 participants, a turnout of over 90 per cent of those entitled to attend. In a lively display of democracy, even foreign guests could feel, despite the language barrier, the cut and thrust of the argument. Arguments in

favour of the changes related, *inter alia*, to the greater economic power through concentration, enlarged economies in buying and distribution costs, greater speed in decision-making, all ultimately leading to a better service to the consumer. Arguments against the changes stemmed from a fear of the domination by a centralised bureaucracy, a likely decline in the members' interest in the affairs of the co-operative and, hence, a weakening of the members' control over the society.

Developments in Denmark will now be watched with great interest by movements in other countries. A long road remains to be traversed before the consumer begins to feel the impact of the changes which may be envisaged. As the Managing Director, Mr. Groes, has remarked: "This is not the end; this is not the beginning of the end; this is rather the end of the beginning."

Along with other foreign visitors, I had the opportunity earlier of visiting a modern shopping centre and the co-operative department store "ANVA" in Odense. With a population of 100,000 in Odense and a total number of 500,000 inhabitants in the entire island, "ANVA" is reached from the furthest point in 45 minutes. Total investments in the new store are in the neighbourhood of 25 million Danish crowns and credit, home delivery and advisory services are some of the interesting features of this well laid-out store.

S.K.S.

BRITISH CO-OPERATION

by A. Bonner

Revised by B. Rose

The standard work on British Co-operation and the foremost text-book for students of Co-operation has just been published in a new edition.

Additions to the original edition include an important reassessment of the Principles of Co-operation and the recent changes affecting the role of the Co-operative Union following decisions taken at the 1970 Congress. The latter sections of the book have been considerably revised to show an up-to-date picture of the Movement and the many changes which have taken place since the original edition was first published.

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A Key Conference for the Co-operative Development Decade

The Co-operative Development Decade was not on the agenda of the Third International Conference on Aid for Co-operatives in Developing Countries, which was held at Loughborough, England, in April; but the whole Conference was very much in keeping with the theme of the Decade and may be seen as an assembly point of people with ideas about the Decade operations.

The Conference consisted of delegates from fifteen countries interested as donors. Each of these delegations was twofold, being representative both of government aid agencies and of the national co-operative movements. In addition, there was a wide range of international agencies, namely, the FAO, the ILO, COPAC (a Joint Committee for Promotion of Agricultural Co-operatives), the World Bank, OECD, UNESCO, UNDP and the ICA. The developing countries were represented on a regional basis and, additionally, by co-operative officials who were participants at the current Diploma Course at Loughborough. This broad pattern of representation had been established at the two earlier Conferences in this series. These were convened by the Danish Government and were held at Fredensborg in 1965 and Holte in 1968.

The main themes on which the Conference concentrated were very much those of the Co-operative Development Decade. These were identified by the Chairman in his opening address as: the

need to overcome a lack of managerial and technical skills; a need to develop new educational techniques, materials and methods; the need for organised research; the question of the mobilisation of financial resources; and, fifthly, the need for a co-ordination of the efforts of the varied agencies in this field.

Stress was constantly laid, as indeed it is in the CDD documents, on the need for an action programme, and the final session of the Conference adopted a statement of recommendations which listed a considerable number of practical proposals. It is expected that each of the participating agencies will be examining the recommendations from its own particular point of view so that it can take action in its appropriate field. This is necessary, since there is no central authority responsible for the convening of the Conference or for following up the recommendations which it made.

The principal convenor was the Overseas Development Administration of the British and Foreign Commonwealth Office, acting in conjunction with the Plunkett Foundation for Co-operative Studies and the International Co-operative Training Centre at Loughborough.

Examination of the Conference discussions and recommendations, with a view to follow-up action, will be facilitated by the issue of a detailed report of the Conference. This is in two volumes. Volume I contains the proceedings and

recommendations, and Volume II is a compendium of the "position papers", which the participating organisations had submitted as pre-Conference documents for study by the delegates. For the first time, we have assembled in one publication a description of what is being done by the major donors, national and international, in the field of aid to co-operatives in the Third World.

At the opening session, the Conference Rapporteur, Miss Margaret Digby, presented an able and stimulating summary of the factual papers. The following are excerpts from what she had to say.

"To take the international agencies first, those with the widest activities in the co-operative field are the ILO and FAO, which have been concerned with developments in this field ever since their inception. For many years—until the end of the Second World War in fact—the ILO was concerned with the collection and dissemination of information on co-operatives, a service of great value, and with advisory work carried out by its Headquarters Staff. Since the end of the war, both the ILO and FAO have embarked on a wide-spread programme of technical aid to co-operatives, through the provision of experts and the training of men and women from developing countries in an understanding of co-operative principles and practices.

"UNESCO has naturally confined itself to educational projects and UNIDO to those which promote industry.

"The International Co-operative Alliance has not the material resources of a statutory body and has therefore operated less directly and more through the influence conferred on it by long experience and prestige. It has regional offices in South-East Asia and Africa.

"In all this, there is an obvious need for co-ordination, and COPAC, which includes all the bodies already mentioned, has been set up to this end.

"Turning to the papers from national governments, we find the same tri-

partite approach, namely, technical aid through the provision of experts, the training of individuals and groups and the circulation of information in various forms.

"Most governments concerned have an overseas aid department, usually forming part of the Ministry of Foreign Affairs. This is not concerned only, or even mainly, with co-operative aid, but it is not infrequently assisted by an advisory committee, appointed by or from the voluntary co-operative movement to which co-operative projects can be referred.

"The Scandinavian countries have tended to concentrate their co-operative aid projects in East Africa, though Sweden has contributed, through its co-operative movement, to the educational work of the ICA in South-East Asia, and Norwegian co-operative fishery projects have been based in South India as well as Africa.

"British technical aid is directed primarily to Commonwealth countries, but also extends to the Middle East and South America. Switzerland has concentrated on Central Africa (Ruanda), with Swiss co-operatives carrying out projects of their own in Dahomey, Madagascar and Paraguay. Germany, Poland and Israel, on the other hand, have adopted the policy of preparing a considerable number of co-operative experts available for service in a widely scattered range of countries.

"Most of the countries make available a considerable range and volume of training for overseas co-operators. The United Kingdom, Germany, Canada, the USA, Denmark, Poland and Israel provide substantial training facilities especially adapted to overseas students, but taking place in the donor country. Sweden, Switzerland and the United Kingdom also carry on courses overseas, and there seems to be a certain trend towards educating students in their own countries.

"Two trends, not explicitly stated, seem to detach themselves from the reports received. One is away from the attempt to influence or provide opportunities for the

individual, by way of Fellowships, short visits or other ways of arousing the interest of the potentially influential, and in the direction of more formal group training. The other is away from the inspirational, social and moral approach to co-operation and towards the inculcation of practical business methods in a co-operative context. The value of this approach is borne out by the paper from the World Bank."

In considering aid by national governments, national co-operative movements and international organisations, the Conference showed a general desire for more co-ordination amongst institutions interested in co-operative development in less developed countries and for a more regular exchange of information both between countries and organisations offering similar types of aid, and also within single countries receiving aid from several sources. Particular emphasis was laid on the importance of achieving co-ordination within recipient countries.

It was hoped that the developing role of COPAC might meet these needs in some measure. It was realised, however, that the participation of countries offering bilateral aid would be necessary, if COPAC were to reach its full potential. COPAC is proposing to establish Co-operative Development Groups in selected developing countries to give effect to the ECOSOC Resolution of 1970 on the promotion of co-operatives. These Groups would ensure the most economical use of aid resources and the elimination of both overlapping and gaps in the services provided by international agencies.

The same process would be facilitated by the co-ordination of responsibility for co-operative affairs in the recipient country under a single Ministry, national organisation and law.

The work of inter-governmental agencies in the promotion of co-operation would, it is felt, be promoted if more co-operative representatives were included in the delegations of national governments to their general conferences.

As regards the supply of experts by donors, it was pointed out that selection was as important as training, since a wrong selection could not be readily corrected. The supply of men and women with previous experience of co-operative needs and opportunities in less developed countries was diminishing with age and retirement, and it was felt that young people were less acceptable in these countries, especially when they were obviously on probation. Nevertheless, the associate expert programme of the UN system seemed to be filling a need in preparing younger professional men for careers in international assistance. It was also urged that more candidates from less developed countries should be trained to occupy expert posts in their own country and an assured career structure for them made possible.

It was agreed that co-operative education dealt with members, committees and staffs of co-operatives and should form part of a comprehensive plan related to the general educational needs of the country concerned. It was also agreed that there was no single answer to any of the problems involved, but certain trends and opinions emerged from the discussions. These included (a) the need for careful selection of students and some assurance that, after training, their services would be retained in the co-operative movements of their countries. This also applied to counterparts who would normally replace foreign experts on their withdrawal; (b) the importance of practical training in management and at all levels, rather than general co-operative instruction now available in most countries; (c) the importance of training people in their own countries, though not to the exclusion of training in donor countries, where this is clearly useful; and (d) the value of an international seminar of teachers from co-operative training institutions, for which the assistance of UNESCO might be sought.

The discussions on information and research produced a number of specific suggestions for projects. These included a

register of co-operative research; a directory of co-operative training courses and a directory of sources of co-operative aid; a research project on the role of the foreign expert in co-operative development; the publication of a co-operative development journal; and the making available, through a central service, not only of written reports but of films, photographs and similar materials dealing with the progress of co-operative aid. These were required, if the interest of co-operatives in donor countries was to be maintained and stimulated. It was noted that university institutes in several countries were taking an interest in co-operative aid as a topic for research. This was welcomed, but it was hoped that such interest would be as realistic as possible.

The problem of finance was much in the minds of delegates. It was noted that international aid was given to large national projects and that aid to co-operatives was a later and contingent development. On the other hand, large agricultural schemes might fail to produce full economic and social development if no grass roots organisation was available to ensure the participation of the small producer. It was felt that co-operative projects, which might have been valuable from this point of view, often received no aid because they had not been properly presented. The suggestion was made that advice on the preparation of

projects should be made available either through some form of international course or through the preparation of a handbook, and that national co-operative servicing centres should be established to help co-operatives prepare applications for project assistance. Creditworthiness and managerial competence were also essential factors affecting the readiness of donors and lenders to provide financial aid.

The International Co-operative Alliance is already engaged in close examination of the discussions and recommendations of the Loughborough Conference and is following up a number of the specific recommendations which seem particularly appropriate for the ICA to undertake. But in addition to its own tasks, the ICA, perhaps more than any of the other participating organisations, is in a position to stimulate others to act. It is, in other words, fulfilling the role which it set itself in the early stages of planning the Co-operative Development Decade, namely, "to persuade, to prod, to cajole, to influence the decision-makers in a vast complex of power centres throughout the world".

The Loughborough Conference produced many ideas as to how this might be done and the Alliance is now acting upon them.

A.E.O.

Are Co-ops for the Poor ?

by Alex Laidlaw

Many co-operators around the world were deeply shocked recently when a co-operative official made a statement that co-operatives have nothing to offer to the poor, or that the poor have no place in co-operatives, or something to that effect.

Indeed, not only co-operators were surprised about this, but also people outside the Co-operative Movement commented on what seemed to them a shocking view about the nature and role of the co-operatives. Even the daily press featured it and some newspapers went further and expressed amazement in their editorials. All in all, this statement has stirred up quite a controversy.

This extreme interpretation of the application of the co-operative theory to the problems of modern society has at least had the effect of making many of us examine more deeply our own viewpoint of co-operatives and of what we choose to call the Co-operative Movement. We are compelled to ask ourselves such simple questions as these: What are co-operatives? What are they for? How should they perform? Who should belong to them?

Before trying to answer these questions, it would be well to observe that every great philosophy and every movement in history soon becomes divided into conflicting schools of thought. Apparently, it is impossible for people to interpret profound ideas in exactly the same way. As soon as a great leader or teacher dies, his followers soon begin to quarrel over his doctrines and will even commit murder and go to war to defend a particular viewpoint or set of beliefs.

Those who call themselves Chris-

tians are hopelessly divided into rival camps. In fact, all great religions are involved in a war of words and ideas. Political doctrines, too, are split into left and right. How, for example, are we to understand what democracy is? The various disciplines of social science, and sometimes even other sciences, bring about conflicting schools and theories. Socialism means many things according to where one lives and which doctrine one follows. Communism, still only a relatively new idea in the modern world, is already divided into warring parties and nations, ready to exterminate each other because of their faith. Such is the power of deep convictions over the behaviour of human beings. Therefore, we should not be surprised to find that co-operators are not all of one mind. Indeed, we would be greatly surprised if they all thought alike and viewed Co-operation in the same light. Modern Co-operation is less than 200 years old, but already various schools and doctrines have grown up around and within the Movement. The disciples are not in agreement about what their master said and intended. With this in mind, we should not be greatly surprised to hear of co-operatives not for the poor, which simply expressed the view of one particular school in a world-wide movement that is now growing in almost all parts of the world and numbers over 220 million members as its adherents.

It will help further to clarify our thinking if we identify the school to which co-operators belong. Here again, we are on difficult ground, because there are several theories about the various schools of thought amongst the co-operative leaders.

It is my interpretation of the babble of voices that there are four main schools. Let us analyse them.

1. The first is a fundamentalist school, which is generally identified as the *Co-operative Commonwealth School*. Its followers want to see the Co-operative Principles applied to such a wide range of human activities and institutions that Co-operation will become the dominant influence and power in society. This is what Robert Owen wanted to see to happen. But in modern times, this school is generally regarded as utopian and slightly old-fashioned. Its followers are regarded as too idealistic and doctrinaire.

2. The second school, quite unlike the first, is what may be called the *School of Modified Capitalism*. To this group, co-operatives are merely capitalist enterprises with a particular set of Rules aiming at curbing the excesses of the capitalist system. To them, Co-operation is only a governor within the private profit mechanism to prevent it from getting out of hand. According to their philosophy, co-operatives serve as a yardstick—a little co-operation is enough to keep the whole economic ship on an even keel. This school is not at all bothered by the fact that profit business and non-profit business appear to make strange bedfellows. They argue that the Rochdale Pioneers did not intend to eliminate the profit-making motive in business, but really to get everyone into the act.

3. Then there is another school, quite different from the above-mentioned two, which regards co-operatives as part of the socialist system and, therefore, may be referred to as the *Socialist School*. To its followers, true Co-operation is merely one aspect of the socialist society, one compartment in a planned socialist economy. Co-operatives will be a partner of the State in reducing capitalism to a minimum. Clearly, this school stands in polarity to the second; in No 2, co-operatives are friends, or at least cousins, of "private enterprise", but in No 3, they are partners of public

enterprise. While, for example, the big agricultural co-operatives in the United States and some in Canada clearly belong to the previous school, those in socialist and developing countries generally fall into the third category.

4. Finally, there is a fourth school which might be called the *Co-operative Sector School*, whose followers see in co-operatives something different from both capitalism and socialism, and are indeed standing somewhere between the two. For them, co-operatives are "The Middle Way", neither "Big Business" nor "Big Government", but a system with its own philosophy and code of ethics, a system that is partly economic, partly social, with a clear set of business principles and a social and educational purpose. This is the school that struggles to maintain a difficult duality of efficient business linked to a reforming spirit. It tries to keep its feet firmly on the ground of reality in business, but with its eyes towards the stars of a better social order through the self-reliance of co-operating human beings. In general, the followers of this school support the principle of the mixed economy, believing that a good society can be built only on a rational mixture of public ownership, co-operative enterprise and private profit business. This school has many of the outstanding thinkers of the Co-operative Movement of modern times amongst its adherents, for example, Dr. Georges Fauquet in Europe and Dr. M. M. Coady in Canada.

Now, where does this leave us with "co-operatives not for the poor"? These clearly belong to School No 2, which views co-operatives from the standpoint of capitalist methods and capitalist values. It is perhaps useless to argue that this is not true co-operation at all, for the members of this school hold their views just as firmly and sincerely as others hold theirs. The farmers who are members of the co-operative set-up which markets oranges, find in co-operation a business system that is good for them, and to that class, the Co-operative Movement

appears as a sort of bulwark for the "free enterprise" way of life. There are many mansions in the co-operative household, too.

Alas, where does this leave the poor? Obviously, they have not much chance, where the philosophy of School No 2 predominates. For this school does not believe in the ability of the poor to build a better way of life for themselves through enlightenment and co-operative action. It chooses to write off some of the most precious lessons of the past 150 years, for example, that ordinary people, even poor people, like the Rochdale Pioneers, or the handful of working people of Lévis who, with Alphonse Desjardins, started the first *caisse populaire* in 1900, or the courageous farmers of Western Canada who,

without large amounts of capital, started the Wheat Pools back in the dark days, almost 50 years ago, that these ordinary people under the powerful motivation of the co-operative spirit *can* do great things for themselves.

The truth is that even for co-operators, if they are of the School of Modified Capitalism, there is little hope and no place for the poor, because capitalism, as is all too clear to us today, is an economic system which, by its very nature, first causes residual poverty and then seeks to justify it and legitimise it.

But now my membership in one of the four schools is showing through: no mistaking it, I am *not* in the school that has no place for the poor.

Book Review

Robert Owen, Prophet of the Poor

Essays in Honour of the Two Hundredth Anniversary of his Birth.

Edited by Sidney Pollard and John Salt. The Macmillan Press Ltd, London 1971. Price £5.00

Robert Owen was a very strange and very complex man of whom no one has yet succeeded to give a really coherent and comprehensive account. The trouble is partly that few biographers have been prepared or perhaps equipped to study with equal enthusiasm the successful capitalist and the founder of chaotic communities, the moralist and the atheist, the educational pioneer, the spiritualist and the somewhat reluctant father of the severely practical Co-operative Movement of Great Britain. Partly, the difficulty is that original documents are scanty, apart from those supplied in one form or another by Owen himself and his immediate family. Although, or perhaps because, he was undoubtedly a benevolent egoist, he never projected himself clearly as a personality, and detached contemporaries very rarely offer a helpful comment or description. Clearly, he was important, but just how important and in what way?

The second centenary of his birth on the 14th May 1771 seems as good an occasion as any for a reassessment of Owen and his achievement. A great deal of new work has been done on the background of early industrialists in Great Britain. The Co-operative Movement has run its course for over a century. A great many educational systems have been adopted, discarded and re-adopted. Factory management has become a subject of academic study. Community settlements have been successfully established in Israel and less successfully attempted in a number of other countries. Even ESP (Extra Sensory Perception) is fighting for recognition as a subject for serious investigation.

The first contribution to a renewal of Owen studies comes in a collection of essays

"Robert Owen, Prophet of the Poor", edited by Professor Pollard and John Salt, both of the University of Sheffield. The 12 contributors include two Americans, a Frenchman, a German, a Japanese and a New Zealander. All are based on universities, and each essay carries a fairly heavy apparatus of notes and references in the American and German academic manner, which does indeed provide the basis for the authors' statements and speculations, but may prove a little rebarbative to the general reader, interested in nineteenth century thought or the progress of any of Owen's many causes. The essay form also means that unity of standpoint has inevitably been sacrificed and Owen himself continues to exist as a fragmented personality. Of this the editors and contributors are themselves aware and the book is offered as a contribution to Owen studies, indicating lines of research which may still be taken further by the same or other writers.

The most attractively written essay and the one that comes nearest to giving a rounded picture is undoubtedly that by Margaret Cole on "Owen's Mind and Method". An interesting vein, not yet fully worked, has been opened up by W. H. Oliver, who seeks to place Owen in the nineteenth century Millennialist Movement, most of it religious and more than a little mad, but with which Owen, for all his atheism, had at least intermittently, a curious affinity. Much of the evidence is based on the strange outburst, so embarrassing to his rationalistic biographers, which constituted his address to a large audience at the London Tavern in 1817. There were, however, other pronouncements in the same strain, the style, without doubt, strongly coloured by the Bible readings of Owen's childhood. John Saville's resurrection of the little known Joseph Smith, preacher and, for a time, socialist, reveals another aspect of the same attitudes.

In sharp contrast, but again opening a new line of inquiry, is A. J. Robertson's attempt to assess Owen as a businessman and as an innovator in business management.

Judgment here is less enthusiastic than Owen's admirers might have hoped, but the materials on which it has been based are obviously still fragmentary rather than conclusive. No one has quite explained how Owen, with all his lavish expenditure on collapsing community and other projects (and the bankruptcy which apparently so nearly overtook him), seems to have remained to the end of his life a comparatively rich man.

Harold Silver is evidently in a position to express views on Owen as an educationalist, but has preferred to explore his reputation in that character which is a less absorbing topic. Eileen Yeo has dealt with sundry Owenite junketings under this title of "Radical Culture", without perhaps fully appreciating how much they belonged to the common working and lower middle class culture of Victorian England. The impact of Owen on France and Germany is efficiently and directly handled by Professor H. Desroche and Dr. E. Hasselmann and indirectly by Professor Tsuzuki, though the results in each case are somewhat negative, since Owen's thought was obviously too unsystematic to make much appeal in either of these countries. W. H. G. Armytage deals with American contacts and associates who included, interestingly enough, a number of newcomers from Europe, many connected with the teaching methods of Pestalozzi or with the natural sciences. Owen in America soon becomes Owen of the communities, which have been perhaps the most fully studied of his activities.

R. G. Garnett contributes an essay on the communities in the United Kingdom, in which he is rather less than fair to Ralahine, nearly the most successful, and seems to have

made no use of Craig's rather rambling but still vivid and informative book. All these communities deserve a re-assessment, both in their economic and social aspects, especially now that community settlements are once more in fashion and, in some countries, have the backing of governments which are unlikely to have made much, if any, study of past experience. No one has ventured to tackle spiritualism.

Professor J. F. C. Harrison deals wisely with the present state of Owen studies, the gaps and the promising lines of further investigation. One of the gaps is undoubtedly Owen's Welshness. How much did his Welsh upbringing affect his thinking, as it undoubtedly affected the pulpit-tone of his rhetoric? It affected both the views and the rhetoric of a later Welsh radical, Lloyd George. Would anything be gained by comparing these two men and trying to guess how much both owed to a common background? No one, so far, seems to have made the attempt, and yet it is evident that they had at least one thing in common, namely, abundant personal charm. The book is something less than a rounded whole. There is perhaps a tendency in many essays to overstress the egalitarian element in Owen's thinking, since it falls in with current ideas, and to insist less upon the fact that, in action, Owen was hardly ever egalitarian. The essays provide, however, a good deal of stimulation, some little-known facts on the minor aspects of Owenism, some entertainment and some very useful pointers to the sources for a definitive judgment on the man and his work.

MARGARET DIGBY

Accessions to the ICA Library

Agricultural Co-operatives

KANOVSKY, Eliyahu

The Economy of the Israeli Kibbutz.

169 pp; tabs; bibliogr. Cambridge Mass. Harvard University Middle Eastern Monograph Series 1966. Price: £1.60.

Biography

HARRISON, J. F. C.

Robert Owen and the Owenites in Britain and America. The quest for the new moral world.

392 pp; index; illus; bibliogr. London, Routledge & Kegan Paul, 1969.

Consumers' Co-operatives

INSTITUT DES ETUDES COOPERATIVES
Syndicalisme et coopérative de consommateurs en Alsace. Etude d'un cas et enquête.

66 pp; tabs (mimeo). Paris, I.E.C., 1970.

INTERNATIONAL LABOUR OFFICE

Report to the government of the United Republic of Tanzania on consumers' cooperatives (ILO/TAP/Tanzania/R.7).

107 pp (mimeo). Geneva, ILO, 1970.

Co-operative Farming

KANOVSKY, Eliyahu

See under "Agricultural Co-operatives"

Education

BUREAU INTERNATIONAL DU TRAVAIL
Rapport au gouvernement de la république du Niger sur l'éducation et la formation coopérative.

21 pp (mimeo). Geneva, ILO, 1970.

History

HARRISON, J. F. C.

See under "Biography"

School Co-operatives

SUPREME COOPERATIVE COUNCIL
School cooperatives in Poland.

66 pp; photos; tabs. Warsaw, Central Agricultural Union of "Peasant Self-Aid" Co-operatives, 1969.

Trade Unions and Co-operatives

INSTITUT DES ETUDES COOPERATIVES
See under "Consumers' Co-operatives"

OFICINA INTERNACIONAL DEL TRABAJO

Informe al gobierno de la republica de Honduras sobre las cooperativas sindicales.

37 pp; chart (mimeo). Geneva, ILO, 1970.

International Co-operative Alliance
Regional Office and Education Centre for
South-East Asia

Regional Director: Mr P. E. Weeraman
PO Box 3312, 43 Friends Colony
New Delhi 14, India. Tel. 631541; 632093.

International Co-operative Alliance
Office for East and Central Africa

Regional Director: Mr Dan Nyanjom
PO Box 946, Moshi, Tanzania. Tel. 2616.

Affiliated Organisations

Algeria: Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 6 et 8 rue du Cercle Militaire, Oran. Tel. 205-00; 237-75; 368-64; also at - 21 rue Edgar Quinet, Algiers, and 9 rue Mathurin Régnier, 75 Paris 15.

Argentina: Federacion Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires. Tel. 28-5381/3.

Intercoop, Editora Cooperativa Limitada, Rivadavia 4426 (1er piso), Buenos Aires. Tel. 99-3193.

Asociación Argentina de Cooperativas y Mutualidades de Seguros, Belgrano 530, 5 Piso, Buenos Aires. Tel. 33-0222/7138.

Federación Argentina de Cooperativas de Credito Ltda., Pueyrredon 468, 2 Piso, Buenos Aires (RC 24). Tel. 86-6283.

Australia: Co-operative Federation of Australia, President's Office: 50-54 Ferry Street, South Brisbane, Queensland 4101. Tel. 4-5083
Secretariat: 569 Wellington Street, Perth, Western Australia 6000. Tel. 21-0191.

Austria: "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, Vienna VI. Tel. 57-75-38.
Membership (1967): 476,200; turnover: retail trade: Sch. 4,646 mill. (thereof consumers' societies: Sch. 3,895 mill.; department stores: Sch. 713 mill.; other retail trade: Sch. 38 mill.); wholesale society (G.Ö.C.): Sch. 1,821 mill.; own production: consumers' societies: Sch. 472 mill.; G.Ö.C. and subsidiaries: Sch. 415 mill.

Bank für Arbeit und Wirtschaft A.G., Seitzer-gasse 2-4, Vienna 1.

Zentralkasse der Konsumgenossenschaften, Theobaldgasse 19, Vienna VI.

Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, 1, Bösendorferstrasse 7/11, 1010 Vienna. Tel. 65-71-63; 65-13-25.

1969: Affiliated organisations: 301 (comprising 189 societies and 112 associations); membership: 146,767; dwellings administered: 310,124 (comprising 136,462 societies and 173,662 associations); balance at 1968: 45.2 milliard Sch. (divided as to societies 22.2 milliards, associations 23 milliards).

Österreichischer Raiffeisenverband, Seilergasse 16, Vienna 1. Tel. 52-69-34.

Belgium: Fédération belge des Coopératives (FEBECOOP), 26-28 rue Haute, Brussels 1. Tel. 13-28-60; 11-83-50.

Affiliated consumers' societies: 21; membership: 300,000; turnover (1968): Frs. 4,180 mill.; shops: 1,409; Wholesale society turnover (1968): Frs. 1,272 mill.

Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151 rue Royale, Brussels 3. Tel. 18-80-80.

Premiums (1966): Frs. 1,903 mill.; reserves: Frs. 6 milliards; insurance funds, life: Frs. 20 milliards.

Fédération Nationale des Coopératives Chrétiennes, 135 rue de la Loi, Brussels 4. Tel. 35-60-90.

(1967): 1,250 shops; turnover: Frs. 1,430 mill.; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 mill.; reserves: Frs. 1,300 mill.

L'Economie Populaire, 30 rue des Champs, 5300 Ciney (Namur). Tel. (083) 228-01.

Branches (1970): 466; membership: 98,456; turnover: F.B. 1,319,000,000; savings deposits: F.B. 380 mill. + 340 mill. CEP (Private Savings Bank, Ltd.); capital and reserves: F.B. 208 mill.

L'Institut Provincial de Coopération Agricole, 42 rue des Augustins, Liège. Tel. Liège 32-36-52.

OPHACO (Office des Pharmacies Coopératives de Belgique), 602 Chaussée de Mons, Anderlecht-Brussels. Tel. 22-56-90.

Union of 28 co-operative 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.

Centrale des Caisses Rurales du Boerenbond Belge (CERA), Minderbroedersstraat 8, 3000 Leuven. Tel. 016/279.31.

Bulgaria: Central Co-operative Union, Rue Rakovski 103, Sofia. Tel. 7-83-11; 8-03-11.

Central Union of Productive Co-operatives, Boulevard Dondoukov 41, Sofia. Tel. 88-45-90.

Cameroon (West): West Cameroon Co-operative Association Ltd., P.O. Box 135, Kumba, Meme Division, West Cameroon. Tel. Kumba 251.

Canada: Co-operative Union of Canada, 111 Sparks Street, Ottawa 4, Ont. Tel. 232-9657.

A federation of English-language co-operative organisations, organised in 1909.

Conseil Canadien de la Coopération, 111 Sparks Street, Ottawa 4, Ont. Tel. 232-0468.

Ceylon: Co-operative Federation of Ceylon, P.O. Box 1669, Co-operative House, 455 Galle Road, Colombo 3. Tel. 85496.

Chile: Federación Chilena de Cooperativas de Ahorro y Credito, Ltda., Dieciocho 246, Clasificador 760, Santiago de Chile. Tel. 61373.

Cooperativa Sodimac Ltda., Casilla 3110, Santiago de Chile. Tel. 734023.

Cooperativa de Empleados Particulares Ltda., Teatinos 601, Casilla 424, Santiago de Chile. Tel. 82935.

Instituto de Financiamiento Cooperativo, IFICOOP, Ltda., Agustinas 853, Oficina 547, Casilla 1118, Santiago de Chile. Tel. 398253.

Colombia: Cooperativa Familiar de Medellín Ltda., Calle 49, No. 52-49, Medellín. Tel. 45-00-55; 41-71-13; 41-53-78.

Congo, Democratic Republic of: Centrale Générale des Coopératives Angolaises, B.P. 6039, Kinshasa I.

Cyprus: Co-operative Central Bank Ltd., P.O. Box 1447, Nicosia. Tel. 62921; 62677; 63311.

Cyprus Turkish Co-operative Central Bank Ltd., P.O. Box 791, Nicosia. Tel. 4257.

Vine Products Co-operative Marketing Union Ltd., P.O. Box 314, Limassol. Tel. 2331; 2872; 4582.

Czechoslovakia: Ustredni Rada Druzstev, Tesnov 5, Prague 1. Tel. 621-54; 647-51.

Denmark: De samvirkende danske Andelselskaber (Andelsudvalget), Vester Farimagsgade 3, DK-1606 Copenhagen V. Tel. (01)12-14-19. 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.

Det Kooperative Faellesforbund i Danmark, Kronprinsensgade 13, 1114 Copenhagen K. Tel. (01)12-22-62.

Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprising consumers', workers', artisans', productive and housing societies, etc.

Faellesforeningen for Danmarks Brugsforeninger (FDB), Róskildevej 65, Albertslund. Tel. (01)64-88-11.

Affiliated societies (1969): 1,742; members: 839,000; turnover: 4,032 mill. D.Kr.; wholesale turnover: 2,198 mill. D.Kr.; own production: 741 mill. D.Kr.

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

Finland: Suomen Osuuskauppojen Keskuskunta (S.O.K.), Vilhonkatu 7, 00100 Helsinki 10. Tel. 90-650-611.

Affiliated societies (1970): 274; members: 572,610; wholesale turnover: Fmk. 1,804 mill.; own production of SOK: Fmk. 332 mill.

Yleinen Osuuskauppojen Liitto r.y. (Y.O.L.), Vilhonkatu 7, 00100 Helsinki 10.

Affiliated societies (1970): 274; members: 572,610; turnover of societies: Fmk. 3,152 mill.; total production of the affiliated societies: Fmk. 53 mill.

Kulutusosuuskuntien Keskusliitto (K.K.), r.y., P.O. Box 740, Mikonkatu 17, 00100 Helsinki 10. Tel. Helsinki 10491.

Affiliated societies (1970): 75; members: 574,733; turnover: Fmk. 2133.9 mill.; own production: Fmk. 274.8 mill.

Keskusosuusliike O.T.K., P.O. Box 120, 00100 Helsinki 10. Tel. 71-13-22; 70731.

Affiliated societies (1970): 75; turnover: Fmk. 1,330.8 mill.; own production: Fmk. 431.9 mill.

Pellervo-Seura, Central Organisation of Farmers' Co-operatives, Simonkatu 6, Helsinki K. Tel. 61046.

Affiliated organisations (1963): 10 central organisations; 1,102 societies.

France: Fédération Nationale des Coopératives de Consommation, F.N.C.C., 89 rue la Boétie, 75 Paris VIII. Tel. 225-99-98.

Affiliated societies (1970): 315; membership: 3,400,000; shops: 8,300; turnover: NF. 6,100 mill.

Société Générale des Coopératives de Consommation, 61 rue Boissière, 75 Paris XVI. Tel. 553-88-22.

Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88 rue de Courcelles, 75 Paris VIII. Tel. 622-40-48; 622-45-20.

Confédération Générale des Sociétés Coopératives Ouvrières de Production, 88 rue de Courcelles, 75 Paris VIII. Tel. 622-07-81/2.

Banque Française de Crédit Coopératif, 88 rue de Courcelles, 75 Paris VIII. Tel. 227-48-03.

Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, 129 Bd. St. Germain, 75 Paris VI. Tel. 033-93-31.

Caisse Nationale de Crédit Agricole, 91-93 Boulevard Pasteur, 75 Paris XV. Tel. 273-90-00.

Fédération Nationale des Sociétés Coopératives d'Habitation à Loyer Modéré (H.L.M.), 17 rue Richelieu, 75 Paris 1er. Tel. 742-77-99.

Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 3 ave. du Coq, 75 Paris 9e. Tel. 742-45-79; 874-67-62.

Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, 75 Paris VIII. Tel. 267-14-50.

Gambia (The): Gambia Co-operative Central Banking and Marketing Union Ltd., *P.O. Box 505, Bathurst*. Tel. 581.

Federal Republic of Germany: Bund deutscher Konsumgenossenschaften G.m.b.H., *Besenbinderhof 52, (2) Hamburg 1*. Tel. (0411)284-4001.

Affiliated societies (December 1969): 115; membership (end of 1969): 2,235,000; turnover (1969): D.M. 4,827 milliards.

Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof 52, (2) Hamburg 1*. Tel. (0411)284-4310.

Total turnover incl. subsidiaries (1969): D.M. 2,462 milliards.

Gesamtverband gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4, (22c) Cologne*. Tel. 733252.

Volksfürsorge Lebensversicherung Aktiengesellschaft, *An der Alster, (2) Hamburg 1*.

Volksfürsorge Deutsche Sachversicherung Aktiengesellschaft, *Steinstrasse 27, (2) Hamburg 1*.

Deutscher Raiffeisenverband e.V., *Adenauerallee 127, 53 Bonn*. Tel. (0-22-21) 1061.

Ghana: The Alliance of Ghana Co-operatives Ltd., *Post Office Box 2068, Accra*. Tel. 25560.

Greece: Pan-Hellenic Confederation of Unions of Agricultural Co-operatives (S.E.S.), *56 El. Venizelou Street, Athens 1 42*.—Membership suspended.

Guyana: Guyana Co-operative Union Ltd., *Ministerial Buildings, High Street and Brickdam, Georgetown*.

Haiti (W.I.): Caisse Populaire Dominique Savio, *57 Rue Rigaud, Pétion-Ville*.

Hungary: Federation of Hungarian Co-operative Societies, *Szabadság 14, Budapest V*. Tel. 113-600; 112-800.

National Federation of Producers' Co-operatives (OKISZ), *Pesti Barnabás 6, Budapest V*. Tel. 188-806.

National Co-operative Council, *Szabadság tér 14, Budapest V*. Tel. 113-600; 112-800.

National Council of Hungarian Agricultural Co-operatives, *Akadémia utca 1-3 Budapest V*.

Iceland: Samband Isl. Samvinnufélaga, *Reykjavík*. Tel. 17080.

India: National Co-operative Union of India, *72 Jorbagh, New Delhi 3*. Tel. 611123; 611343; 619328.

Iran: Sepah Consumers' Co-operative Society, *Avenue Sevvom Esfand, Rue Artèche, Tehran*. Tel. 332015; 332019.

Credit and Housing Co-operative Society of Iran, *20-22 Shahabad Avenue, Tehran*.

Central Organisation for Rural Co-operatives of Iran, *357 Pahlavi Avenue, Tehran*. Tel. 64210.

Ireland: Irish Agricultural Organisation Society Ltd., *The Plunkett House, 84 Merrion Square, Dublin 2*. Tel. 64783/4-6.

National Organising and Advisory Body for Agricultural Co-operatives. Affiliated societies: 333; membership: 127,000; turnover (1967): £152 mill.

Co-operative Development Society Ltd., *35 Lower Gardiner Street, Dublin*.

Israel: General Co-operative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv*. Tel. 46111-35.

Affiliated societies and companies (1963): 1,855 in all branches.

"Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, *44 Rothschild Bd., P.O. Box 75, Tel-Aviv*. Tel. 65085.

"Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, *8 Kaplan Street, P.O.B. 209, Tel-Aviv*. Tel. 250881.

"Bahan" Audit Union of Agricultural Co-operative Societies in Israel, *47 Nahmani Street, P.O.B. 622, Tel Aviv*. Tel. 614933.

Italy: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome*. Tel. 868-141/2-4.

Confederazione Cooperative Italiane, *Borgo Santo Spirito 78, 00193 Rome*. Tel. 653-875; 565-605; 565-614.

Associazione Generale delle Cooperative Italiane, *Via Parma N. 22, 00184 Rome*. Tel. 462-659; 471-846.

Jamaica (W.I.): Jamaica Co-operative Union Ltd., *14-16 Barry Street, Kingston*. Tel. 24737.

Japan: Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Co-operative Union), *1-13, 4-chome, Sendagaya, Shibuya-ku, Tokyo*. Tel. Tokyo (404) 3231.

Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Co-operatives), *5, 1-chome Otemachi, Chiyoda-ku, Tokyo*.

Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Co-operative Associations), *Sankaido Building no. 9-13, 1-chome, Akasaka, Minato-ku, Tokyo*.

National Federation of Forest Owners' Co-operative Associations, *11-35, Nagato-cho, 1-chome, Chiyoda-ku, Tokyo 100*.

Jordan: Jordan Co-operative Organisation, *P.O.B. 1343, Amman*. Tel. 23101/3.

Kenya: Kenya National Federation of Co-operatives Ltd., *P.O.B. 9768, Nairobi*. Tel. 21486.

Korea: National Agricultural Co-operative Federation, 75, 1st Street, Chung-Jong-Ro, So-daemun-ku, Seoul. Tel. 73-0021; 75-2681.

Malaysia: Co-operative Union of Malaysia Ltd., Peti Surat 685, Kuala Lumpur. Tel. 23903.

Co-operative Bank Malaysia Ltd., 140 Jalan Ipoh, Peti Surat 1024, Kuala Lumpur. Tel. 299679; 24518.

Sarawak Co-operative Central Bank Ltd., Kuching, Sarawak.

Malaysian Co-operative Insurance Society Ltd., 36 Jalan Ampang, P.O. Box 817, Kuala Lumpur. Tel. 87915/6.

Malta: Farmers' Central Co-operative Society Ltd., New Building, Middleman Street, Marsa. Tel. Cent 24896.

Mauritius: Mauritius Co-operative Union, Co-operation House, Dumat Street, Port Louis. Tel. Port Louis 822.

Netherlands: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikcoöperaties, "CO-OP Nederland", Postbus 6008, Vierhavensstraat 40, Rotterdam 7. Tel. (010) 235180. Association of Enterprises on a Co-operative Basis, Bloemgracht 29, Amsterdam. Tel. 62303.

Nigeria: Co-operative Union of Western Nigeria, Ltd., c/o Co-operative Buildings, New Court Road, Ibadan. Tel. Ibadan 24399; 24446.

Lagos Co-operative Union Ltd., Co-operative Office, 147 Broad Street, Lagos, W. Nigeria. Tel. 58920/85.

Mid-Western Nigeria Co-operative Federation Ltd., c/o Ministry of Co-operative and Rural Development, Co-operative Societies Division, P.O.B. Benin City. Tel. Benin 594.

Norway: Norges Kooperatve Landsforening, Revierstredet 2, Oslo 1. Tel. (47-2)20-62-90. Affiliated societies (1969): 783; membership: 392,000; turnover of local societies: Kr. 3,030 mill.; of N.K.L.: Kr. 1,044 mill.

Norske Boligbyggelags Landsforbund (NBBL), Trondheimsveien 84-86, Oslo 5. Tel. 33-32-42.

Pakistan: East Pakistan Co-operative Union Ltd., 9/D-Motijheel Commercial Area, 8th floor, Dacca 2. Tel. 255846.

West Pakistan Co-operative Union, 5 Court Street, P.O.B. 905 Lahore 1. Tel. 54203.

Karachi Central Co-operative Bank Ltd., 14 Laxmi Building, Bunder Road, Karachi 2. Tel. 36185.

Karachi Central Co-operative Consumers' Union, Iqbal Market and Cold Storage, Soldier Bazar, Karachi. Tel. 70917.

Karachi Co-operative Housing Societies' Union, Shaheed-e-Millat Road, Karachi 5. Tel. 40244.

Karachi Co-operative Union Ltd., Co-operative House, Shaheed-e-Millat Road, Karachi 5. Tel. 230289.

Karachi Fishermen's Co-operative Purchase and Sales Society Ltd., West Wharf Road, Karachi.

Sind Baluchistan Provincial Co-operative Bank, Ltd., Provincial Co-operative Bank Bldg., Serai Road, P.O. Box 4705, Karachi 2. Tel. 32361; 37290; 34736.

Provincial Fishermen's Co-operative Society Ltd., Iqbal Road, Patharghata, Post Box 27, Chittagong. Tel. 80587; 85967.

Peru: Cooperativa de Seguros "INCA" Ltda. No. 181, Av. Brasil 1360, Apartado 10159, Lima 21.

Cooperativa de Seguros del Peru, Maximo Abril 542, Lima. Tel. 46769.

Philippines: Central Co-operative Exchange Inc., P.O.B. 1968, Manila. Tel. 7-60-09.

Poland: Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Kopernika 30, Warsaw. Tel. 26-39-69; 26-10-81.

Central Union of Building and Housing Co-operatives, Ul. Marchlewskiego 13, Warsaw. Tel. 20-90-29.

"Spolem" — Union of Consumer Co-operatives, Grazyiny 13, Warsaw. Tel. 45-32-41.

Central Union of Work Co-operatives, Surawia 47, Warsaw.

Puerto Rico: Co-operative League of Puerto Rico, 458 Fernando Calder Street, Box 177, Roosevelt. Tel. 766-2592; 766-1382.

Roumania: Uniunea Centrala a Cooperativelor de Consum "Centrocop", Strada Brezoianu 31, Sectorul 7, Bucharest. Tel. 16-00-10; 13-87-31. 1969/70: Associated 1,728 Consumers' Co-operatives in 39 District Unions; membership: 7 mill.; 28,000 retail shops: of which 8,100 public catering units; 7 processing and marketing enterprises; 18 production enterprises; 17 building enterprises; 20,400 servicing units; 18 educational centres.

Uniunea Centrala a Cooperativelor Mestesugaresti, "Ucecom", Calea Plevnei 46, Bucharest. Tel. 16-21-40.

Singapore: Singapore Co-operative Union Ltd., Post Box 366; Office and Library: 3-J/K Clifford House, Singapore 1.

Sweden: Kooperativa Förbundet, S-104 65 Stockholm 15. Tel. 44-95-60.

Affiliated retail societies (1969): 246; membership: 1,534,000; total turnover of consumer societies: Kr. 7,237 mill.; turnover of K.F.: Kr. 5,686 mill. (thereof Kr. 4,156 mill. to affiliated consumer societies); K.F.'s own production: Kr. 2,654 mill.; total capital (shares, reserves and surplus) of K.F.: Kr. 1,132 mill. and of affiliated retail societies: Kr. 1,290 mill.

**Hyresgästernas Sparkasse- och Byggnadsför-
eningars Riksförbund (H.S.B.), Fleminggatan 41,
P.O. Box 18029, Fack, S-100 21 Stockholm 18.**
Tel. 54-05-40.

1970: Affiliated Building Societies: 96; with individual
members: 345,000; number of flats administered by local
societies: 311,500; value of real estate: Kr. 15,735 mill.

**Svenska Riksbyggen, Hagagatan 2, P.O. Box
19015, S-104 32 Stockholm 19.** Tel. (08)34-
05-20.

**Folksam Insurance Group, Folksam Building,
Stockholm 20.** Tel. 22*01-00.

**Lantbrukarnas Riksförbund, S-105 33 Stock-
holm.** Tel. (08)14-16-00.

**Kooperativa Gillensförbundet, S-104 65 Stock-
holm 15.** Tel. (08)44-90-60; (08)44-95-60.

**Switzerland: Coop Schweiz, Thiersteinerallee
14, CH 4002 Basle.** Tel. (061)35-50-50.

Affiliated societies (1970): 276; retail outlets: 2,451;
membership: 899,320; Coop-total turnover: Frs. 3,432.3
mill.; Coop-retail turnover: Frs. 2,893.0 mill.; Coop Schweiz,
wholesale turnover: Frs. 1,743.5 mill.

**Verband ostschweiz. landwirtschaftlicher Ge-
nossenschaften (V.O.L.G.), Schaffhauserstrasse
6, Winterthur 8401.**

**Verband sozialer Baubetriebe, c/o SBHV.,
Sihlpostfach, Zürich.**

**Genossenschaftliche Zentralbank, Aeschenplatz
3, CH 4002 Basle.**

**CO-OP Lebensversicherungs-Genossenschaft
Basel, Aeschenvorstadt 67, CH 4002 Basle.**

**Tanzania: Co-operative Union of Tanganyika
Ltd., National Co-operative Building, P.O. Box
2567, Dar-es-Salaam.** Tel. 23077; 23344; 23347.

**Thailand: The Co-operative League of Thailand,
4 Pichai Road, Dusit, Bangkok.**

**Turkey: Türk Kooperatifçilik Kurumu (Turkish
Co-operative Association), Mithatpasa Caddesi
38, Yenisehir, Ankara.** Tel. 12-43-73.

**Uganda: Uganda Co-operative Alliance, P.O.B.
2215, Kampala.** Tel. 56984/6.

**U.S.S.R.: Central Union of Consumers' Co-
operative Societies of the U.S.S.R., "Centro-
soyuz", Tcherkassky per no. 15, Moscow.** Tel.
221-7253.

Consumers' societies. (1967): 16,489; members: 55 mill.;
shops: 356,700.

**United Kingdom: Co-operative Union Ltd.,
Holyoake House, Hanover Street, Manchester
M60 0AS.** Tel. (061) 834-0975.

Affiliated retail societies (1969): 469; membership:
12,500,000; share capital: £181 mill.; retail sales: £1,132
mill.

**Co-operative Wholesale Society Ltd., P.O.B. 53,
New Century House, Corporation Street, Man-
chester M60 4ES.** Tel. (061) 834-1212.

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.** Tel. (061) 832-8686.
Assets (1964): £369 mill.

**Scottish Co-operative Wholesale Society Ltd.,
Centenary House, 100 Morrison Street, Glasgow
C.5.** Tel. (041) 429-2100.

Affiliated societies (1967): 153; sales: £89,008,059;
reserves and insurance funds: £9,474,291; total resources:
£23,139,384.

**U.S.A.: Co-operative League of the U.S.A.,
59 East Van Buren Street, Chicago, Ill. (60605).**
Tel. 312-922-0726; 202-628-9000; and 1012
14th Street, N.W., Washington 5, D.C.

**Yugoslavia: Glavni Zadruzni Savez FNRJ,
Terazije 23/VI, Belgrade.** Tel. 30-947/9.

**Zambia: Eastern Province Co-operative Market-
ing Assoc. Ltd., P.O.B. 108, Chipata.** Tel. 439;
485.

**National Co-operative Development Committee,
Mulungushi House, Independence Avenue, P.O.
Box 1229, Lusaka.** Tel. Lusaka 51744.

INTERNATIONAL ORGANISATIONS

**Organization of the Co-operatives of America,
G.P.O. Box 4103, San Juan, Puerto Rico 00936.**
Tel. 765-8520.

**Nordisk Andelsförbund (Scandinavia), 3 Axel-
torv, Copenhagen V, Denmark.** Tel. 15-15-33.

**International Co-operative Bank Co. Ltd.
(INGEBA), Dufourstrasse 54, P.O.B. 711, CH
4002 Basle, Switzerland.** Tel. (061)23-58-27.

**International Co-operative Petroleum Associa-
tion, 28 West 44th Street, New York, N.Y. 10036,
U.S.A.** Tel. LA 4-4455.

**Sociedad Interamericana de Desarrollo de
Financiamiento Cooperativo (SIDEFCOOP), Ca-
silla de Correo 4311, Buenos Aires, Argentina.**

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CONTENTS

	Page
Starting Signal for Co-op Denmark, by Aage Büchert	118
The New Five-year Plan of the USSR Consumer Co-operatives (APN)	124
The Direct Charge Co-operatives in the Atlantic Area of Canada, by W. D. Dernier	128
Summoning a Consumers' Congress, J.H.O.	132
Promotion of Co-operation in the Developing Countries by the Friedrich-Ebert Foundation, by Ursula Hermann	134
Instruments of International Co-operative Action — 1. Insurance Committee of the ICA, by H. Seeley	137
Book Review	142

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Starting Signal for Co-op Denmark

by Aage Büchert

The idea underlying a nation-wide Co-op Denmark (DB) has figured prominently in the co-operative consumer movement's debate on the future ever since the structural committee in 1964 proposed a complete fusion of FDB and all the societies as the ultimate long-term objective. In 1965, the long-term objective was unanimously adopted by the society Congress in a resolution which also called for more

effective co-operation by FDB with the societies in the voluntary chain and with HB. A planning committee was set up in 1968 with the task of formulating a plan for the founding of DB, including a draft for amended Rules. This draft was adopted by FDB's General Meeting on 25th May 1971 and will become effective as from 1st January 1972. The amendment is aimed at creating a constitutional frame for the



FDB General Meeting, May 1971

ultimate goal, DB, but will then leave it to the societies freely to decide when to fill in the frame and to implement the objective. After the coming into effect of the amendment, it will still be up to the individual societies to decide how rapidly or slowly the Movement will draw near to the position of DB, i.e., a position where a large number or all the societies are amalgamated with FDB. In keeping with this point of view, the amendment does not affect existing rights and conditions for societies affiliated to FDB.

Apart from certain new democratic formations, amendments are designed to enable FDB to engage in retail trade and take over societies that want such take-over. This guide to the new Rules will appear from the following principal points of the Amendment.

1. Name and Objects

The name of FDB will be kept unchanged. Co-operative shops taken over by FDB can be operated under their old name. When a considerable number of shops have been taken over, the retail sales are commenced under the common name of DB by resolution of the Board.

The objects clause is extended with a provision to the effect that FDB, along with its usual activities, may carry on retail trade both by taking over existing shops and establishing new shops. FDB will be bound to take over any solvent society that asks for it, with assets and debts. The society may adopt the transfer to FDB at its general meeting.

2. Membership of FDB

There will be three future forms of membership: A, B and C. If a society chooses to remain a FDB-member in the same way as today, it is described as an *A-member*.

If the society makes over its business to FDB, it becomes a part of FDB. Its shop or shops become FDB-shops, and its members become personal members or

B-members of FDB—just like any others who join by applying for membership at a shop operated by FDB.

Finally, a new designation, *C-members*, is introduced for member without the right of voting, but entitled to effect wholesale purchases with FDB.

Similar conditions apply to *B-members* as to the present members of independent societies. They receive a membership card that gives access to members' meetings which replace the former co-op general meetings. At the members' meeting, each member with at least three months' membership has one vote. Also the wives, if any, of the members have one vote, as at present in most societies. The *B-members*' possibility of exerting an influence on the business of their shops and on FDB appears from the build-up of the democratic organisation described in the following. The voluntary choice between carrying on the co-op as an *A-member* on the same conditions as today or of transferring the society to FDB would require that FDB stipulates for its own shops the same business conditions as for shops operated by independent societies. The new Rules contain therefore a provision to the effect that the two categories—*A-members* and FDB's shops—must have equal conditions in regard to prices and delivery terms and must, as far as possible, be on an equal footing with respect to all commercial conditions.

3. Economic Liability

The societies' liability for FDB's commitments is today limited to the paid-up share capital in FDB. If the co-op chooses to carry on as an *A-member*, there will be no change in this respect.

For *B-members*, personal liability is limited to 2 per cent of the respective member's purchases in the last 3 years. The liability's dependence on the purchases is justified by the fact that the members benefit (dividend) and contribute (liability) according to the use they make of their society.



Mr Lars P. Jensen, Chairman of FDB

4. Contributions to the Financing of Operations

A society that is an A-member pays 0.8 per cent annually of the previous year's purchase with FDB into its FDB-share account. The contribution is repaid after a period of 15 years.

Furthermore, A-members receive an interest of 6 per cent at the most on their share capital as part of FDB's distribution of profits.

A member account is opened for each B-member. Each year, one-fourth of

the dividend is transferred to this account or at least 0.5 per cent of the dividend-entitled purchases of the member in the last financial year. Each year's addition to the account is repaid 15 years later. The balances of the B-members—like the share capital of the A-members—bear interest at the rate of 6 per cent at the most, which are, however, added to the account, unlike the A-members' interest which, as hitherto, is paid in cash each year.

The provisions for the B-members' contribution presuppose that the future DB-shops are able to pay a suitable dividend in order to maintain the incentive to be a member and not just a "customer".

B-members registered in connection with the transfer of a society to FDB will have their deposits on share, loan or dividend accounts in the former society transferred to their member account. From the account is repaid each of the following 15 years 1/15 of the deposit at the time of the transfer.

In the case of withdrawal, the B-member receives repayment of the deposit of the member account according to the same rules as if the membership was continued, i.e., over a period of 15 years. Small remaining amounts on the account may, however, be repaid according to specified rules after two years. The account may be repaid immediately upon attaining the age of 67, if going to live abroad, or at death.

The proposed provisions with respect to members' contributions to the capital formation are in harmony with known and wide-spread principles in the co-operative consumer movement and will be a corner-stone in the economic foundation that is required to solve the future development tasks in the shop-network, the distribution apparatus, and the co-operative production.

5. Democratic Organisation

According to the proposed Rules, FDB's member organisation is based on:

Member meetings for B-members (re-

placing general meetings in co-ops transferred to FDB).

Shop committees for FDB-shops (replacing the Boards in co-ops taken over).

District meetings (in future will include representatives of both independent co-ops and FDB-shops).

District Boards.

District chairmen's meetings.

Congress.

Board (elected by Congress).

Society members, including also members attached to FDB-shops (B-members) and their wives, can, as hitherto, be elected as mandataries on the various organs.

The previous limitation to the effect that FDB-employees were ineligible has been abolished. In the future, the employees are eligible for all democratic offices except the Board of FDB. However, shop employees cannot be elected to the shop committee of the shop in which they are employed.

6. Member Influence in Shops taken over by FDB

As a consequence of the opportunity to engage on retail trade by taking over existing retail shops and opening new shops, FDB's Rules are extended to provide for a member organisation for FDB-shops. This is done by introducing *member meetings* for the shop or shops to which the B-members are attached. The member meeting elects a shop committee with 3-7 members.

The chairman of the shop committee or his substitute votes on behalf of the members at FDB's district meetings. In 1963, the purchases with FDB determined the societies' right of voting. This voting principle is retained at the district meetings in the future FDB. Each shop will still have 1 vote per 100,000 Kr purchases, whether it belongs to FDB or to an independent society.

The equality principle is ensured by a provision to the effect that the vote-

entitled purchases from FDB's shops must only comprise such goods as can be purchased also by independent societies (A-members).

The shop committees must see that the democratic "grass roots" connection with members is as effective as possible in FDB's own shops. Each shop committee is informed regularly by FDB about turnover and accounts, and FDB must consult the committee before making any important dispositions affecting the business of the shop, such as appointment of shop manager and amendments in the shop.

At the ordinary member meeting proposed to be held in October-November, the chairman of the shop committee will make a report on the shop operations, supplemented by a report from FDB read by a district Board member. The accounts of the shop will also be presented at the meeting.

7. Innovation in the District Organisation

While the provisions respecting member meetings and shop committees become actual only to the extent that co-ops are made over to FDB, the following innovations will become effective for the whole of FDB as an organisation.

The country is divided into at least 60 FDB-districts. District meetings are held once a year before 15th May. At the meetings, the societies (A-members) and any representatives of FDB-shops (shop committees) elect a *district Board*.

The district Boards will be of varying size depending on the purchases made by the district with FDB. The district Boards average 7 members—from 3 members in the smallest districts up to 12-13 in the largest districts.

The (at least) 420 district Board members are all delegates to FDB's Congress. At the Congress, each delegate has one vote. The new district representation provides broad contacts with the members and mandataries of the co-operative shops and makes a stronger position

possible for the district management, as well as a more intensive work on the problems in the district. The district Board holds an ordinary meeting once every 3 months.

8. National Forum of District Chairmen

The (at least) 60 district chairmen meet at least twice each year to discuss important questions and receive information about accounts, etc. from FDB's Chairman and Managing Director. The district chairmen will also receive reports of the Board meetings.

9. Congress instead of General Meeting

The ordinary Congress will be held each year before 15th June. The members of district Boards are, as already mentioned, delegates whose total number is fixed at 7 times the number of districts, i.e., 420 in the case of 60 districts.

As at any other General Meeting, the annual report of the Board and the audited accounts must be submitted to the Congress. It decides on the distribution of the profits of the year, as proposed by the Board, and fixes the rate of dividend both to A-members (independent societies) and B-members (attached to FDB's shops).

10. Board

The Board of FDB will be composed of 9 members elected by the Congress. The Chairman is elected by the Board members.

11. Significance of the Amendments

The cardinal point of the new Rules is that they imply an offer to the societies of an alternative to the present society structure. A new dimension is added to FDB's activities in the form of opportunity to engage on retail trade, both by independent opening of new shops and taking over existing shops. According to the idea underlying the reform, Co-op Denmark is intended to develop organically and gradually in that the societies may in future

choose to make over their businesses to FDB when they deem such transfer advantageous to efficiency and competitiveness, and to the membership. When a considerable number of shops has in this way been transferred to FDB, retail sales will commence under the common name of Co-op Denmark (DB).

A smoothly growing DB-transfer will eventually give the consumer co-operative movement better control of the whole structural change in the shop network. This applies also to the structural changes in connection with the increasing number of closed and amalgamated shops.

The *operational advantages* from FDB's taking over of society shops would depend—like the structural advantages—on the extent and manner of joining a future DB-organisation.

Where transfers of large society units are concerned, substantial savings can be obtained. This applies, for instance, to administrative expenses, overhead charges, accounting functions, consultancy services, distribution and advertising, and purchasing functions.

Within a DB-chain comprising a large number of society shops, it would be possible to attain rationalisation advantages by a joint system of payment and invoicing, joint dividend accounts, improved stock room adjustment, reduction of book debts, improved utilisation of production capacity, and improved security in management.

The co-operation between future DB-shops offers, finally, personnel, political and educational advantages and possibility for uniform solutions of problems of providing security for the shop personnel.

In connection with the formulation of the draft Rules, the question has been discussed of centralisation versus decentralisation. The planning committee has pointed out that the justification of Co-op Denmark—improved efficiency—must in itself lead to centralisation of the decision-making authority in a number of fields, including finances and investments, wage

negotiations and personnel policy, as well as the main part of the purchasing function. In other fields, such as sales work, advertising, price-fixing, assortments, etc., the central control must be supplemented with local freedom of action within certain limits to ensure flexible adjustment to local competition and avoid bureaucratic tendencies.

The committee wanted to underline that DB's efficiency is not brought about by centralisation alone, but is to a great extent dependent on initiative and interest in the work by the whole staff of the shop. Therefore, the possibilities for decentralisation must be utilised; also contacts, consultations and co-operation must be maintained between the local, regional and central parts of the organisation concerning all important decisions. By way of example, appointment of personnel in the individual shops can be made only in consultation with the shop manager.

If the co-operative consumer movement in the years ahead is to live up effectively to its aims as an organisation representing the interests of a large number of the Danish consumers and is to strengthen its influence on the competitive situation as a whole, it must choose the form of organisation that offers the best possibility of controlling major changes. Technological and economic developments offer special advantages to the retailing groups that make effective use of centralised planning, joint expert assistance and intimate chain collaboration. In the movement, this has manifested itself in that the societies have surrendered essential parts of their former independence in a great many fields of business. The support to the voluntary chain has proved that the societies do not feel this as a strain, but rather as a natural step in the efforts to improve their competitive strength. Co-op Denmark is a logical development along this line.

It is no longer possible for local member groups organisationally or economically to establish shops of the size,

standard and location required in order to improve their market share in a rapidly changing society. The planning and control of shop developments must be delegated to central bodies acting on behalf of the members from a general view of changing composition of society, town development, traffic conditions, town planning, etc. The demands on capital are often so heavy that they can be met only by a large organisation, and they are further increased because new big shops must sometimes be established in good time before the area is fully built-up so that a working deficit has to be borne.

The justification of the reform is the the co-operative consumer movement in the 1970's will be able to meet the increased concentration of competition with the greatest effectiveness if to an even greater extent it rallies round the common line—both as regards shop developments and shop operation. The great sales potentials in cities and centres, recently pointed out in the revised version of FDB's National Survey, may be much better utilised by joint efforts that would also make the adjustment process easier for the small societies. From this follows that the *rationalisation programme* for the total distribution chain from factories via central departments to, and including, the shops will have the most favourable effect on cost ratios when the programme is implemented in a united and co-ordinated shop system. This may be of great economic importance in view of the constantly increasing wage levels. The *EDP-system* could be used more effectively and in more fields, as an increasing number of retail units of the movement are united in a DB-organisation. Finally, a fully integrated future organisation will be better equipped to find the required resources for undertaking *new tasks* on behalf of its members, including research on consumer needs, new service functions and, if required, production in fields where private capital concentrations and monopolistic tendencies cause unsatisfactory conditions for the consumers.

The New Five-year Plan of the USSR Consumer Co-operatives

The 24th CPSU Congress (March 30-April 9, 1971) declared that the main task of the new five-year economic development plan is to ensure a considerable rise in the Soviet people's material and cultural level. What part in realising this objective will be played by the Soviet Consumer Co-operatives, one of the country's major socio-economic organisations? The question asked by a Novosti Press Agency correspondent is answered by Nikolai Supotnitsky, First Deputy Board Chairman of Centrosoyus.

Soviet countryfolk — collective farmers, workers and employees of state farms — are served by consumer co-operatives which have a total membership of 60 million. We trade in villages, develop public catering, organise sales of surplus farm products, and broaden economic relations between town and countryside. Almost one out of every three roubles in the Soviet Union's retail trade turnover belongs to co-operatives.

The volume of trade, which is a very sensitive barometer pointing to the level of production and the people's well-being, is constantly expanding. The incomes of the Soviet people are rising, and so they are in a position to buy ever more commodities. In the next five years, retail trade is expected to go up by 40 per cent. In the countryside, it will continue to develop at a much faster rate. What does it mean for Soviet co-operatives?

Last year, we sold 44,300 million roubles' worth of goods, but, by the end of

the current five-year period, we shall "over-step", according to estimates, the 60,000 million margin. Today, consumer co-operatives sell more goods in one and a half months than they did during the whole of 1940.

The rapid growth of trade turnover in village communities is an important feature of the Soviet consumer co-operatives' development in the ninth five-year plan period. As Leonid Brezhnev, General Secretary of the CPSU Central Committee, declared at the April Congress of Bulgarian Communists, in all spheres "our efforts will be devoted to the solution of the principal task—the further improvement of the people's material and cultural standards. This is the pivot of our entire policy."

We have great opportunities of supplying Soviet farmers with everything they need. It must be stressed, incidentally, that today the demands of farmers differ little from those of urban dwellers.



Modern co-operative
processing plant

Hardware goods corner of
a consumer co-operative



Not so long ago, the assortment in village shops comprised mainly salt, sugar, herring, soap, tea, kerosene and cotton fabrics. These commodities accounted for almost a third of co-operative trade turnover, and they were typical of village shops. Today, these commodities account for only 5 per cent of the trade turnover in the countryside. But the sales of furniture, fashionable clothes and footwear, knitted goods, cars, motorcycles, and so on, have been doubled and even trebled in the countryside in recent years. . . . I shall mention just a few figures: in the past five years, we sold farmers almost 8 million TV sets, some 3 million refrigerators and 6.5 million washing machines. In Kirghizia, for example, which was at one time a poverty-stricken and backward outskirts of tsarist Russia, every second family now owns a washing machine and a TV set; farmers' households in the Kirghiz Republic have more than 50,000 refrigerators.

As a result, the structure of co-operative trade began to resemble that of urban trade. Last year, the volume of food-stuffs and manufactured goods in consumer co-operatives was almost the same as in the state trade network. Farmers are buying more canned meat and fish products, milk, animal fats, eggs, vegetables and fruits. Today, we are selling almost two and a half times more milk and dairy products than five years ago. But the consumption of bread and potatoes is dropping. This is another indication of the farmers' rising living standards.

In the next five years, co-operatives will step up the sales of non-foodstuff commodities and, particularly, durables. Our shops will offer a better choice of clothes, footwear, tableware, furniture, refrigerators, stationery goods, household articles, fuel, building materials, and so on.

The Soviet village demanded that co-operators expand the network of trading establishments. Every morning, over 370,000 shops fling their doors open all over the country, from Kamchatka to the Baltic Sea. Shopping centres, com-

prising department and food stores, canteens, restaurants and shops for making ready-to-cook and delicatessen foods—all in one building—are going up in big settlements, villages, auls and kishlaks. There are 30 standard projects designed for different climatic zones and communities. The equipment and mechanisms are all up-to-date.

The modern trade network ensures a better supply and a more varied choice of goods, and it helps farmers to save shopping time.

Our enterprises, which function on the basis of co-operative membership dues and, above all, on accumulations made by consumer co-operatives from their business transactions, deal in goods bought from state industrial enterprises and wholesale trade agencies, as well as in commodities manufactured by co-operative enterprises and goods bought directly from the rural population. In the new five-year plan period, co-operators will continue to develop their trade, as well as production and procurement activities.

Soviet co-operatives have founded an industry of their own for processing farm products. In the past five years, they opened 70 factories with an annual capacity of 500 million cans of food in conventional units. All the enterprises have automatic production lines. The primary processing of farm products is also expanding. In the next five years, the production of canned fruits and vegetables will almost be doubled to a total of some 2,000 million cans.

Consumer co-operatives are the country's leading procurers of farm products. We purchase more than 60 kinds of products and help collective farms and country-folk to sell their surplus products. Both farmers and towns'-folk, who buy these products from co-operatives, appreciate these services.

Food prices in urban co-operative shops are on the average 25 per cent lower than in the market. People living in towns and workers' communities save dozens of

millions of roubles annually by buying meat, fruits and vegetables in co-operative shops.

Co-operators have opened more than 30,000 procurement stations in the country's forested regions, rich in mushrooms, nuts, berries and other "wild" plants. People in major cities can always go to co-operative shops and buy cranberries, red bilberries, pickled milk-agarics and dried white mushrooms, nuts, game and many other things with which our forests abound. We sell them to other countries as well.

Public catering in villages is one of the most urgent tasks faced by co-operators. How much time does a farmer's family lose in preparing meals? Surveys have disclosed that it takes at least 2.5 or 3 hours to make a dinner for an average family. In his time, Lenin pointed out that "petty housework crushes, strangles, stultifies and degrades". "... Real communism," he wrote, "will begin only where and when an all-out struggle begins against this petty housekeeping, or rather when its wholesale transformation into a large-scale socialist economy begins."*

Today, 73,000 village cafés, canteens and restaurants can cater to two million people at a time. Many families no longer cook their meals at home; they have their breakfasts, dinners and suppers in our public catering enterprises, where they can always order in advance the dishes they like. When seasonal work is at its height, co-operators bring meals directly to the fields and field-camps. Farmers pay nothing for the delivery.

Recently, I visited a village café. It is called "Vesvolka" and is located in Ruzhichnoye Village in the Khmel'nitsky Region in the Ukraine. It has a hall ac-

commodating 100 people at a time, an open-air verandah for 50 people, a banquet room and a beer bar. In the spring and summer, the tables are brought out into a pussy-willow grove along the river bank. Close at hand is a dancing platform where an amateur orchestra of the consumer society plays in the evenings. The café offers a wide choice of snacks, national dishes and beverages—birch juice, wines, mineral water, lemonade.

We build similar enterprises in all small villages. In district centres and big villages, we build large complexes of public catering enterprises: combines, restaurants with ready-to-cook sections, canteens. By the end of the five-year plan period, another 200,000 people will join the "co-operative table". Production of ready-to-cook foods will be doubled.

Many farmers' families have been relieved of the tedious home bread-baking. Soviet co-operatives run more than 13,000 bread factories and bakeries. Approximately seventy out of every hundred families buy their bread in shops. They order cakes, pastries and traditional Russian pirogs (meat pies) for week-ends and holidays.

The complete replacement of home baking by industrial bakeries—this task is actually envisaged in the five-year plan—will save 200 million work-days yearly, as well as 200,000 tons of fuel in conventional units and almost 100,000 tons of flour.

Soviet consumer co-operatives have identical interests with Soviet villages. In the new five-year plan period, we shall exert greater efforts to develop and consolidate economic ties between town and countryside, take an active part in introducing social changes and do our best in meeting more fully the demands of farmers for consumer goods.

(APN)

* Collected Works, vol.29, p.429.

The Direct Charge Co-operatives in the Atlantic Area of Canada

by W. D. Dernier

I am writing as General Manager of the Central Co-operative Wholesale Organisation, supplying the co-operative retail associations in four Atlantic Provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, covering an area of 200,000 sq. miles and a total of two million people scattered over it.

We have primary industries of forestry, fishing, agriculture and mining, as well as an important tourist industry, besides a limited secondary industry. Our area has serious economic problems due to its small population and the remoteness from the thickly populated parts of Central Canada, resulting in heavy transportation costs. We are largely isolated by trade barriers from the nearby heavily populated areas of the Eastern United States. Nova Scotia is the home of the Antigonish Co-operative Movement, pioneered by Dr. M. M. Coady, who worked with fishermen and, to a lesser extent, with farmers and industrial workers. Our Co-operative Movement has been, for several decades, largely confined to the smaller towns and villages and concentrated on purchasing agricultural supplies and on livestock and fish marketing.

In recent years, the urban consumer market has been, to a great extent, taken over by national and international chains which have built many shopping centres, and the independent local merchant has

virtually disappeared. Under these conditions, it was practically impossible for the co-operatives to break into the city consumer retail field with their limited financial resources available.

In the last three years, through the direct charge co-operative method, considerable headway has been made with more than ten thousand new co-operators serving themselves through this method. While this is a small number of people, it is, however, relatively large for our area.

What is a Direct Charge Co-operative?

It is a co-operative which supplies its members with goods at wholesale cost. The operating cost of the co-operative is covered by a weekly fee and the capitalisation of the facilities is paid for by a share investment paid on a monthly or quarterly basis.

A budget is prepared each quarter, projecting all operational costs. The total is divided by the number of weeks involved, and the results further divided by the number of members.

Example:

Budget (13 weeks)	\$15,925.00
Weekly Expense (\$15,925 ÷ 13)	\$ 1,225.00
Weekly Fee (\$1,225 ÷ 700 Members)	\$ 1.75
Each member, by a signed contract with his	

direct charge co-operative, must pay the weekly fee as determined and agreed upon by the membership, and this is an obligation of membership regardless of the amount of purchases made.

By design, a direct charge operation produces no earnings, as savings are passed on at the time of sale. Thus, share capital investment must be made by agreed amounts in a specific manner to meet the total requirements.

Example:

Total Capital Required ..	\$49,000.00
Number of Members ..	700
Per Member Investment Re-	
quired	\$ 70.00

Each member is required to invest \$10.00 on joining and, on signing his contract, must invest an additional \$5.00 per quarter until \$70.00 investment is reached (amounts may vary).

At the initial stage, borrowed monies may be used and repayment made, as quarterly instalments are paid.

Possible methods of obtaining initial capital:

- A—require total share investment by each member;
- B—offer short-term savings certificates, interest bearing, to members;
- C—mortgage loan;
- D—combination of B and C.

It is recommended that no interest be paid on share capital. Interest, if paid, would add to the budget and the weekly fee, so that, in essence, each member would be paying his own interest.

The co-operative operates on the usual co-op principles, except there is no payment of a patronage dividend. Each society is incorporated under the Co-op Act of its province. Each member has only one vote, and usually no interest is paid on share capital.

A vital part of the structure is the contract between the member and the co-operative, whereby he agrees to pay the weekly fee required to cover the operating cost and the regular investment required in share capital. This is a distinctly different

relationship than our conventional co-operatives, where typically the member takes limited responsibility and, in the average case, may buy only a portion of his requirements from the co-operative. Membership in a direct charge co-operative involves much more responsibility. A person does not have to join. After he becomes a member, he can resign if he wishes. But while he is a member, he must play his full part and live up to his contract to pay the costs. This fixed weekly fee is paid regardless of the amount purchased by the member.

In our traditional co-operatives, which sell at market prices and return surplus earnings as patronage dividends, the member involvement varies from community to community, but usually a limited percentage of the membership becomes involved in the operation of its co-operative. In a direct charge co-operative, the member involvement is much more direct and, to date, at least has been more active. The number of members, the quality and scope of service supplied directly affect the weekly fee. Members, therefore, decide whether they wish more and better services and whether they are willing to pay the additional costs. If they wish additional lines added to their store, if they want better facilities, they decide whether they will change the weekly charge in order to accomplish what they collectively, by one member, one vote, decided upon.

Different Emphasis

A completely different emphasis prevails in the operation. Sales volume is less important, as the cost of the operation is borne by the members' fee payments, not by a percentage of the sales volume.

An effort is made to reduce the duplication of items and the variety of sizes of shelf products. This multiplicity is a constant problem, made more difficult by the pressure of advertising by suppliers.

The range and volume of "Co-op" branded products are expanding and gaining increasing importance in the Direct

Charge Co-operatives. Facilities need not be elaborate, as long as they are efficient and well presented, consistent with what the members are prepared to pay for. Advertising costs are not necessary, and this is a very important saving in relation to ordinary retail business in Canada.

Operational Problems

Accurate budgeting of costs is of vital importance so that costs can be met; but that the charge made must not be greater than is required. Savings are possible because of greater utilisation of the facilities. In one example given, a co-operative was serving 500 families; when it adopted the direct charge method, the same facility was able to serve 1,600 families and the operating costs were spread over three times the number of members. Therefore, in planning the facilities, it is most important for them not to be larger or more expensive than is required by the number of members to be served.

There are savings in record keeping, as it is not necessary to record each member's purchases for patronage dividend purposes. Management requirements are, however, high, as the operation must be efficient, even more efficient than a conventional operation, as there is no margin to cover inefficiency.

Information and Educational Involvement

In our area of Canada, there are great differences in the attitudes and habits of the people in different localities. Generally speaking, in our present society, our urban people and younger people have little interest in developing ownership. Our agricultural people have recognised and value ownership to a greater degree, and this has been one of the reasons for the co-operative movement being more successful amongst agricultural people. The attraction of the direct charge co-operative is its economic advantage and the opportunity for involvement in a decision-making process in relation to this economic advantage. This opportunity is completely lacking in our

private profit retail structure.

The challenge that is presented then is to develop in these new direct charge co-operatives a knowledge of the co-operative movement and its possibilities for unlimited service, providing the members are willing to accept the responsibility that its development entails. Initially, this membership is largely uneducated in business or/and co-operative practices. There is the problem of getting a clear distinction between the policy-making role of the membership and carrying out the policy through operations which must be left to management.

From past experience, we have found that to depend on member volunteer work in the stores is unreliable and short-lived. We have, therefore, proceeded to advise the new organisations to start on the basis of paying for all the operational services agreed upon.

Complete disclosure of costs and value comparisons are fostered to develop a confidence in the co-op. Our North American society has become quite cynical of the advertising and promotional practices of our private profit competitors and, because of this, it is sometimes difficult to convince new co-op members that it is a member-owned and democratically controlled organisation and not another promotional programme.

History

The direct charge idea was conceived by a group of concerned and thoughtful people in Ottawa, headed by Dr. Ralph Staples, former President of the Co-operative Union of Canada. This group started in business in a very small way in 1964 and has continued to do so. The very logic and simplicity of the method made it difficult for many people to accept the direct charge co-operative idea for some time.

In our area of Canada, we started in 1968, and the system has grown steadily since that time and has provided one method of reducing costs in the inflationary economy which has existed in recent years.

In late 1970, a violent price war erupted amongst the national chain stores which cut their margins and are reportedly losing millions of dollars in the process. This has not seriously affected the established direct charge co-ops, but has slowed down the development of newer ones.

Limitations

There are limitations as to where this method will succeed. To date, we can only successfully apply it to items which are regularly purchased, primarily food. It also seems practical to apply to petrol for motor cars. Development in this area is severely restricted by government and provincial restrictions.

Items which are purchased only periodically or once or twice in a lifetime do not lend themselves to distribution by this method. Also, people have to be psychologically prepared to commit themselves to regular payment of the operating costs. This applies better to our industrial

worker receiving a regular wage and used to payments of regular charges. There has to be a large enough concentration of population from which to draw the proportion of people required that will commit themselves to a definite contractual arrangement. The method has not been successful in our smaller villages or areas where people are largely self-employed or not used to regular contractual payments.

The basic philosophy is that a co-operative does not need to have profits as such. A co-operative member is required to pay the operating costs of his organisation and the cost of capitalisation and expansion of the facilities required to provide him with the services he wants. Traditionally, these two items have come out of earnings by using the same methods of doing business as our competitors who are interested in making a profit.

We believe that the direct charge store can be a valuable alternative method for co-operatives whose circumstances permit its use.

CONGRESS PROCEEDINGS

The official report of the proceedings of the Eastbourne Co-operative Congress, 1971, has now been published. This report, in booklet form, includes the President's Address given by Mr Gwilym Williams, and a complete record of the debates, resolutions and voting.

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Summoning a Consumers' Congress

On return from a visit to the Swedish Co-operative Movement at the invitation of KF, the ICA Editor reported some of his impressions of the preparations made for the 1971 Consumers' Congress to be held in Stockholm from 20th to 23rd September.

"A regional meeting held in Malmö, Sweden, on 11th May at the premises of the SOLIDAR Consumers' Society was my first introduction to the thorough preparations made by the Swedish Co-operative Movement for this year's Consumers' Congress. Coming from a part of Europe, where the participation of the consumer member in the affairs and direction of co-operatives, of which he or she is a member, has been under discussion for years, and with perhaps a journalist's sceptical attitude, I had thought of consumer participation as a possible managerial gimmick. 'Consumer be quiet—let the Manager manage.' However, in a full hall on a week-day morning, I found in Malmö co-operative members from all walks of life, all representing the consumer co-operative membership of that area. In no uncertain terms, 300 motions were presented for discussion, and speaking to them were members from local societies and the everyday shoppers from co-operative shops.

All through 1970 and up to this time, study circle groups in all regions of

Sweden have studied such questions as: What is the average income of the Swedish household? What are the problems of housekeeping from an economic angle? What does the co-operative society offer the consumer? Who decides what goods should be offered for sale? What factors are considered by those who make such decisions? How does the Co-operative Assortment Council work? How does the Co-operative Movement test and specify the quality of goods offered for sale? How does population movement affect the structure of retail outlets for a co-operative? What efforts does the State make concerning consumer policy? Are consumer questions a political matter demanding state intervention? What are the policies of the political parties regarding consumer questions? Should there be a change in the attitude of the Co-operative Movement to consumer questions and information?

In the Malmö region alone, which is one of 15 such regions in Sweden, 300 motions resulted from such study circle meetings of co-operative members comprising all social strata of the population. Fifteen members elected by this region will be in Stockholm at Congress to see their motions presented, together with representatives from all other regions. In buses, restaurants and even at the famous Gustavberg ceramic factory, these topics are discussed by people from all walks of

life; everywhere discussions often turn to the consumer debate, and how it will be tackled and followed up after the September meeting. At KF itself, I learnt that discussions had taken place in over 1,350 study groups by at least 13,000 consumers, formulating 5,200 motions to be printed in full, which will form the basis for discussions at the Consumers' Congress. Motions presented generally touched the following interests: food 16 per cent; non-food 18 per cent; restaurants 3 per cent; distribution and service 11 per cent; marketing, product development, advertising 13 per cent; information and education 14 per cent; democracy and membership 7 per cent; personnel 4 per cent; other co-operative activities 3 per cent; the Swedish Society generally 11 per cent.

This interest amongst all members of the Swedish society in questions concerning its Co-operative Movement in its function as consumer leader will make a great impact on the future of Sweden's Consumer Co-operative Movement. It will commit its co-operative leaders, managers and members and, through them, the policy makers of the nation to answer some of the burning questions of today. For the onlooker and the many co-operative movements in the industrialised countries, this Swedish democratic experiment of member involvement will be worth a study in depth. In its successful relationship between management and membership, a twentieth century pattern could be found in the 70's."

J.H.O.

Promotion of Co-operation in the Developing Countries by the Friedrich-Ebert Foundation

by Ursula Hermann



Friedrich-Ebert-Stiftung Seminar for Managers of Credit Co-operatives in the Philippines

Since its foundation in 1925, the main function of the Friedrich-Ebert Foundation has been to promote on an international scale understanding between peoples and mutual cultural exchanges. In pursuance of this tradition, the Foundation regards one of its main tasks today as being to assist education and improvement of the developing countries. To this end, it works on a system of "give and take". It invites management personnel from developing countries to give them an opportunity to study social and economic systems in a modern industrialised country, as well as the functioning of particular social institutions, such as trade unions, co-operatives and government departments.

At the same time, they gain an insight, by means of seminars in the developing countries and from invited lecturers with practical experience, into cultural, political and economic affairs in their own countries and the problems which they present. This has the added advantage of providing first-hand information on conditions in the developing countries through the Foundation, enabling it to adapt its programmes to the requirements of those countries on the basis of such information.

In pursuance of this aim, the Friedrich-Ebert Foundation works along the following lines as regards the Co-operative Movement:

1. Promotion of further education programmes for co-operative and management personnel in the Federal Republic of Germany;
2. Promotion of Co-operation through seminars and the seconding of advisers to developing countries;
3. Carrying out basic studies on the Co-operative Movement in individual developing countries.

In connection with (1), since 1963, some 650 men and women from developing countries have taken part in educational programmes arranged jointly from time to time in the Federal Republic of Ger-

many by the Federal Ministry for Economic Co-operation and the German Co-operative Unions.

Before embarking on a further education programme, the Friedrich-Ebert Foundation carries out basic studies of the situation of co-operatives in the corresponding developing countries for the guidance of seminar leaders, lecturers and the managers of practice co-operatives. In addition, by means of intensive interviews in depth, it obtains information concerning the standard of co-operative education and activities of the participants in the seminars which it can then utilise as a basis in drawing up its education programmes.

The Foundation itself envisages three types of further education programmes: long-term, medium-term and short-term.

The *long-term courses* consist of four months' instruction in the German language, two further months of seminars on the fundamentals of national and industrial economics, book-keeping, finance and business management, as well as co-operative management, and one or two months of practical training in agricultural, consumer or housing co-operatives.

The *medium-term training courses* extend over two or three months, are held in English, French or Spanish, and require the participants to have a sound theoretical and practical knowledge of co-operation. These courses offer genuine further education for skilled and management personnel who have already been working for several years in the Co-operative Movement.

Finally, there are the *short-term information seminars* lasting between five and six weeks, which offer an opportunity to exchange experience between German and foreign co-operative experts.

When the Friedrich-Ebert Foundation began its co-operative work in 1963/64, the people taking part came from almost all the nations of the Third World. Since then, the Foundation has concentrated its activities on countries like

Colombia, Peru, the Lebanon, Ghana, Kenya, Madagascar, Tunisia, Indonesia and the Philippines. Later on, the number of long-term courses was reduced in favour of medium- and short-term courses. Today, the Foundation is aiming at carrying out long-term further education in the countries themselves, and limiting its work in the Federal Republic to specialising in particular aspects of co-operation.

With regard to (2), co-operative advisers from the Friedrich-Ebert Foundation are working in Colombia, Peru, Indonesia, the Philippines, in Kenya, Madagascar and the Lebanon. Plans have been made for the extension during 1971 of projects in Colombia, Indonesia and Madagascar.

Particular projects include the creation of a mutual banking system in *Colombia* to enable the population to obtain agricultural credit at favourable interest rates and to encourage saving. In *Peru*, instruction in co-operation will be extended in an agricultural training centre and co-operative management will be promoted.

In 1969, the Foundation had already initiated in *Northern Sumatra, Indonesia*, the agricultural development of a province within the framework of its social structure measures, of which the logical outcome was the formation of a credit and trading co-operative. The German farmers who are working there will, however, be helped from the summer of 1971 by a German co-operative expert. In the summer of 1969, the Friedrich-Ebert Foundation sent two German co-operative experts to the *Philippines* where, for 16 months, they conducted seminars on the establishment and building up of co-operatives, as well as advising on the establishment of multi-purpose societies and the consolidation of a regional

union. Their work has been extended until the end of 1972. In 1970, the Foundation stepped up its co-operative activities in *Kenya* by sending three advisers to help in building up an efficient consumer co-operative movement. Co-operation is being developed in the *Lebanon*, since, following the successful establishment of a consumers' co-operative for the dock workers in Beirut, the Foundation was asked by the Lebanese Government to help in developing an all-embracing co-operative system.

At the end of April 1969, a new section of the Native Folk High School run by the Friedrich-Ebert Foundation in Madagascar was inaugurated and was in a position to start on a course of even more intensive co-operative training. Similar plans are in hand for FEF schools in Costa Rica, Uganda, Zambia, Ceylon and Indonesia.

In connection with (3), the Research Institute of the Foundation, whose activities embrace foreign policy, economics, development policy and education, in addition to questions of social and contemporary history, carries out field studies on the present situation of the co-operative movement in the North African field, as well as in the Ivory Coast, Cameroon, United Arab Republic, Madagascar and Libya.

In addition to all this, special attention is paid to co-operative adult education work within the framework of research into adult education in Africa as a whole.

The Research Institute also issues a series of publications in English, French and Spanish, dealing in a concise form with political questions, trade unions, economy and the co-operative movement, which provide useful information and teaching material.

Instruments of International Co-operative Action

1. Insurance Committee of the ICA

by H. Seeley



ICA Insurance Committee Executive

The International Co-operative Alliance, a world-wide confederation of co-operative organisations of all types, was founded in 1895 with the object of promoting co-operation in all parts of the world.

In the early days of international co-operation, men of vision were needed to lead the co-operatives and the insurance co-operatives were indeed fortunate to have such a leader in Joseph Lemaire, General Manager of La Prévoyance Sociale, Belgium. Joseph Lemaire recognised that the international business of insurance provided scope for co-operation between the co-operative movements in various countries with established insurance societies.

So, in 1922, Joseph Lemaire invited the insurance co-operatives in Europe to a meeting in Rome, but only Belgium, France, Holland, Italy and Sweden sent representatives to attend this first meeting. The meeting was called to set up an international union of co-operative and workers' insurance co-operatives and also to found an international reinsurance association. After deliberating the problems involved, it was finally agreed to appoint a Commission to examine them and to submit its report and recommendations, which it did later that year at a meeting held in Brussels. With certain modifications, the Commission's report was accepted and the basis thus established for the future international co-operation of the insurance co-operatives throughout the world. Founded, therefore, in 1922, the Insurance Committee was the fore-runner of the subsequent Auxiliary Committees which now form such an important part of the ICA.

Over the next few years, the number of insurance co-operatives in the Insurance Committee increased steadily and triennial conferences were held, at which problems of mutual interest to insurance co-operatives were discussed to the mutual advantage of all concerned.

But, although a few of the largest European members, such as La Prévoyance (Belgium), Folksam (Sweden) and

CIS (UK), had established contact through the Insurance Committee prior to the Second World War and were ceding amongst themselves small shares of their surplus fire reinsurance business, these exchanges were very limited and the outbreak of hostilities in 1939 automatically cancelled what few exchanges were in force at that time.

When the 1939-45 War ended, the insurance co-operatives in Belgium, Sweden and the UK soon resumed their pre-war co-operation and exchanged reinsurance once again. The success of these exchanges soon became apparent and, as other insurance co-operatives resumed their business activities, which had been interrupted by the war, it was realised that these reinsurance exchanges could be extended to them. The Executive Committee of the Insurance Committee therefore appointed a small Sub-Committee in 1949 to consider the suggested formation of an International Co-operative Reinsurance Company. This Sub-Committee came to the conclusion that the difficulties of capitalisation, currency restrictions and heavy management expenses, which would be incurred, made it impractical to establish a reinsurance company. It recommended, instead, that insurance co-operatives throughout the world should be encouraged to place at least a part of their reinsurance treaties with each other; the smaller societies could place all their reinsurances co-operatively. It was on this basis and with these objects that the International Co-operative Reinsurance Bureau was established in 1949, with its Secretariat at the CIS (UK).

But the ICRB had two objectives: firstly, to promote and develop exchanges of business between insurance co-operatives and to give the smaller societies the benefit of the underwriting skills of the more experienced offices; and secondly, to give all possible assistance, such as technical advice and training, and providing reinsurance, on the creation of insurance co-operatives in the developing countries.

The Bureau operates by correspondence, supplemented by occasional visits as may be necessary. Offers are made to the Secretary of the Bureau, but he has no authority to bind any member, who is free to accept or refuse any offer made to him. Before offering members a share of any re-insurance, the Bureau takes into account the resources and general underwriting policy of each individual office. The success of the Bureau may be gauged from the fact that, at the end of March 1971, the total annual premiums relating to re-insurance business exchanged between 36 Bureau Offices in 23 countries amounted to £5,381,638, the total number of re-insurance contracts being 502. The basis on which the Bureau operates is the simplest and most economical way of providing exchanges of reinsurance business between insurance co-operatives throughout the world.

The members of the Insurance Committee meeting, at their Triennial Conference in 1960, accepted the Executive's recommendation that a special committee be established to investigate the future development of the Insurance Committee. The Research Report, prepared by this special committee, was presented at the next Triennial Conference in 1963, which authorised the Executive to establish the Insurance Development Bureau, which it did immediately following the Conference. The IDB was given the following assignments:

- (1) Assistance in developing co-operative insurance in newly developing countries.
- (2) Responsibility to promote the exchange of personnel amongst member companies and the supply of technical help when needed.
- (3) Advising the Executive on the procedure required to establish and administer the Loan Guaranty Fund and considering the proposal for an international holding and management company.

The first of these assignments is perhaps the most important and is cer-



Mr R. Lemaire, Chairman

tainly one which will be necessary for very many years to come. As the ICRB was, prior to the formation of the IDB, engaged in a very similar activity, there has, naturally, been very close liaison between both Bureaux in this field, and joint delegations of the IDB and ICRB have, on different occasions, visited the developing countries for on-the-spot surveys of the possibilities for co-operative insurance in them. One of the first tasks of the IDB was to produce a brochure, printed in English, French and Spanish, which would promote the idea of co-operative insurance amongst co-operators, representatives of trade unions, officials in governmental co-operative departments, and political leaders

in the newly developing countries.

As a follow-up to any serious enquiry about establishing a new insurance co-operative, the IDB, in close collaboration with the ICRB, prepared a questionnaire to determine the needs and possibilities of co-operative insurance in the country in question. This questionnaire is sent to those co-operative movements or trade unions which are considering launching a new insurance co-operative, and the facts disclosed in it enable the IDB to decide whether or not there exists the potentiality to ensure that a co-operative insurance organisation could be successfully operated.

Many developing countries are still insufficiently developed to need insurance and, in these countries, the first priority in co-operative activity must be to raise the standard of living of the people; once this has been done and the people begin to acquire possessions, then, and only then, does the need for insurance arise.

The IDB was actively involved in the establishment of insurance co-operatives in Ecuador in 1970, and in Singapore in 1971.

A memorandum on exchange of personnel between member companies was distributed by the IDB to member companies to inform them about its objectives, one of which was a proposal that short-term seminars should be arranged from time to time and to which the members would be invited to send delegates or representatives. The first of these meetings was held in Manchester in 1965 and the most recent one was held in 1971 in Columbus, USA. These seminars are most useful for the dissemination of information and for the opportunity of meeting personnel engaged in the same activities in different countries throughout the world.

In addition to the above seminars, arrangements are made from time to time for longer periods of training to be undertaken, usually at the head office of one of the well-established member companies.

The periods of such training vary, according to the needs and time available, from weeks up to as long as one year.

The Executive has recently allocated £4,165 for the provision of scholarships and it has assigned to the IDB the task of submitting proposals as to how they will be awarded and administered.

The establishment and administration of the Loan Guaranty Fund assigned to the IDB concerned the proposal agreed at the 1963 Conference that a Loan Guaranty Fund should be established which would assure the repayment of loans, usually made by local banks, to promote the development of co-operative insurance in the developing countries, in the event of the default by the borrower. These guarantees enable capital to be borrowed more easily and at more favourable terms than would be possible without them. It was decided to build up over the following 10 years a small reserve or insurance fund of £20,000 by annual contributions of £2,000 to be subscribed by each member of the Insurance Committee proportionately to their annual premium income. It is this reserve fund which is the Loan Guaranty Fund.

The 1963 Conference also proposed that, besides the Loan Guaranty Fund, there should also be set up an international holding company, as it would be easier, legally, for the member companies to supplement their contributions to the Loan Guaranty Fund by investing in the shares of a holding company. Although the holding company would assist in the promotion and development of co-operative forms of insurance in the developing countries, its main function would be to guarantee loans. The IDB was instructed by the Executive to examine this proposal and make its recommendations for its implementation.

The recommendation made by the Executive to the members of the Insurance Committee at their Conference in 1966 that a Company or Corporation be formed, which would be wholly-owned by the mem-

bers, was accepted. Because governments in developing countries are often unstable and there is a risk of loss of investment through expropriation of assets or inconvertibility of currency, it was decided to establish the new company in the United States so that advantage could be taken of "AID", the US Agency for International Development which will insure US corporations against these risks, provided a majority of shareholders are US citizens or corporations. The new company or corporation, Allnations Incorporated, was therefore established in Columbus, Ohio, with 51 per cent of the shares owned by the Insurance Committee members who are domiciled in the United States.

Allnations, Inc.'s share capital of US\$300,000 was subscribed over three years, the members of the Insurance Committee buying shares proportionately to their premium income and only members of the Committee are allowed to own such shares. The Executive Committee of the Insurance Committee is also the Board of Directors of Allnations, Inc.

The Loan Guaranty Fund was transferred to Allnations, Inc. to serve as additional security, and it was agreed that contributions be continued at the rate of £2,000 until the amount of £20,000 has been contributed.

Allnations, Inc. will guarantee loans made by third parties to enable insurance co-operatives to be established, but strict rules and standards have been laid down for the selection of the risks for which guarantees will be given. This has been done to ensure, as far as possible, that the borrowing organisation has sufficient economic strength and financial interest to make the project a successful one. The guarantee by Allnations, Inc. that, in the event of a default by the borrower, the loan will be repaid in full certainly does enable such loans to be obtained more easily and on better terms than would otherwise be possible.

In 1970, the first guaranty was given to assist in the formation of the insurance

co-operative in Ecuador, and this venture was helped by the collaboration of the International Co-operative Bank (INGEBA) in Basle, Switzerland, which provided the loan required by the borrower.

As at January 1971, the Executive Committee, ICRB, IDB and Allnations, Inc. were:

Executive Committee

Chairman: Mr R. Lemaire, La Prévoyance Sociale, Belgium.

Vice-Chairman: Mr N. A. Kularajah, The Malaysian CIS, Malaysia.

Secretary: Mr H. Seeley, Co-operative Insurance Society, Great Britain.

Treasurer: Mr W. Maurer, CO-OP Leben, Switzerland.

Members: Mr K. Back, The Folksam Group, Sweden; Mr D. E. Johnson, Nationwide Insurance, USA; Mr G. L. Matheson, Co-operative Insurance Services, Canada.

Assistant to the Secretary: Mr F. H. Edwards, CIS, Great Britain.

International Co-operative Reinsurance Bureau

Chairman: Mr R. Lemaire, La Prévoyance Sociale, Belgium.

Secretary: Mr H. H. Knighton, Co-operative Insurance Society, Great Britain.

Members: Mr D. E. Johnson, Nationwide Insurance, USA; Mr K. Lindberg, The Folksam Group, Sweden.

Insurance Development Bureau

Chairman and Secretary: Mr K. Back, The Folksam Group, Sweden.

Members: Mr J. B. Aponte, University of Pennsylvania, USA; Mr O. Binder, Wiener Städtische, Austria; Mr W. E. Fitzpatrick, Nationwide Insurance, USA; Mr B. Kalms, Raiffeisen, Federal Republic of Germany; Mr M. Nussbaum, Hassneh, Israel; Mr W. Rittner, Volksfürsorge, Federal Republic of Germany; Mr R. E. Vanderbeek, League Life Insurance, USA; Mr Y. Yamanaka, Zenkyoren, Japan.

Ex officio: Mr R. Lemaire, Chairman ICRB.

Assistant Secretary: Mr H. Dahlberg, The Folksam Group, Sweden.

Allnations, Inc.

Chairman: Mr R. Lemaire

President: Mr D. E. Johnson.

Vice-President: Mr G. L. Matheson.

Secretary: Mr H. Seeley.

Treasurer: Mr W. Maurer.

Directors: Mr K. Back;

Mr N. A. Kularajah.

Assistant Secretary and Assistant Treasurer: Mr E. F. Hull, Nationwide Insurance, USA.

Book Review

A History of the Co-operative Movement in Israel

By Harry Viteles. (Book seven) Consumers' Co-operation. Published by Vallentine, Mitchell & Co. Ltd., London, pp. 348. £4.20.

Whatever may be one's political predilections, few have failed to be impressed with the evolution of the co-operative movement in the peculiar socio-economic environment, often called the labour economy of the modern State of Israel. At the base of the growth is a famous organisation Histadrut (General Federation of Labour in Israel). Histadrut was founded in 1920 to promote the interests of the Jews by forming a working class, by encouraging immigration, by developing industry and agriculture and by providing modern social services, besides pursuing basic activities of trade unions. Until 1948, it had been almost playing the role of a modern welfare state so far as its membership was concerned. The consumers' co-operatives also fall into this category.

Histadrut "is a unitary organisation, in which membership is individual and direct, and open to all who live by their own work without exploiting the labour of others". Histadrut's members and their families total over 60 per cent of the whole population of Israel.

Histadrut's activities cover (1) trade union activities; (2) social services (sick funds, medical care and the like); (3) cultural services, such as folk dance groups, choirs, art classes; and (4) economic activities.

All economic activities of Histadrut are controlled by the General Co-operative Association "Hevrat Ovdim", whose mem-

bership is identical with that of Histadrut. Histadrut is the second biggest employer next to the Government in industry, agriculture, commerce, public transport and public services. It is responsible for 65 per cent of Israel's agricultural production, 40 per cent of her building activities and 25 per cent of her industrial products.

The Histadrut-sponsored co-operatives are controlled by Hevrat Ovdim, and although there is a Registrar of Co-operative Societies in Israel, he too is usually guided by this association with Histadrut.

The author—a lifelong co-operative worker in Israel—devoted almost his entire life to collect the authentic source material for writing the history of the co-operative movement in Israel. Six volumes have already appeared. The book under review is the seventh and was to have been the last in the series, but it seems "another two books are planned: one on co-operative credit and the other on co-operative housing".

The book under review covers the period up to 1961-62 and is divided into two parts—the first part covers Hamashbir Hamerkazi, the Central Co-operative Wholesale Supply Society, and the second part covers Histadrut-sponsored retail consumers' co-operative societies.

Tracing the origin of the first consumers' co-operative, Hamashbir (literally "the central provider"), the author recalls the struggle of a few helpless workers of Galilee under conditions of famine and utter scarcity in 1916. An unsigned letter about Hamashbir notes "that the impetus for organising Hamashbir was that of the unbridgeable gap between the increase in food prices and wages, the workers could not purchase a minimum

of the most essential requirements". It encountered many obstacles as time passed, but gradually it increased its business, especially when it could sell articles below the market price. After the British occupied the country in 1919, a Co-operative Ordinance was issued in 1920 and Hamashbir was registered under this Ordinance in 1921. Meanwhile, the Council of Hamashbir had "reaffirmed in 1919 that the function of Hamashbir was to supply the urban and rural population with all their requirements and to market the products of the agriculture labour settlements and of the urban workers' producers' co-operatives".

The appearance of Histadrut in 1920 and the inherent contradiction in the role of Hamashbir, under which it had also to "carry the responsibility for the marketing of agricultural produce and of the merchandise produced by the co-operative workshops", led to a situation when Histadrut-sponsored agricultural marketing co-operatives (*Tnuva*) had to be set up in different parts of the country. On the other hand, the accumulation of bad debts and the unwieldy expansion of Hamashbir led to its voluntary liquidation in 1920.

A new co-operative, Hamashbir Hamerkazi, was immediately organised in its place with the main objective of acting as a wholesale supplier of all kinds of foodstuffs, cattle and poultry feed, seeds, fertilisers, fuel and the like to its members and to act as commission agent for the purchase of commodities not held in stock, and to market the produce of the Histadrut-sponsored agricultural settlements.

The membership of the new Hamashbir Hamerkazi consisted mainly of Histadrut-sponsored primary consumers' co-operatives in urban areas and Moshavim Ovdim (co-operative smallholders' settlements) and Kibbutzim (co-operative collective settlements).

Almost from the beginning, the principle of the same price for all, which the Hamashbir Hamerkazi's founders' meeting had prescribed, became an internal bone of contention. "The society's council and management committee, of which Histadrut agricultural settlements, mainly Kibbutzim, were in the majority, did not accept this view, since Histadrut-sponsored primary consumers' co-operatives had retailing expenses and these should enjoy special prices." In 1934, a union of Histadrut-sponsored consumers' co-operatives was registered after the enact-

ment of the Co-operative Societies Act of 1933, which allowed the formation of federal bodies.

The author narrates in chronological order the progress of Hamashbir Hamerkazi from 1930 to 1962 and notes several events which led to its growth.

Meanwhile, the inherent contradictions in the pricing policy of Hamashbir Hamerkazi started manifesting themselves in the conflicting roles of Hamashbir Hamer and the Union of Histadrut Consumers' Co-operatives. The General Manager of Hamashbir Hamerkazi bemoaned in 1937: "The movement cannot exist without a strong co-operative wholesale society. It is important not only that the consumers' co-operatives give their custom to Hamashbir Hamer but to create the feeling that the consumers' co-operative store and Hamashbir Hamerkazi are one and the same." He urged the conversion of the union into a department of Hamashbir Hamerkazi ("as it is in Sweden").

On the other hand, the Manager of the Union noted a few years later: "today, more than at any other time, the consumers' co-operatives need a strong . . . constructive economic organisation . . . capable of mobilising at any time the forces to serve the entire community. Hamashbir Hamerkazi should be able to carry on with the central organ of the consumers' co-operatives and throttle any steps against the interests of the union". He also called for organisational changes and demanded more say for the representatives of the Union in the operations of Hamashbir Hamerkazi.

These differences still seem to prevail in Israel, but the Histadrut-sponsored consumers' co-operatives have expanded considerably and the establishment of Hamashbir Lazorchan—a special company jointly owned by the Hamashbir Hamerkazi and the consumers' co-operatives for operating department stores and supermarkets in Israel—has brought all types of urban consumers under its wing.

This reviewer was pleasantly surprised to see during a recent visit to Israel co-operative supermarkets which would match in excellence any one of their counterparts in Stockholm, Geneva or London.

Significantly, most of the consumers' co-operatives have been sponsored by Histadrut and membership is open to the members

of Histadrut. Generally, no dividend is paid and control is exercised ultimately by Histadrut. Thus, the development of the movement is unique and has taken place largely as a result of the initiative taken at the top. This is in line with the pattern that one finds today in all the developing countries.

It also seems that the leaders of the consumers' movement, impressed with the Swedish model, as they obviously are, are trying to remodel their movement on the Swedish pattern rather than on the British

pattern, and this also perhaps explains to a certain extent the success of the Israeli movement.

The book simply puts into chronological order the relevant source material which is drawn mainly from the reports of the co-operative congress, senior managers and Registrars. The author has rarely ventured to give his own views. It is a painstaking effort and makes very tedious and at times repetitive reading.

K. K. Taimni

International Co-operative Alliance
Regional Office and Education Centre for
South-East Asia

Regional Director: Mr P. E. Weeraman
PO Box 3312, 43 Friends Colony
New Delhi 14, India. Tel. 631541; 632093.

International Co-operative Alliance
Office for East and Central Africa

Regional Director: Mr Dan Nyanjom
PO Box 946, Moshi, Tanzania. Tel. 2616.

Affiliated Organisations

Algeria: Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 6 et 8 rue du Cercle Militaire, Oran. Tel. 205-00; 237-75; 368-64; also at - 21 rue Edgar Quinet, Algiers, and 9 rue Mathurin-Régnier, 75 Paris 15e.

Argentina: Federación Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires. Tel. 28-5381/3.

Intercoop, Editora Cooperativa Limitada, Rivadavia 4426 (1er piso), Buenos Aires. Tel. 99-3193.

Asociación Argentina de Cooperativas y Mutualidades de Seguros, Belgrano 530, 5 Piso, Buenos Aires. Tel. 33-0222/7138.

Federación Argentina de Cooperativas de Crédito Ltda., Pueyrredon 468, 2 Piso, Buenos Aires (RC 24). Tel. 86-6283.

Australia: Co-operative Federation of Australia, President's Office: 50-54 Ferry Street, South Brisbane, Queensland 4101. Tel. 4-5083.

Secretariat: 569 Wellington Street, Perth, Western Australia 6000. Tel. 21-0191.

Austria: "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, A-1061 Vienna VI. Tel. 57-75-38.

Membership (1967): 476,200; turnover: retail trade: Sch. 4,646 mill. (thereof consumers' societies: Sch. 3,895 mill.; department stores: Sch. 713 mill.; other retail trade: Sch. 38 mill.); wholesale society (G.Ö.C.): Sch. 1,821 mill.; own production: consumers' societies: Sch. 472 mill.; G.Ö.C. and subsidiaries: Sch. 415 mill.

Bank für Arbeit und Wirtschaft A.G., Seitzer-gasse 2-4, Vienna 1.

Zentralkasse der Konsumgenossenschaften, Theobaldgasse 19, Vienna VI.

Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, 1, Bösendorferstrasse 7/11, 1010 Vienna. Tel. 65-71-63; 65-13-25.

1969: Affiliated organisations: 301 (comprising 189 societies and 112 associations); membership: 146,767; dwellings administered: 310,124 (comprising 136,462 societies and 173,662 associations); balance at 1968: 45.2 milliard Sch. (divided as to societies 22.2 milliards, associations 23 milliards).

Österreichischer Raiffeisenverband, Seilergasse 16, Vienna 1. Tel. 52-69-34.

Belgium: Fédération belge des Coopératives (FEBECOOP), 26-28 rue Haute, Brussels 1. Tel. 13-28-60; 11-83-50.

Affiliated consumers' societies: 21; membership: 300,000; turnover (1968): Frs. 4,180 mill.; shops: 1,409; Wholesale society turnover (1968): Frs. 1,272 mill.

Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151 rue Royale, Brussels 3. Tel. 18-80-80.

Premiums (1966): Frs. 1,903 mill.; reserves: Frs. 6 milliards; insurance funds, life: Frs. 20 milliards.

Fédération Nationale des Coopératives Chrétiennes, 135 rue de la Loi, 1040 Brussels 4. Tel. 35-60-90.

(1967): 1,250 shops; turnover: Frs. 1,430 mill.; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 mill.; reserves: Frs. 1,300 mill.

L'Economie Populaire, 30 rue des Champs, 5300 Ciney (Namur). Tel. (083) 228-01.

Branches (1970): 466; membership: 98,456; turnover: F.B. 1,319,000,000; savings deposits: F.B. 380 mill. + 340 mill. CEP (Private Savings Bank, Ltd.); capital and reserves: F.B. 208 mill.

L'Institut Provincial de Coopération Agricole, 42 rue des Augustins, Liège. Tel. Liège 32-36-52.

OPHACO (Office des Pharmacies Coopératives de Belgique), 602 Chaussée de Mons, Anderlecht-Brussels. Tel. 22-56-90.

Union of 28 co-operative 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.

Centrale des Caissees Rurales du Boerenbond Belge (CERA), Minderbroedersstraat 8, 3000 Leuven. Tel. 016/279.31.

Bulgaria: Central Co-operative Union, Rue Rakovski 103, Sofia. Tel. 7-83-11; 8-03-11.

Central Union of Productive Co-operatives, Boulevard Dondoukov 41, Sofia. Tel. 88-45-90.

Cameroon (West): West Cameroon Co-operative Association Ltd., P.O. Box 135, Kumba, Meme Division, West Cameroon. Tel. Kumba 251.

Canada: Co-operative Union of Canada, 111 Sparks Street, Ottawa 4, Ont. Tel. 232-9657.

A federation of English-language co-operative organisations, organised in 1909.

Conseil Canadien de la Coopération, Case postale 58, Station N, Montréal 129. Tel. (514)-866-8048.

Ceylon: Co-operative Federation of Ceylon, P.O. Box 1669, Co-operative House, 455 Galle Road, Colombo 3. Tel. 85496.

Chile: Federación Chilena de Cooperativas de Ahorro y Crédito, Ltda., Dieciocho 246, Clasificador 760, Santiago de Chile. Tel. 61373.

Cooperativa Sodimac Ltda., Casilla 3110, Santiago de Chile. Tel. 734023.

Cooperativa de Empleados Particulares Ltda., Teatinos 601, Casilla 424, Santiago de Chile. Tel. 82935.

Instituto de Financiamiento Cooperativo, IFICOOP, Ltda., Agustinas 853, Oficina 547, Casilla 1118, Santiago de Chile. Tel. 398253.

Union Cooperativa de Seguros (Ucoseg) Ltda., Agustinas 1141 of. B, 7 Piso, Santiago de Chile. Tel. 85147.

Colombia: Cooperativa Familiar de Medellín Ltda., Calle 49, No. 52-49, Medellín. Tel. 45-00-55; 41-71-13; 41-53-78.

Congo, Democratic Republic of: Centrale Générale des Coopératives Angolaises, B.P. 6039, Kinshasa I.

Cyprus: Co-operative Central Bank Ltd., P.O. Box 1447, Nicosia. Tel. 62921; 62677; 63311.

Cyprus Turkish Co-operative Central Bank Ltd., P.O. Box 791, Nicosia. Tel. 4257.

Vine Products Co-operative Marketing Union Ltd., P.O. Box 314, Limassol. Tel. 2331; 2872; 4582.

Czechoslovakia: Ustredni Rada Druzstev, Tesnov 5, Prague 1. Tel. 621-54; 647-51.

Denmark: De samvirkende danske Andelselskaber (Andelsudvalget), Vester Farimagsgade 3, DK-1606 Copenhagen V. Tel. (01)12-14-19. 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.

Det Kooperative Faellesforbund i Danmark, Kronprinsensgade 13, 1114 Copenhagen K. Tel. (01)12-22-62.

Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprising consumers', workers', artisans', productive and housing societies, etc.

Faellesforeningen for Danmarks Brugsforeninger (FDB), Róskildevej 65, Albertslund. Tel. (01)64-88-11.

Affiliated societies (1969): 1,742; members: 839,000; turnover: 4,032 mill. D.Kr.; wholesale turnover: 2,198 mill. D.Kr.; own production: 741 mill. D.Kr.

Finland: Suomen Osuuskauppojen Keskuskunta (S.O.K.), Vilhonkatu 7, 00100 Helsinki 10. Tel. 90-650-611.

Affiliated societies (1970): 274; members: 572,610; wholesale turnover: Fmk. 1,804 mill.; own production of SOK: Fmk. 332 mill.

Yleinen Osuuskauppojen Liitto r.y. (Y.O.L.), Vilhonkatu 7, 00100 Helsinki 10.

Affiliated societies (1970): 274; members: 572,610; turnover of societies: Fmk. 3,152 mill.; total production of the affiliated societies: Fmk. 53 mill.

Kulutusosuuskuntien Keskusliitto (K.K.), r.y., P.O. Box 740, Mikonkatu 17, 00100 Helsinki 10. Tel. Helsinki 10491.

Affiliated societies (1970): 75; members: 574,733; turnover: Fmk. 2,133.9 mill.; own production: Fmk. 274.8 mill.

Keskusosuusliike O.T.K., P.O. Box 120, 00100 Helsinki 10. Tel. 71-13-22; 70731.

Affiliated societies (1970): 75; turnover: Fmk. 1,330.8 mill.; own production: Fmk. 431.9 mill.

Pellervo-Seura, Central Organisation of Farmers' Co-operatives, Simonkatu 6, Helsinki K. Tel. 61046.

Affiliated organisations (1963): 10 central organisations; 1,102 societies.

France: Fédération Nationale des Coopératives de Consommation, F.N.C.C., 89 rue la Boétie, 75 Paris VIII. Tel. 225-99-98.

Affiliated societies (1970): 315; membership: 3,400,000; shops: 8,300; turnover: NF. 6,100 mill.

Société Générale des Coopératives de Consommation, 61 rue Boissière, 75 Paris XVI. Tel. 553-88-22.

Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88 rue de Courcelles, 75 Paris VIII. Tel. 622-40-48; 622-45-20.

Confédération Générale des Sociétés Coopératives Ouvrières de Production, 88 rue de Courcelles, 75 Paris VIII. Tel. 622-07-81/2.

Banque Française de Crédit Coopératif, 88 rue de Courcelles, 75 Paris VIII. Tel. 227-48-03.

Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, 129 Bd. St. Germain, 75 Paris VI. Tel. 033-93-31.

Caisse Nationale de Crédit Agricole, 91-93 Boulevard Pasteur, 75 Paris XV. Tel. 273-90-00.

Fédération Nationale des Sociétés Coopératives d'Habitation à Loyer Modéré (H.L.M.), 20 rue de Richelieu, 75 Paris 1er. Tel. 266-4520.

Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 3 ave. du Coq, 75 Paris 9e. Tel. 742-45-79; 874-67-62.

Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, 75 Paris VIII. Tel. 267-14-50.

Gambia (The): The Gambia Co-operative Union Ltd., P.O. Box 505, Bathurst. Tel. 581.

Federal Republic of Germany: Bund deutscher Konsumgenossenschaften G.m.b.H., *Besenbinderhof 52, (2) Hamburg 1*. Tel. (0411)284-4001.

Affiliated societies (December 1969): 115; membership (end of 1969): 2,235,000; turnover (1969): D.M. 4,827 millions.

Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof 52, (2) Hamburg 1*. Tel. (0411)284-4310.

Total turnover incl. subsidiaries (1969): D.M. 2,462 millions.

Gesamtverband gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4, (22c) Cologne*. Tel. 733252.

Volksfürsorge Lebensversicherung Aktiengesellschaft, *An der Alster, (2) Hamburg 1*.

Volksfürsorge Deutsche Sachversicherung Aktiengesellschaft, *Steinstrasse 27, (2) Hamburg 1*.

Deutscher Raiffeisenverband e.V., *Adenauerallee 127, 53 Bonn*. Tel. (0-22-21) 1061.

Ghana: The Alliance of Ghana Co-operatives Ltd., *Post Office Box 2068, Accra*. Tel. 25560.

Greece: Pan-Hellenic Confederation of Unions of Agricultural Co-operatives (S.E.S.), *56 El. Venizelou Street, Athens 142*. — Membership suspended.

Guyana: Guyana Co-operative Union Ltd., *Ministerial Buildings, High Street and Brickdam, Georgetown*.

Haiti (W.I.): Caisse Populaire Dominique Savio, *57 Rue Rigaud, Pétion-Ville*.

Hungary: Federation of Hungarian Co-operative Societies *Szabadság 14, Budapest V*. Tel. 113-600; 112-800.

National Federation of Producers' Co-operatives (OKISZ), *Pesti Barnabás 6, Budapest V*. Tel. 188-806.

National Co-operative Council, *Szabadság tér 14, Budapest V*. Tel. 113-600; 112-800.

National Council of Hungarian Agricultural Co-operatives, *Akadémia utca 1-3, Budapest V*.

Iceland: Samband Isl. Samvinnufélaga, *Reykjavík*. Tel. 17080.

India: National Co-operative Union of India, *72 Jorbagh, New Delhi 3*. Tel. 611123; 611343; 619328.

Iran: Sepah Consumers' Co-operative Society, *Avenue Sevvom Esfand, Rue Artèche, Tehran*. Tel. 332015; 332019.

Credit and Housing Co-operative Society of Iran, *20-22 Shahabad Avenue, Tehran*.

Central Organisation for Rural Co-operatives of Iran, *357 Pahlavi Avenue, Tehran*. Tel. 64210.

Ireland: Irish Agricultural Organisation Society Ltd., *The Plunkett House, 84 Merion Square, Dublin 2*. Tel. 64783/4-6.

National Organising and Advisory Body for Agricultural Co-operatives. Affiliated societies: 333; membership: 127,000; turnover (1967): £152 mill.

Co-operative Development Society Ltd., *35 Lower Gardiner Street, Dublin*.

Israel: General Co-operative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv*. Tel. 46111-35.

Affiliated societies and companies (1963): 1,855 in all branches.

"Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, *44 Rothschild Bd., P.O. Box 75, Tel-Aviv*. Tel. 65085.

"Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, *8 Kaplan Street, P.O.B. 209, Tel-Aviv*. Tel. 250881.

"Bahan" Audit Union of Agricultural Co-operative Societies in Israel, *47 Nahmani Street, P.O.B. 622, Tel-Aviv*. Tel. 614933.

Italy: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome*. Tel. 868-141/2-4.

Confederazione Cooperative Italiane, *Borgo Santo Spirito 78, 00193 Rome*. Tel. 653-875; 565-605; 565-614.

Associazione Generale delle Cooperative Italiane, *Via Parma N. 22, 00184 Rome*. Tel. 462-659; 471-846.

Jamaica (W.I.): Jamaica Co-operative Union Ltd., *14-16 Barry Street, Kingston*. Tel. 24737.

Japan: Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Co-operative Union), *1-13, 4-chome, Sendagaya, Shibuya-ku, Tokyo*. Tel. Tokyo (404) 3231.

Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Co-operatives), *5, 1-chome, Otemachi, Chiyoda-ku, Tokyo*.

Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Co-operative Associations), *Sankaido Building no. 9-13, 1-chome, Akasaka, Minato-ku, Tokyo*.

National Federation of Forest Owners' Co-operative Associations, *11-35 Nagato-cho, 1-chome, Chiyoda-ku, Tokyo 100*.

Jordan: Jordan Co-operative Organisation, *P.O.B. 1343, Amman*. Tel. 23101/3.

Kenya: Kenya National Federation of Co-operatives Ltd., *P.O.B. 9768, Nairobi*. Tel. 21486.

Korea: National Agricultural Co-operative Federation, 75, 1st Street, *Chung-Jong-Ro, Sodaemun-ku, Seoul*. Tel. 73-0021; 75-2681.

Malaysia: Co-operative Union of Malaysia Ltd., *Peti Surat 685, Kuala Lumpur*. Tel. 23903.

Co-operative Bank Malaysia Ltd., 140 *Jalan Ipoh, Peti Surat 1024, Kuala Lumpur*. Tel. 299679; 24518.

Sarawak Co-operative Central Bank Ltd., *Kuching, Sarawak*.

Malaysian Co-operative Insurance Society Ltd., 36 *Jalan Ampang, P.O. Box 817, Kuala Lumpur*. Tel. 87915/6.

Malta: Farmers' Central Co-operative Society Ltd., *New Building, Middleman Street, Marsa*. Tel. Cent 24896.

Mauritius: Mauritius Co-operative Union, *Co-operation House, Dumat Street, Port Louis*. Tel. Port Louis 822.

Netherlands: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikscoöperaties, "CO-OP Nederland", *Postbus 6008, Vierhavensstraat 40, Rotterdam 7*. Tel. (010) 235180. Association of Enterprises on a Co-operative Basis, *Bloemgracht 29, Amsterdam*. Tel. 62303.

Nigeria: Co-operative Union of Western Nigeria, Ltd., *c/o Co-operative Buildings, New Court Road, Ibadan*. Tel. Ibadan 24399; 24446.

Lagos Co-operative Union Ltd., Co-operative Office, 147 *Broad Street, Lagos, W. Nigeria*. Tel. 58920/85.

Mid-Western Nigeria Co-operative Federation Ltd., *c/o Ministry of Co-operative and Rural Development, Co-operative Societies Division, P.O.B. Benin City*. Tel. Benin 594.

Norway: Norges Kooperative Landsforening, *Revierstredet 2, Oslo 1*. Tel. (47-2)20-62-90. Affiliated societies (1970): 753; membership: 406,000; turnover of local societies: Kr. 3,500 mill.; of N.K.L.: Kr. 1,149 mill.

Norske Boligbyggelags Landsforbund (NBBL), *Trondheimsveien 84-86, Oslo 5*. Tel. 33-32-42.

Pakistan: East Pakistan Co-operative Union Ltd., 9/D-*Motijheel Commercial Area, 8th floor, Dacca 2*. Tel. 255846.

West Pakistan Co-operative Union, 5 *Court Street, P.O.B. 905, Lahore 1*. Tel. 54203.

Karachi Central Co-operative Bank Ltd., 14 *Laxmi Building, Bunder Road, Karachi 2*. Tel. 36185.

Karachi Central Co-operative Consumers' Union, *Iqbal Market and Cold Storage, Soldier Bazar, Karachi*. Tel. 70917.

Karachi Co-operative Housing Societies' Union, *Shaheed-e-Millat Road, Karachi 5*. Tel. 40244.

Karachi Co-operative Union Ltd., *Co-operative House, Shaheed-e-Millat Road, Karachi 5*. Tel. 230289.

Karachi Fishermen's Co-operative Purchase and Sales Society Ltd., *West Wharf Road, Karachi*.

Sind Baluchistan Provincial Co-operative Bank, Ltd., *Provincial Co-operative Bank Bldg., Serai Road, P.O. Box 4705, Karachi 2*. Tel. 32361; 37290; 34736.

Provincial Fishermen's Co-operative Society Ltd., *Iqbal Road, Patharghata, Post Box 27, Chittagong*. Tel. 80587; 85967.

Peru: Cooperativa de Seguros "INCA" Ltda. No. 181, *Av. Brasil 1360, Apartado 10159, Lima 21*.

Cooperativa de Seguros del Peru, *Maximo Abril 542, Lima*. Tel. 46769.

Philippines: Central Co-operative Exchange Inc., *P.O.B. 1968, Manila*. Tel. 7-60-09.

Poland: Central Agricultural Union of "Peasant Self-Aid" Co-operatives, *Kopernika 30, Warsaw*. Tel. 26-39-69; 26-10-81.

Central Union of Building and Housing Co-operatives, *Ul. Marchlewskiego 13, Warsaw*. Tel. 20-90-29.

"Spolem" — Union of Consumer Co-operatives, *Grazyny 13, Warsaw*. Tel. 45-32-41.

Central Union of Work Co-operatives, *Surawia 47, Warsaw*.

Puerto Rico: Co-operative League of Puerto Rico, 458 *Fernando Calder Street, Box 177, Roosevelt*. Tel. 766-2592; 766-1382.

Romania: Uniunea Centrala a Cooperativelor de Consum "Centrocoop", *Strada Brezoianu 31, Sectorul 7, Bucharest*. Tel. 16-00-10; 13-87-31. 1969/70: Associated 1,728 Consumers' Co-operatives in 39 District Unions; membership: 7 mill.; 28,000 retail shops; of which 8,100 public catering units; 7 processing and marketing enterprises; 18 production enterprises; 17 building enterprises; 20,400 servicing units; 18 educational centres.

Uniunea Centrala a Cooperativelor Mestesugaresti, "Ucecom", *Calea Plevnei 46, Bucharest*. Tel. 16-21-40.

Singapore: Singapore Co-operative Union Ltd., *Post Box 366; Office and Library: 3-J/K Clifford House, Singapore 1*.

Sweden: Kooperativa Förbundet, *S-104 65 Stockholm 15*. Tel. 44-95-60.

Affiliated retail societies (1970): 232; membership: 1,605,500; total turnover of consumer societies: Kr. 8,100 mill.; turnover of K.F.: Kr. 6,649 mill. (thereof Kr. 4,835 mill. to affiliated consumer societies); K.F.'s own production: Kr. 3,102 mill.; total capital (shares, reserves and surplus) of K.F.: Kr. 1,105 mill. and of affiliated retail societies: Kr. 1,332 mill.

Review of INTERNATIONAL CO-OPERATION

The official Organ of the International Co-operative Alliance

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CONTENTS

	Page
The Co-operative Movement in Latin America, by Fernando Chaves Núñez	150
ICA Director's Commentary, S.K.S.	156
The Effectiveness of Co-operatives in the Execution of Development Programmes, by José M. Illán	162
Inflation and Co-operatives, by Walter Sommerhoff	165
Co-operative Insurance, by Dr. Arturo Vainstok	169
Electricity Co-operatives in the Argentine Republic, by José San Pedro	174
The Co-operative Movement in Guyana, by A. A. Mohamed	180
Book Review	185

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**LATIN
AMERICA**

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The Co-operative Movement in Latin America

by Fernando Chaves Núñez

Chief of the Co-operative Programme of the Organization of American States

Introduction

The interest of the Organization of American States (OAS) in co-operatives dates back to 1945, when a small Co-operative Movement existed in three countries.

From then until now, and especially in the last ten years, the Movement has been experiencing an enormous growth which has considerable significance in all member countries of the Organization.

Numerous authors have pointed out that the co-operative is essentially an economic enterprise which fulfils also social goals and whose control is exercised democratically by its members. This double character makes it a worthy instrument of development. As an economic enterprise, the co-operative can protect human groups which, as individuals, are economically weak, provide them with good quality goods and services at prices unaffected by a desire for profit and permit small producers to compete in the market. In this manner, the co-operatives, at the same time, enable the masses to contribute to economic growth and also to benefit from it. As a social institution, the co-operative creates a sense of solidarity in the people; it attracts to the development process people who would otherwise remain outside it and who, perhaps, would hardly know that such a thing exists; it

shapes the mentality necessary for social change. But because of the very nature of the co-operative, there also emerges the possibility of problems: it must be economically strong—as strong as competing enterprises—and achieve this without ever losing sight of its essentially social purpose.

The advance of co-operatives in recent years is proof of the fact that the benefits they provide have been understood. It would be appropriate, then, to ask to what extent these benefits have been realised in Latin America, particularly in those places where the Co-operative Movement has succeeded in “becoming unstuck”, to use a term very much in vogue. Even if the balance-sheet will always show a positive balance, it is necessary to make clear that we are still far from taking advantage of the potential which is offered to us; and this is reasonable, if one considers the very young age of the Movement.

Existing Co-operatives

The *Consumer Co-operative Movement* represents the most important category because of the size of its memberships. In various countries, especially some, in which it also embraces non-members, its influence goes very much beyond what the figures could indicate. In effect, attention

to an undetermined number of families outside its framework is a fact which makes itself felt in price policy. The large co-operatives have undergone a rapid evolution towards self-service and the super-market, with the resulting advantages of quality, price and efficiency in service.

The *Thrift and Credit Co-operatives* follow the consumer co-operatives in importance as regards the number of their members and have reached their peak. They constitute the source of personal and commercial credit for many groups of people with small and medium incomes, who have no access to a commercial Bank. In some countries, the service which these co-operatives render is compared with that of the commercial Banking system in matters of organisation, solidarity, resources and programmes.

Housing Co-operatives, in combination with systems of savings and loans, have shown themselves in some countries to be an appropriate channel for alleviating the existing pressure on housing needs.

A vital field for development is that of *electrification*. The results obtained in various countries with the organisation of co-operatives for the distribution and, on a lesser scale, the generation of electric energy, have hastened the spreading of the system. Today, there are many such projects under way, which assures a substantial increase in the number of co-operatives of this type both in the country and in cities.

As for *transport*, both passenger and freight, co-operative organisation has also been extended considerably. Besides providing for the acquisition and maintenance of vehicles, these co-operatives have contributed to the study and solution of transit problems and to the rational use of freight capacity.

In the *fishing industry*, co-operatives, which unite independent fishermen, are able to reduce the risks and inconveniences of the work by supplying boats and modern equipment. Nevertheless, important as this aspect is, even more so is the marketing of

fish, where the co-operatives act to eliminate the middleman and offer facilities for preservation and transport.

In this sketch of the various types of co-operatives, one would have to include others, such as the *school co-operatives* for example. They constitute a very valuable means of education, whether they are formed exclusively for students or whether teachers and others in authority also participate. One must not confuse them with co-operatives for educational services, which are organised for the functioning of schools or lyceums, nor with those for university services, whose function, in some cases, is the administration of hostels for foreign students and, in others, for the supply of study materials.

Attempts at Integration

It is interesting to note other facts which indicate that the Co-operative Movement of Latin America is, on the whole, maturing quickly, as reflected in what it has carried out or what it is achieving in the various countries. One of these facts is the tendency to integrate. Sometimes, consumer co-operatives have united to make their purchases in common and to enter the field of packing and distribution, including in this last aspect export and import operations. In the same way, they are, in some cases, now producing basic needs, such as seed, fertilisers, pesticides, food for poultry and animals, etc. The thrift and credit co-operatives, in turn, are undertaking programmes for the centralisation of funds, auditing and accounting services. Housing co-operatives are organising auxiliary societies for obtaining assessing services, and so on.

The effort towards integration does not stop within each type of organisation. In the last few years, relations between co-operatives of different types have been intensified in order to achieve operations of mutual benefit; amongst these, stand out, for example, the contacts between consumer and agricultural co-operatives, and those of housing with those of thrift and

credit. In a more advanced stage, one finds the case of numerous organisations which themselves promote the creation of co-operatives complementing their activities, as has occurred with agricultural federations, which promote, and participate in, the organisation of a co-operative Bank or an insurance co-operative and industrial productive co-operatives which promote a transport co-operative, etc. As a corollary, we might add that they have achieved the

constitution of apex organisations, which unite all types of co-operatives in order to represent the Movement as a whole.

Problems encountered

Nevertheless, in spite of the optimistic panorama which is presented, the Co-operative Movement of Latin America is still very far from approaching the potential which it offers. In spite of the fact that advances are constant, there are today



many factors which hold them back and I believe that it is appropriate to indicate them here, although it may be briefly.

In the first place, one must cite the interpretation, so to speak, which is given to the role of the co-operative organisation, its objectives and possibilities. Such an interpretation must be adapted to the times and it must be understood that the co-operative organisations are economic enterprises which fulfil social goals. This concept means that co-operatives do not escape the rules of organisation and administration applicable to commercial enterprises. The success of co-operatives depends in a large measure on the patronage which their members give it, and this patronage will not be forthcoming if the social framework does not obtain from its organisation the goods or services which they seek in conditions at least equal to those which they find from other sources; and it is obvious that the efficient functioning of an enterprise requires not only good administration but also a sufficient turnover and appropriate sources of financing. Thus, it is necessary that, where there remains the image of small co-operatives with the familiar organisation of the past, this image must be examined with a critical eye. In order to assume a realistic position, in this sense, it would be sufficient to recall the unfortunate examples of the efforts made in the rural sector.

Agricultural co-operatives, which are generally characterised by the multiplicity of their activities, are reckoned as amongst those which offer the greatest potentialities in the continent. They are orientated principally towards the satisfaction of two primary needs of the farmers: supply of basic needs and marketing. Although still only in a few countries, the industrialisation of raw materials coming from farming and fishing has already been undertaken, a fact of great economic importance, because it puts in the hands of the producers the complete processing of their products and, therefore, a large proportion of the profit. There are

numerous co-operative plants for the processing of milk, meat, textiles, coffee, oleaginous products, sugar, fruit, wine, etc., and in various countries, they have already entered into the difficult terrain of export trade, improving considerably the prices obtained by the primary producers of basic products and, consequently, their quality.

Industrial productive co-operatives constitute a very interesting group. The great majority of them is formed by the personnel of factories or plants who took them over from owners who became bankrupt; with large sacrifices and much technical ability, these enterprises which, at one time, were threatened with closure, have been transformed into prosperous industries and stable sources of work, where conflicts disappear and regulatory conditions are produced for the rest of the respective sector. There are also important organisations for handicrafts production, little developed up to now, but with an undeniable future both for the benefit of the artisans and for preserving the manifestations of folk art.

A second factor which places an obstacle in the way of promoting the Co-operative Movement in Latin America is the *lack of policies*. In very few countries have policies been established, and thus one can see the existence of numerous state organisations or offices which intervene in this sphere, often duplicating functions, competing amongst themselves or dividing the co-operative movement, and in one form or another using resources of personnel and material which are generally scarce. This situation contrasts with the efforts of the movement towards integration and, moreover, it has a contrary effect.

The *financial* problem is another element which should be considered in the promotion of the co-operative movement. In some countries, the State and, in others, the co-operatives themselves have created mechanisms for financing as a first step for resolving this problem. Although concern exists at the inter-American level, the means

available are very far from being in accord with the needs. Perhaps here also the problem would be less with a more rational use of the available means and with the channelling to co-operatives of funds for individual credits. On the other hand, one must recognise the deficiencies of some operational practices of the co-operative societies which prevent them from obtaining the maximum return from their financial means.

The scarcity of administrators and trained managers is also a serious problem for the development of co-operatives, especially where they are most necessary, i.e., in the countries where the movement still does not have real significance. In recent years, although there have been some advances in the organisation of institutes of co-operative studies, this has occurred precisely as a result of the local needs of the movements which are already somewhat developed. Other obstacles which are, in their turn, more acute in the countries where the movement is in its early stages, include the ignorance of the people of the co-operative movement and the lack of publicity.

The General Secretariat of the OAS, like other institutions which work in this field, has first-hand knowledge of the problems of the movement. In the two decades of promoting the co-operative movement with which we have been involved, it has been made clear that where the contribution of the Secretariat can be most effective is in matters of technical assistance and training. The fruit has already begun to be harvested from the multiple activities of the Secretariat in the form of training centres, mobile courses, seminars and meetings, which often had a pioneering significance and which anticipated to a large extent the intense activity which is now being carried out in the same fields. The expansion of the movement

since 1962, with the impulse received from the Alliance for Progress, is very clear and also marks the moment when many governments have turned to the co-operative movement, offering it the support and the attention which it formerly lacked.

Future Outlook

With its sight set to the future, the Secretariat has realised that other needs have come forward to which it will be necessary to attend quickly in order to continue adapting the structure to the needs of modern times. Amongst these needs, the most pressing are the planning of co-operative development at all levels and the intensifying of the process of its integration, also at all levels.

For many of our activities, we have relied on the collaboration with, and have united our efforts towards, those of other organisations, such as the FAO, ILO and UNESCO, which has permitted us to carry out various projects for the benefit of the co-operative movement. In the same sense, there has been inestimable support from governments and institutions of countries outside the hemisphere, as, for example, Israel, the Federal Republic of Germany, Great Britain, Belgium and Sweden, where many Latin American leaders have profited from the advances and techniques used there. We also have very close links of collaboration with the International Co-operative Alliance and with the principal organisation of the Co-operative Movement in the Continent, the Organization of the Co-operatives of America, to whose foundation the General Secretariat contributed a great deal.

The ICA acknowledges gratefully the permission to publish this article in English, which is based on one by the Author in "Nueva Era", Buenos Aires, October 1970, pp. 20-22.

ICA Director's Commentary

CENTRAL AND LATIN AMERICA

An invitation from the Organization of the Co-operatives of America (OCA) to attend, and speak to, its Continental Assembly in July gave me the opportunity of making brief visits to co-operative movements in El Salvador, Costa Rica, Panama, Peru and Colombia.

El Salvador

A little over one day's stay in San Salvador enabled me to see co-operative organisations active in the agricultural, transport and consumer fields. Several of these societies came into existence as a result of the efforts of the Foundation for Co-operative Promotion, a body led by dedicated leadership and supported by sources provided by church organisations.

A quick visit about seventy miles outside the capital enabled me to see something of the efforts of the Foundation in an agricultural environment of extreme poverty. A series of co-operative activities has been initiated and, although in the initial stages and operating in very difficult circumstances, it appeared clear that the co-operative emphasis on self-help, coupled with the basic reforms and facilities which must be initiated by the State, will provide a most effective solution to many of the problems. A chicken farm, a piggery and a feed mill have been set up. Some of the problems currently experienced are: the lack of continuing technical advice, marketing facilities and liquid resources.

For over two years, the ICA, along with KF and OCA, has been supporting the Latin American Institute for Co-operative Integration. LATICI, as it is often referred to, is based in Puerto Rico and has set up projects in several countries which are directed at achieving integration, both horizontal and vertical, in co-operative societies. I had the pleasure of visiting two consumer co-operative shops in El Salvador, set up by LATICI. The display was good, on-the-job training was emphasised and considerable ingenuity was in evidence in reducing costs and maximising sales. Competition from the surrounding shops is keen. Established under the name of "Domus", the management



LATICI Consumer Co-operative Shop

is also paying attention to establishing direct links with production co-operatives, a chain which is difficult to construct and will require considerable advice and supporting work.

Recently, ICA's involvement in El Salvador has been enlarged by the provision of an expert to advise the Government on industrial co-operatives. The project is on a contract from UNIDO.

OCA Assembly in San José, Costa Rica

The OCA Assembly was held in San José from the 25th to the 31st July. It was an excellent occasion for me to establish contacts with co-operative leaders especially from Latin America and to understand some of the complex issues which face the movements in that part of the world. Unlike our own Congress, the OCA Assembly works through groups, whose findings are reported to the plenary sessions where formal decisions are taken. Several Commissions dealt, *inter alia*, with the future policy of the OCA, amendments to Statutes, planning for the Co-operative Development Decade, and OCA's finances.

I attended the group which concentrated on OCA's future policy. Two papers by Dr St. Siegens (Honduras) and Dr Carlos Camacho (Venezuela) and the Medellín Declaration, an earlier pronouncement on OCA's policy, provided the



basis for discussion. A wide range of areas of direct interest to the movement was considered, namely, co-operative legislation, integration, land reform programmes, education and government support to co-operatives. A forward looking document was produced which should provide a sound basis for OCA's future development and activities.

I was delighted to find that the ICA is held in great affection by the co-operators joined in the OCA and this was revealed in several remarks and gestures, not the least in the fact that I was invited to speak at length on the opening day on the ICA and its world-wide network of activities immediately before the President of the Republic of Costa Rica delivered his inaugural address in the magnificent Opera House in San José.

Panama and Peru

A one-day stop in Panama was used for a meeting with the Minister of Education giving me a glimpse of some projected developments in school co-operatives, a visit to the Coady-inspired Inter-American Co-operative Institute, with its emphasis on social leadership, as well as for an extensive talk with Mr O. A. Monteza, the Government official in charge of co-operatives. Thereafter, I proceeded on a three-day visit to Peru. The current impetus to the co-operative movement in Peru has stemmed from the extensive land reform programme in that country.

Co-operatives are given the first priority in the land reform programme, and 12 co-operatives covering 19,000 families have been set up. A National Bank of Co-operative

Development is being discussed. The highlight of my visit, however, was a trip to Casa Grande in Trujillo, 400 kilometres north of Lima, where a co-operative sugar plantation and processing unit occupy an area of 37,000 hectares. Started in October 1970, the Society now has 4,500 members, is run very efficiently by a competent manager, produces almost a quarter of the total national output of sugar and has attained the high production figure of 175 tons of cane per hectare. Within its short period of existence, the Society is now the fourth highest tax payer in the country.

Finally, two of the largest credit unions in Peru, the Santa Elisa Credit Union and the Sub-alterns Credit Union, provide a wide range of services to their members.

Today, Peru provides an exciting picture of co-operative development. One would not wish to minimise the achievements of the Peruvian co-operators, nor to dampen in any way their enthusiasm; however, it is essential to emphasise that the pace of development cannot be accelerated beyond the qualified manpower resources which are available to the movement, and educational facilities will need to be considerably expanded if the present phase of co-operative growth is to be sustained.

Colombia

My visit to Bogotá in Colombia, where the OCA was born, acquainted me with the diverse sectors in which



Dr. S. K. Saxena's Visit to the Colombian Association of Co-operatives in Bogotá (August 1971)

co-operatives are operating there. Co-operative insurance, a technical servicing organisation for co-operative housing, the Colombian Association of Co-operatives which functions as a union, to which housing, consumer and transport societies, as well as a federation of education co-operatives are affiliated, indicate the range of co-operative activities. UCONAL is a national union of credit co-operatives which also promotes co-operative societies in different fields.

The above description would show that my visit was rather hectic, and it would be unwise to attempt any serious appreciation of the situation of co-operatives in Central and Latin America on the basis of what cannot but be considered as a very brief glimpse of the movements in the five countries. However, the following general impressions may be noted. There is in existence a large variety of co-operative activities in different fields, but often these are unrelated to each other. One misses a central co-ordinating point, such as a national union or confederation. Attitudes and the degrees of support to co-operatives by the State vary widely from country to country; legislation needs to be reformed to remove obstacles to co-operative development and to enable new organisations to be registered expeditiously. There is a great lack of financial resources, and some bridges need to be built between what are called credit unions and co-operatives. Finally, the need for management training is great and urgent, and it is clear that this must remain the major bottle-neck in any plans for future development.

CHANGING CLIMATE AT THE UN

A brief visit of three days in New York en route to London was put to some intensive use in meeting officials of the United Nations, including the UNDP, the Secretariat of the UN Environment Conference, UNITAR, UNICEF and the officials in charge of contacts with the NGOs. Finally, U Thant, the Secretary-General, was kind enough to receive me for a short talk.

From my discussions with several senior officers of the UNDP on the operational side, it became clear that Sir Robert Jackson's "Capacity Study" has had a tremendous influence both on the formal structure of the organisation and on the creation in the UNDP of a more positive attitude towards non-governmental organisations. A Bureau of Programming and a Bureau of Policy Planning have been set up and efforts are now made to integrate international assistance into national planning through the agency of the UN Resident Representative. Our own efforts to set up, through the Joint Committee for the Promotion of Agricultural Co-operation (COPAC), Co-operative Development Groups in some countries on an experimental basis, in order to bring together for co-ordinated action all agencies operating nationally in the field of agricultural co-operation, were much appreciated. Incidentally, this suggestion is likely to be the principal recommendation,



U Thant, Secretary-General of the United Nations, in discussion with Dr. S. K. Saxena (August 1971)

which will be included in the Secretary-General's Report to the ECOSOC pursuant to Resolution 1419 on "The Role of Co-operatives in Social and Economic Development", which the Council had unanimously adopted last year. A new NGO office has been set up in the UNDP—a very welcome move indeed!

In a brief interview with the Secretary-General, I explained in broad outlines the structure of the ICA and our work in the developing countries, suggesting that our Programme of the Co-operative Development Decade was to be seen as ICA's contribution to the UN Second Development Decade. I emphasised that, as an organisation whose membership is spread over sixty-five countries and reaches down to the grass-roots level, we provide a valuable contact for the United Nations with an audience whose attitudes to development programmes must, inevitably, make the vital difference between success and failure of the Second Development Decade.

S.K.S.

The Effectiveness of Co-operatives in the Execution of Development Programmes

by José M. Illán

Inter-American Development Bank

The Co-operative Movement as a Factor in Development

On more than one occasion, we have heard or read unfavourable opinions about co-operatives as a factor in promoting and accelerating economic and social development of under-developed countries, now called "developing" countries. In general, this opinion originates from a superficial knowledge of the characteristics and manner of operation of a co-operative society, which is, in fact, a very valuable instrument for raising the efficiency of small and medium productive units in practically all economic sectors. These critics of the co-operative association see in it only a suitable element for a greater consumer capacity.

Those who take this position see the co-operative not through a careful study of its advantages in the socio-economic order, but rather through the prism of their personal experiences in their relations with consumer co-operatives which "lower prices and thereby stimulate consumption" or with thrift and credit co-operatives which "cheapen the cost of money and also stimulate spending".

In the first place, the fact that the member of a consumer's co-operative may desire the same nominal value of income and a greater volume of consumers'

products, does not necessarily change the reality of the immediate trends of the balance of payments nor does it produce inflation. What is definitely and immediately produced is a simple redistribution of income and, by this means, the consumer obtains a part of the margin of the middleman who, of course, also used to produce a demand for his portion: a demand which, in fewer hands, assumed a greater tendency for the importing of sophisticated products; in the meantime, the co-operators seek chiefly products of primary consumption, generally from domestic production.

Likewise, in the case of the thrift and credit co-operative, the latter, as its name indicates, promotes savings at the same time as it facilitates cheap credit. Besides, the credit is not appropriated arbitrarily, but rather it is granted in accordance with the needs of the co-operative group and its liquid assets.

Now then, let us leave aside these specific aspects of two types of co-operatives, which are perhaps the best known by those who see the co-operative movement as a "good thing for the poor", but useless for improving the "existing organisation in Latin American economies". Let us go on to consider other kinds of co-operative associations.

When an electricity co-operative

society—as hundreds of such already exist—is organised in a rural zone, to which it had not been economically possible to bring electric power, one facilitates the installation of equipment for producing, partial processing or conserving products which had not been previously produced in that area, or which could not have been taken to markets where there is a demand for them. When this occurs, additional wealth is being produced with practically the same volume of resources. With the same land and the same labour and the addition of the capital invested in the hydro-electric plant, the efficiency of a rural zone is raised. Moreover, it facilitates the introduction of means for the diffusion of knowledge and for the comfort of the daily life of those living in the rural zone, thus contributing to a reduction of the tendency to emigrate to urban areas.

This example of the electric co-operative society is not an exception, but the rule which can be observed in the application of the co-operative association to industrial production, services (transport, insurance, etc.) and agriculture.

In agricultural production, facilitating the use of machinery, the installation and operation of multiple service centres for the supply of basic needs and the processing and marketing of products, etc., are aimed not only at increasing the production of the under-developed country but also, and much more important, at bringing about an improvement of the level of living of the members. This improvement is not only material but also social, since it includes within society people who previously were marginal to it and, therefore, powerless to get an adequate payment for their work in a world from which they were far apart.

That is to say that, besides a better distribution of income (modifying the economic organisation or structure), the citizen's dignity is heightened and he begins to exercise his rights within the society in the politico-economic sphere.

Likewise, experience has shown that

co-operatives facilitate the execution of national development plans helping the rapid increase of productivity in many sectors, in which the economies of scale permit the grouping of small producers in co-operative associations and thus reduce the costs and improve the quality.

Positive Results of Co-operative Action in Developed Countries

Without going into exhaustive evaluations or complex quantifications, for which we have no sufficient data, we shall present our case based on proved experience.

The co-operative association has proved its effectiveness as a socio-economic instrument with the flourishing of co-operatives in the highly developed countries of West Europe and in the United States of America.

It is precisely in the United States of America, where co-operatives have been subjected to the most difficult tests in order to “compete”, or co-exist, with the great and powerful corporations which exist in all fields of activities in the production of goods and in rendering services.

In the United States, we can give as evidence the existence and strengthening of:

1. A system of agricultural co-operative Banks made up of 12 regional Banks and a central Bank in Washington, D.C.
2. A system of rural electricity co-operative societies which serve a total of 24 million persons in 900 co-operatives.
3. Various insurance co-operatives, some of which are very powerful, covering practically all kinds of risks.
4. Co-operatives for agricultural production for packing or processing of food, for the manufacture and distribution of fertilisers and other products.
5. Strong chains of consumer co-operatives which compete with the large super-market chains.
6. A strong organisation of thrift and credit co-operatives (Credit Unions).

Thus, this situation is due to the fact that the association, as a whole,

assumes the raising of activity of its members to a level of "economies of scale" which opens to them the doors for a much higher economic potentiality, both for efficiency in the carrying out of their activities and for improving their eligibility as applicants for credit.

What has been said above shows the viability of utilising the "co-operative association" as a legal and entrepreneurial structure in the realisation of the most varied types of economic activities in a highly developed country. But, when we look at Latin America, we have to ask ourselves whether this would be the most commendable formula for accelerating the development of the countries with the smallest per caput income, whereas it could be determined that the only thing which would result in those countries would be just a combination of insufficient resources, a problem with which a substantial part of their population, both in the rural and in the urban sectors, is struggling. This is true in many of the region's countries.

But, what is not certain is that the association, in co-operatives, of those strata of the population with the least income, would be only an association of poverty. Experience has shown that, when one proceeds correctly in its development and organisation, the co-operative results in an economic and financial total or value superior to the simple sum of the economic resources of its members considered individually. The availability of resources or the economic capacity, if measured individually, may not reach the minimum required for a project or investment, but, by adding those of several individuals, one attains the level which makes the project or investment viable from the technical, economic and financial points of view. Zero multiplied by twenty is zero. But twenty small contributions united make the carrying out of *one* economic project possible.

Co-operation as an Economic System

Really, and up to the present time, co-operation cannot be defined as an economic system totally different and apart from the so-called "price system and market economy", although it can be affirmed that it is a radical modification of this, inasmuch as competition—as the "means"—and profit—as the "goal"—are subordinated to the interests of the social community, or even eliminated. Therefore, co-operation could be defined as an economic system of *social market*.

Although this distinction is somewhat subtle, it does not lack real significance, inasmuch as co-operation supposes a *transformation of the enterprise*. From an organisation of capital it becomes an organisation of people for the service of people.

The co-operative is not a private enterprise in the usual sense of this term, since it is generally an *enterprise open to those who wish to join it*, with the only and natural limitation of their specialisation or activity. Nevertheless, one should point out that the co-operative forms part of the so-called private sector, that is to say, the counterpart of the Public or State sector.

Likewise, in an economic system which is predominantly co-operative, the optimum condition of money is that it should be a neutral element; that the monetary unit should fulfil its basic purposes of being a general means of exchange and payment, a general standard of value and means for the conservation and conveyance of value; but that it should not in itself generate any influence on the economy. It would be possible, if the monetary authorities were to limit the volume of money to the needs of purchasing and selling goods and services, without artificially creating the need for State or individual expenses, thus permitting the price system to operate adequately as an instrument for measuring real and constant values.

Inflation and Co-operatives

by Walter Sommerhoff

1. Inflation and its Effects

Inflation, which is a general problem in almost all economies, is seen in a more intensive form in the majority of developing countries. A number of factors may be indicated as causes of inflation in these nations: apart from a lack of financial discipline, we may also mention, amongst others, their low rates of saving as compared with investment requirements; the external impact of advertising which stimulates consumption beyond the real economic possibilities and at especially high levels; political instability with the consequent lack of confidence in the national currency or external economic dependence; and an unstable balance of payments. The negative effect of inflation lies principally in the fact that it reduces the mobility of resources, destroys their correct evaluation, disguises the true income from operations, discourages savings and distorts decisions.

The action of co-operatives is especially affected by a fall in the purchasing power of money. Co-operatives involve co-ordinating productive factors in the most equitable form and giving a service for the advancement of community interest. The lack of a stable measuring stick for evaluating properly over a period of time the costs of various productive factors makes it extraordinarily difficult to produce the desired impartiality. On the other hand, co-operative development depends on the accumulation of savings and this saving has no other incentive than the

service which it finances, since the capital does not participate speculatively in the success of the co-operative operation.

2. Maintenance of the Real Value of Capital

Traditional commerce protects itself against rises by increasing prices of already existing products and, when rises are anticipated, tries to accumulate more goods at the old cost price. Industries do the same with raw materials. The profits obtained by these methods pass to shareholders and maintain the real value of shares.

In the co-operative, this procedure is not applicable. Nevertheless, the ICA Commission which, in 1966, revised the Co-operative Principles, agreed that systems of evaluation of contributions could be introduced so that the real value of members' savings could be safeguarded in a just form and the co-operative might not lose capital.

In order to be able to apply this system, the co-operative should undertake a revaluation of its assets. The latter, in general, consist of buildings, installations and equipment (fixed assets), raw materials, goods and credits.

The revaluation of the fixed assets can be made in the balance-sheet according to their commercial value and with an increase in value not higher than the fluctuation of the indices by which inflation is measured (generally the cost of living index).

In the case of stock, the operation becomes complicated. Of course, co-operatives ought to establish a price policy for this based on the cost of replacement. That is to say, as factories or suppliers increase their prices, so the co-operative ought to readjust the cost of its stock-in-hand and sales price. From the accounting point of view, this involves charging at the moment of each rise the difference between the real cost and the new price of the item multiplied by the stock-in-hand, which is credited to a "Revalorisation Fund". If there is a system for costing each sale, one will proceed to do it at the price for replacing goods on the day of the sale. At the end of the fiscal year, the account for the goods will automatically show a surplus which is transferred to the Revalorisation Fund.

3. Readjustable Credits

The problem of inflation affects credit systems in a special form, since, in a co-operative organisation, which grants loans or distributes credit, the repayment of the latter in a devalued currency obviously produces a reduction of real value.

Another way of looking at the problem is that the payment of a credit which has been granted for investment purposes comes from an act of savings, which we can call "post-savings" or "savings ex-post", i.e., after the investment (house, equipment, agricultural infrastructure, etc.). The refund of a credit in a coin of less purchasing power involves, from this point of view, a reduction in savings.

The only way to correct these defects while inflation continues is to introduce the system of readjustable credit. The three most common forms of doing this are:

(1) To include in the cost of the credit separately from the current interest a surcharge or readjustment equivalent to the inflation anticipated according to past experience. This system is recommended for short-term credit (less than one year);

(2) to readjust annually the indebted balance of the credit to a percentage equal to the monetary fluctuation. The readjustment increases the monthly amortisation and interest payment by a similar percentage. This formula is employed for medium- and long-term credit (more than one year); or

(3) to include in allocations to credit an overcharge of price which is considered as compensatory for the inflation.

The funds coming from this surcharge or from readjustments and overcharges of price are credited to a "Revalorisation Fund", which serves to revalue the owned funds (contributions and savings of members and accumulated reserves).

4. Inflation and Efficiency

Inflation also carries with it the danger of concealing inefficiency, since it is easy in times of price rises to represent the differences produced by these rises as a surplus, i.e., a positive result of operations.

There also exists a negative effect, if a co-operative is the beneficiary of the reduction in value of a loan obtained for its operation. In general, the repayment of the loan is accomplished by means of an internal capitalisation, i.e., an accumulation of savings or economies produced in the operation, which permits a substitution for the resources obtained by means of the loan. If, owing to inflation, the real value of the repayment of the latter is reduced, the savings effort necessary to compensate for this amortisation will be reduced at the same time. Experience has shown that, for reasons of profit, the co-operative starts to operate at a level of lower efficiency, since its requisitions are less than they should in reality be, thus, in the long run, negatively influencing its development. Consequently, the benefit of inflation in this case is only apparent but not real and, in the end, both the institution, which granted the financing, and the co-operative itself lose; and, if the first belongs to the co-operative move-

ment, this also, of course, works to the detriment of the movement.

5. Experiences

In Chile, some experience with readjustment systems has been acquired and we can say that it has been positive. We ought to make it clear, however, that the readjustment system is only a palliative for inflation and, at no time, can it counteract its negative effects. The need for eradicating inflation is not eliminated, but this is a problem of the general economic and financial policy of each country.

Some basic aspects which are involved in operating a readjustment system will be briefly indicated:

(1) It is necessary to distinguish clearly between readjustment and interest in order that the two concepts should not be confused and that the capital should be revalued with the readjustment which proceeds from the revaluation of real estate, stock-in-hand, debtors or other readjustable assets, while interest is used as money received for financing the business itself.

(2) The readjustment should be determined by an index which inspires confidence and, as far as possible, it should be a single one, based on internal fluctuations of prices: either the cost of living index, the wholesale price index or that of earnings. Use should not be made of indices of factors which are subject to economic manipulation, such as changes of foreign currency.

(3) The interest rates ought to be reasonable and the amortisation terms broad, taking into account that, in the service period of the loan, the repayment capacity of the debtor can be less than anticipated, owing to the fact that, in an inflationary process, the increase of income of the co-operative or of its members may be less than the readjustments.

(4) One ought to have much clarity and information on the probable amount of the readjustment in such a manner that, when it is collected, it does not come as a surprise.

6. Problems

One of the problems confronting co-operatives when they wish to put into practice a system which would protect them against inflation is that the market, in which they operate, is not accustomed to such measures and its operation comes as an exception. If, for example, there exist governmental or private banking institutions which grant credits to the co-operatives without readjustment, even though the amount of the latter is insufficient and at high interest rates, it is difficult to convince co-operatives that they should accept credit readjustment systems for their own financial institutions. The same thing occurs at the level of savings and credit co-operatives or co-operative Banks, which grant mortgage loans, if the public in general has access to loans of this kind without readjustable provisions.

Another problem presents itself if different co-operatives or various credit organisations generally adopt differing readjustment systems, which operate, for example, by using other indices or readjustment formulae; all of this brings confusion or makes the comprehension of the system difficult to the interested parties.

There may also be legal problems which make the readjustment seem like the collection of an usurious interest.

For these reasons, it is very important that the co-operative movement as such should adopt a single criterion when confronting the problem of readjustment as a palliative for inflation and should try to obtain legislation which would introduce a set system which would be honoured not only by co-operatives but also by the private and public sectors.

7. Conclusions

Co-operatives should be fully aware that their interests and those of each member are one and the same where those matters which have united them in an entity of this nature are concerned. At the moment of applying readjustment systems internally in co-operatives, this does not imply that

third parties can benefit from the payment of these readjustments or from higher prices resulting from adoption of the concept of monetary devaluation; it is they themselves who benefit by a better ordering and directing of their activities. In fact, the system obliges them to maintain a better balance between their own savings and consumption. The payment of a credit in a devalued currency or the purchase for the co-operative of merchandise at an old price means simply that it will use up the savings of the members themselves.

It is, consequently, necessary that the leaders of co-operatives and their members should have a good understanding of the matter and should seek to establish systems which protect them against the effects of inflation.

A very simple first measure which, in my opinion, should be adopted by each

co-operative upon making its end-of-year balance-sheet is to compare the funds which they have at that time with those which they had the previous year, adjusting the figures to show money of equal purchasing power. In other words, they should see if their own funds (contributions, savings and reserves), which they have at the end of the fiscal year are higher than the same own funds which they had at the end of the previous fiscal year, increased by the fluctuation of a representative index of inflation (price or cost of living index), plus the new contributions received in the course of the fiscal year. If it is larger, only then can the co-operative be sure that it has not been under-capitalised and that capital has not been distributed as a surplus resulting from the effects of inflation on the economy.

CONGRESS PROCEEDINGS

The official report of the proceedings of the Eastbourne Co-operative Congress, 1971, has now been published. This report, in booklet form, includes the President's Address given by Mr Gwilym Williams, and a complete record of the debates, resolutions and voting.

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Co-operative Insurance

by Dr Arturo Vainstok

The object of this study is to attempt an analysis of the most general aspects of the social and economic functions of the co-operative insurance and the way in which it operates, drawing special attention to the Latin American experience and particularly to the Argentine case, where the co-operative insurance has been increasingly developed for more than seventy years and presents very interesting aspects.

The co-operative insurance may be studied from two points of view: (a) as an autonomous experience within the co-operative economy; (b) as a factor that operates in the process of co-operative integration. It is necessary to clarify some concepts in order to facilitate their comprehension.

The functioning of the co-operative insurance must be analysed within the existing structures of the co-operative economy in order to get an exact definition of its theoretical position. Although it is obvious that co-operative insurance is included within consumer co-operation (services to the consumer), it was attempted, in some cases, to make distinctions in the term of the object of insurance answering to an erroneous concept of the nature of insurance and its technical function. The reference to the theoretical position of the co-operative insurance has a practical importance in relation to the existing legal management of co-operatives in some countries. Without forgetting the technical risk involved in any attempt of classification, it will be useful to consider

briefly this aspect. Three basic structures can be distinguished in the present co-operative economy: (1) *consumer co-operation*; (2) *production*; (3) *cultural activities*, technically organised on economic bases, in a specific way, in other words, they are marginal to those which usually consumer and producer co-operative entities perform. It is of interest to dwell on the consumer sector, for it is that which includes co-operative insurance.

The consumer co-operative comprises goods and services. A brief synoptic table would illustrate the concept better:

1. *Consumer goods:*
of immediate use;
of durable use.
2. *Services to the consumer:*
Insurance of people and goods;
Credit (Savings Societies and Banks);
Telephones;
Urban and Rural Electricity;
Urban paving;
Roads in agricultural areas;
Various Public Services in agricultural and urban communities;
Construction of Co-operative Houses.

It is clear that, when the users, instead of organising themselves as consumers of services, do so as workers and technicians in order to work co-operatively

on the construction of houses, roads or other public works, or for providing a specific public service (for example, transport), they are now within the work or production sector of co-operation. The distinction does not present a conceptual difficulty.

As far as this century is concerned, the practice of co-operative insurance has spread throughout industrially developed countries, in developing countries and also in the so-called less or under-developed countries. That means that it is a valid experience for all countries and can be carried out wherever attempted, if the corresponding technical prerequisites are taken into account.

The historical experience shows that the co-operative insurance movement emerges at an advanced stage of the national co-operative development. But this is not so in all cases. In Argentina, for example, which has at present the most significant co-operative organisation in Latin America, the type of co-operation which was to last, started with co-operative insurance in order to cover a risk for agricultural operations—the hailstorm—organised by a group of farmers of French origin settled in the area of Pigüé in the Province of Buenos Aires. This primitive co-operative, founded on the 1st October 1898, continues to fulfil its purpose efficiently.

But the Argentine experience must not be taken as a characteristic feature of co-operation in Latin America, inasmuch as seventy years later, the first insurance co-operative was founded in Colombia by a resolution of the Assembly of the Colombian Association of Co-operatives (ASCOOP), namely, it was a sign of the development of the co-operative structure in that country.

The co-operative insurance usually appears in more or less homogeneous communities (groups of unions, artisans, farmers, small- and medium-scale industrialists, diverse sectors grouped together because of their economic activity).

The most common experience is that communities group themselves primarily to cover the professional risk which mainly preoccupies them. Later, the original nuclei widen their bases and enlarge the number of risks which they cover and their fields of the operation. This legitimate expansion is justified by the technical principles of diversification of risks and reduction of operative costs.

The co-operative insurance takes from the insuring technique in force the general patterns arising from mathematical and actuarial principles. But the ways are divided in two with regard to the objects of the insuring activity: for the commercial insurance, *the objective is naturally the profit*, which results in benefits for the investors, the shareholders; on the other hand, in the co-operative insurance, *the objective is social service*, carried out at a fair price; and the surpluses, if there are any, are distributed to the associated users in proportion to the services they have utilised.

The experience of a great number of countries shows that the insurance companies have tried by all means to obstruct the development of co-operative insurance, using all available arguments. Nevertheless, the practice of co-operative insurance has not stopped its expansion in the world, increasing continually its membership and the volume of its operations.

A brief explanation of this process of expansion of the jointly liable insurance practice may be useful. It is relevant to remember the concepts explained by the President of the First Argentine Congress of the Insurance Co-operatives and Mutual Societies, held in Buenos Aires on the 20th July 1960, with the participation of Professor Georges Lasserre. It was then expressed that “man, by the mere fact of living and, as regards his activities, is surrounded by risks, progresses within risks. The theory of risks has established the probability index and determined the methods of adequate coverage on technical bases. From the determination of the risks

and the probability coefficients emerges the theory of insurance and the applicable technique. That insurance activity can be performed by enterprises established by investors who pursue their business; or else, it can be implemented by the users themselves, adjusting themselves to the suitable technical principles, with no other purpose than to satisfy the needs for protection against foreseen risks by means of adequate systems of indemnification for the damages which may occur; the reciprocal assistance takes in this case the form of co-operative or mutual society." As was said on the same occasion, "the system of a jointly liable insurance adjusted to technical norms, subject to the control of competent State organs, follows from indisputable rational premises of a highly moral content."

The consistent analysis of the problem necessarily leads to the conclusion that co-operative insurance is the rational answer to human risks which correspond exactly to the natural mutuality which is the technical basis of the insurance organisation. Instead, the commercial enterprise, which runs the insurance business, follows from the historical circumstances of the capitalist structure of the present industrial society, namely, it is a legitimate but not necessary enterprise. In other words, the co-operative insurance corresponds to the social evolution of human risks; the commercial insurance enterprise expresses a historically conditioned experience.

In the same way as the co-operative organisation covers all the areas of economic activity, the co-operative insurance can cover all kinds of risks and operate adequately, according to the needs and legal dispositions in force in each country. With regard to the co-operative insurance movement within the ICA, R. Lemaire recalled at the 24th Congress, held at Hamburg in September 1969, that the Insurance Committee had 57 affiliated societies from 25 countries and that the Re-insurance Bureau had negotiated 541 re-insurance agreements between co-operative societies.

The co-operative organisation, the technical plans and the insurance operations, as well as the capital investments and reserves, must be adjusted to the provisions of national internal law, to the existing regulations and resolutions passed by the corresponding control authority.

Given the nature of the insurance activity, a level of technical training and a certain number of necessary conditions are required from the leading teams, perhaps to a higher degree than for the managing of other types of co-operatives. A strict criterion is imposed for the selection of those who are responsible for the technical and administrative management, as well as for the team of advisers, who must add co-operative vocation to the competence in their speciality.

In the insurance co-operatives—and, therefore, in those organisations which group them—the techniques of the improvement of the insurance operation and the possibility of new plans or better coverages of risks must be permanently studied, because these are institutional objectives. It must be recalled that the commercial insurance only obtains better business; but the co-operative insurance, besides its operative efficiency which results in lower costs, seeks to provide better services for the members of the co-operative community.

Precisely because the co-operative insurance can cover all kinds of risks, it is capable to fulfil its useful task in all regions of the world, whatever the level of their economic development may be. The artificial increase in the number of organisations is not advisable; it is preferable to strengthen those which can constitute themselves with reasonable viability. The consolidation, useful in all co-operative sectors, is especially suggested for that of insurance.

In Latin America, the co-operative insurance is called upon to attain an important development in the next few years.

It has reached a greater level of expansion in Argentina, where it has been

active for more than seventy years, as already mentioned. Argentina set perhaps a unique example in the world, because the now existing co-operative movement started with an insurance co-operative in 1898 in an agricultural area, where, not many years before, one still struggled with the Indians. Presently, there are 70 insurance co-operatives and mutual societies functioning, which cover all risks and the amount of their direct premiums, net of deductions, represented (between the 1st June 1968 and the 30th June 1969) 18.2 per cent of the total of the country (including the commercial companies, the State enterprises, and agencies and subsidiaries of foreign insurers). Co-operative insurance is the sector with the largest maintained growth and a constant money value since 1960 in the field of this activity. It was noted that, in relation to the population (slightly more than 23 million inhabitants), the number of organisations is perhaps excessive, without forgetting that the area of the country's mainland extends over nearly 3 million square kilometres. At any rate, these are historical data and are recorded as such.

During the last few years, an interesting co-operative insurance movement began its development in Chile. The same can be said of Peru about its two active co-operatives. In that country, remarkable enthusiasm and desire for technical improvement can be noticed.

It is interesting to record the experience of Ecuador. At the conclusion of the 7th Annual Assembly of the FECOAC, the founding meeting of the first insurance co-operative of this Andean country took place.

On the 3rd June 1970, the "Superintendencia Nacional de Cooperativas de Colombia" (National Superintendence of Co-operatives in Colombia) adopted Resolution 689, by which the Insurance Co-operative "La Equidad" was granted legal status; it is the first of this type established in the country and has already begun its operations. This Co-operative was founded

by a Resolution of the 8th Assembly of the Colombian Association of Co-operatives (ASCOOP) at Cartagena. It can be said that this decision expressed a perfect way of celebrating the first ten years of action by the central organ of the co-operative movement in Colombia.

In Bolivia and Honduras, co-operative insurance appeared in conjunction with the national associations of credit co-operatives and has developed successfully. An insurance co-operative was likewise founded in Bolivia in 1967 additionally to the existing one.

Possibilities in Jamaica, Costa Rica, Panama and Guyana are being studied. The efforts made in these countries in favour of the co-operative insurance should be followed and assisted. This was the purpose of the Seminar held in Buenos Aires this year.

Co-operative insurance in Latin America will receive great encouragement from the first Latin American Seminar on Insurance Co-operatives, held in Buenos Aires from May 16th to 24th, 1971, convened and organised by the Argentine Association of Insurance Co-operatives and Mutual Societies, sponsored by the Insurance Committee of the International Co-operative Alliance, the Swedish Co-operative Centre and the Organization of American States. The object of the Seminar was to promote "throughout the existing organisations the co-operative insurance in the Latin American countries, which do not have specific institutions, and to further also the improvement of the existing insurance co-operatives through the interchange of experiences". This initiative carries along a large-scale elaboration and is being put into concrete effect in Argentina this year, counting on technical resources and human needs in order to organise efficiently a useful seminar to obtain the set objectives.

At the Conference of the Insurance Committee, held in Hamburg in August 1969, Robert Vanderbeek, spoke on the theme of "Recent Developments in the

Latin American Co-operative Insurance"; and, in the course of his exposé, the Chairman of the Insurance Development Bureau of the ICA, Mr Klas Back, anticipated the organisation of a seminar on co-operative insurance in Buenos Aires.

The work programme for this seminar was to be planned to develop a theoretical analysis of eight basic subjects, followed by practical work to take place in co-operatives specialised in different risks, to which the participants in the seminar would be sent in accordance with their interests and ability. Finally, a general evaluation of the theoretical and practical work would be undertaken, with special reference to the possibilities of promoting the co-operative insurance in the countries of origin of the participants in the seminar.

The theoretical subjects would be the following: (1) Co-operative Insurance in the World; (2) Co-operative Insurance in Latin America; (3) Co-operative Insurance in Argentina; (4) General Problems of Organisation of Insurance Co-operatives; (5) Technical Problems of the Co-operative Insurance; (6) Re-insurance; (7) Problems of Insurance and Co-operative Legislation in the Private and Public Sectors; (8) Tax Problem. There would be an introduction to each subject, a co-ordinator would be acting and, in addition, there would be collaborators responsible for the work at the seminar relating to the profitable progress of the developments of each analysis, which would further the work of the participants

and facilitate their practical experience in the co-operative, where it would be put into effect. Transport to the interior of the country for experience in agricultural insurance had equally been foreseen. Such an effort would have to be adequately carried out in order to yield its fruits in the expansion of co-operative insurance and in the practice of co-operation in Latin America.

Co-operative insurance has a fundamental function to fulfil in the process of integration of the co-operative economy. It is technically similar in its present stage to that which the commercial insurance has in the structure of the economy of the capitalist industrial society.

In many countries, it is necessary to undertake an intensive educational campaign within the co-operative sector so that the function of the jointly liable insurance is understood.

The co-operative economy should cover its risks through the co-operative insurance organisations. In its turn, the insurance co-operative should enlarge and improve its operations in order to cover efficiently the needs of the co-operatives and of co-operators as a whole regarding personal injuries and patrimonial damages specified in comprehensive life insurance schemes, adapted to various cases. The process of integration of the co-operative economy requires the support of the co-operative insurance.

Electricity Co-operatives in the Argentine Republic

by José San Pedro
Administrative Manager

Federation of Electricity Co-operatives

In this article, we intend to give a description of the origins and evolution of electricity co-operatives in the Argentine Republic. The development of co-operative services of electricity in this country which, in the course of little more than 40 years, has proved its efficiency in more than 700 cities and towns, constitutes a perfect demonstration of the inexhaustible variety of possibilities offered by free co-operation for the satisfaction of collective needs.

Independent of the traditional merits which characterise the co-operative movement in general, excellently set forth in the Rochdale Principles, co-operation in the field of electricity services has other undeniable merits in Argentina:

1. The rendering of services of electricity, such as is known in this country, is a purely Argentine development. It has been developed in urban areas, different from the United States, for example, where the vigorous co-operative movement existing in the field of electricity is purely rural in its origin.

2. The Movement has forestalled the State in the task of recuperating for the national patrimony such a vital sector of the economy.

3. The first experiments with rural electrification in the country, truly pilot efforts, were carried out by the electricity co-operatives.

The Legal Instrument

Law No. 11.388, which regulates the constitution and functioning of co-operative societies, was promulgated on the 20th December 1926. Its legal text, undoubtedly conceived as a working instrument for the common man, has been pointed out as a model of precision, simplicity and efficiency. Within the brevity of its text, it has embraced with flexibility and wisdom the fundamental themes, contributing its force to the development of an important and vigorous co-operative movement.

By a happy coincidence, the same year, in which the law was promulgated, also saw the formation of the first electricity co-operative in the country.

Over-all Picture of Electricity in the Interior in 1926

Electricity services in important and medium-sized cities were provided by powerful private enterprises with international capital. The small villages, whose services offered limited possibilities for making profit, remained free for the entrepreneurial spirit of any resident or a group of residents who dared to undertake the adventure privately.

A statistical report of 1927 estimated that there were 620 power stations in the whole country, many of which did

not function continuously for some hours of the day and little more than half the night.

The use of electricity, much less diffused than it is today for obvious reasons, was, moreover, impeded in its diffusion by high tariffs. With a hard currency, the peso at US \$0.44, the electricity tariffs in the interior fluctuated between US \$0.40 and 0.60 per k.w.h.

The Great Enterprises with International Capital

The development of the federal capital and of the most important cities of the country stimulated the investment of foreign capital in the public services. Given the nature of the service provided, the system of concessions which converted it into a virtual monopoly and its evident ability to make profit, the electricity service offered sufficient stimuli to that type of investments in such a manner that various enterprises, backed by powerful international financial corporations, had installed or acquired the factories of the most important cities, extending later their field of action to medium-sized towns, paying for some factories prices which were considered as far too high.

The following organisations were operating in the country: the CADE Group, linked to the international SOFINA Trust; the ITALO Group, a unit of the international consortium MOTOR COLUMBUS; the ANSEC Group, owners of approximately 140 factories, connected to the MORGAN Organisation of the United States; the SUDAM Group, a branch of INTERCONTINENTS, to which the ownership of 80 plants was attributed; the SWISS Group with 20 plants and other minor organisations.

The labour legislation, although still in its initial stage, permitted the obtaining of cheap labour in the interior, contributing, together with the high tariffs, to assuring high profits for the enterprises.

Reactions of Public Opinion

The exaggerated greed for profit, which was evidenced by the lenders and their lack of consideration for the consumers, created feelings of collective hostility towards the majority of the enterprises. These reactions were channelled in some cases into movements for the recovery of the sources of electricity power, which were motivated by sharp economic nationalism and which were expressed in an action of a speculative type, undoubtedly contributing to informing public opinion on the irregular granting of important concessions. In certain sectors of these movements, some State tendencies were also encouraged which were later to manifest themselves vigorously.

Other reactions were manifested in the form of commissions "for the reduction of the electricity tariffs", whose efforts usually received angry negative responses from the enterprises. When they became aware of greater determination on the part of residents, enterprises tried to neutralise the most active ones amongst them by offering special tariffs or other kinds of concessions.

The First Electricity Co-operative

In that over-all picture, in which the trust enterprises defended their privileges in the presence of public reactions not yet organised, an initiative appears modestly destined to determine trends and to constitute the starting point for a popular movement of extraordinary results and incalculable proportions.

The industrious city of Punta Alta, situated on the Atlantic coast south of the Province of Buenos Aires, is like an extension of the naval base of Puerto Belgrano. Most of the inhabitants of that community were modest workers at the base referred to. They also suffered from a service which was deficient and expensive: tariffs of US \$0.50 per k.w.h., a minimum consumption of 10 k.w.h., the renting of an electricity meter at US \$0.50 monthly, etc. It must be remembered that the national

currency, the peso, had a real value of US \$0.44.

From conversations between a group of civil workers at the naval base and a technician from there emerged the idea of forming a co-operative, an initiative which became a reality at an Assembly, which took place on the 4th July 1926, when the entity was formally constituted.

The first Administrative Council was appointed on the 5th September 1926. At the end of one year, that group of courageous pioneers was able to plan, finance and inaugurate its own factory, initiating the rendering of service to 580 users who, by the end of the fiscal year, already numbered 825. The power installed was 300 h.p. in two electrogeneous groups.

The tariff was fixed at 0.25 pesos per k.w.h., which represented half of that which the trust charged. For several years, the co-operative had to share the rendering of services with private enterprises and suffered from a tariff war, in spite of which it could support itself.

The Example Spreads

The successful experience of Punta Alta spread rapidly. Groups of residents of other cities and towns became interested in this promising experiment and prepared themselves to emulate it.

The beginning was not easy. The trust realised the danger and decided to crush it by means of the "dumping" of tariffs, the issuing of costly publications containing diatribe against co-operation, and by using all its resources and contacts.

In the Province of Buenos Aires, the Government of Dr Fresco maintained a permanent state of aggressiveness against the electricity co-operatives, ratifying to that end Law No. 4742, with which, under the pretext of regulating the rendering of services, it was intended to discourage the co-operative movements in their initial stage and to destroy the existing ones. In certain cases in other provinces, blindness or ill will of the municipal authorities

themselves were coupled with the reluctance of the provincial authorities.

From those heroic times, an abundance of anecdotes has remained, and to quote them would go beyond the limits of this work. It would undoubtedly be useful to undertake the task of rescuing for the history of the movement episodes, such as that of Santa Rosa (La Pampa), which is almost legendary in the annals of the electricity co-operation, where, in order to save the concession granted to the growing co-operative, one had to improvise a temporary factory, operated with steam motors recovered from ancient thrashing machines, which functioned for some months until the final installations could be completed.

Progress on the Move

Meanwhile, the co-operatives, by means of their tariffs, were indisputably demonstrating their efficiency.

A study of that period indicates the following reductions in the tariffs obtained by means of co-operative services: in Almafuerta, from 65 centavos to 20; in Berrotarán, from 70 to 25; in Comodoro Rivadavia, from 65 to 22; in Los Cóncores, from 65 to 25; in Maipú, from 40 to 25; in Olavarría, from 40 to 20; in Pigüé, from 38 to 29; in Punta Alta, from 50 to 25; in Rufino, from 40 to 27; in San Antonio de Areco, from 42 to 23; in Santa Rosa, from 50 to 30, and so on.

The Second World War

The co-operatives, like other Argentine electricity services, underwent difficulties arising from the world conflict. The general difficulties encountered in importing material and equipment were aggravated in Argentina by the oppressive controls of, and obstacles to, imports and remittances abroad.

The situation described was prolonged by causes—the analysis of which does not pertain to the nature of this article—for a number of years even after the end of the war, thus delaying the equip-

ment and expansion of the electricity services in the country in general, and most particularly, in the co-operative sector.

Loans to Electricity Co-operatives

For many years, the electricity co-operatives had to finance themselves. The situation created by the war eliminated their initial credit sources, which were those same enterprises which provided equipment and materials.

The official and private Bank paid very little attention to the credit requirements of the co-operatives. During their initial period, the Industrial Bank granted some loans for the financing of installations. It is deplorable that this credit source was very quickly cancelled.

It could be pointed out that, in the last decade, the credit support of the Nation and the provinces to co-operatives has been strengthened. Outstanding in this aspect has been the National Office for Electricity and Fuel, which is today integrated in the Secretariat of State for Electricity, with its important loans for terms of 10 and 15 years for equipment and installations.

In addition, a programme of rural electrification with long-term credits and joint financing by the National Bank, the Secretariat of State for Electricity and the Inter-American Development Bank has been initiated.

Tariff Policy

The current inflation creates acute difficulties for the electricity co-operatives and is aggravated by a policy of price regulation and control which, applied to non-profit organisations, such as the co-operatives, does not make any sense.

For a good number of years, electricity co-operatives, doubly limited by the above-mentioned State controls and by a demagogic tariff policy for official public services, had to work with margins which were so reduced that they made the amortisation and renovation of their

equipment and the expansion of the services difficult.

Labour Policy

A disciplined trade union organisation and special political and social conditions in the country, amongst which we can name the indiscriminate functioning of the Special Compensatory Fund, which, for years, absorbed salary increases, and the creation of new jobs in order to maintain tariffs at the demagogic levels indicated before, distorted the characteristics of the associations of workers, creating privileges in favour of the electricity workers, which had burdensome results, especially for medium- and small-scale co-operatives.

Although in general, at least in theory, the authorities, but for rare exceptions, have declared themselves in favour of co-operatives, in certain sectors of enterprises and national and provincial divisions, there exist State tendencies which advocate the absorption of co-operative services by these organisations.

Evolution and Present State

We have sought to make the difficulties clear which the Argentine co-operative electricity movement has encountered in order to reveal the creative vitality of this movement which, in little more than 40 years, has demonstrated its aptitude of rendering service to all types of communities, ranging from small urban nuclei of 100 inhabitants to important cities of the order of 100,000 inhabitants.

In the last fifteen years, the development of co-operation in the field of electricity services has assumed sweeping characteristics. The Argentine co-operatives may justly claim for themselves the credit for having brought electricity services to towns which would not have been able to obtain them in any other way.

Besides the specific function of producing and distributing electricity, they have added other vital services for the community: distribution of electrical goods and appliances, sanitary services and

drinking water, paving, telephones, loans, pasteurisation of milk, etc.

The following table gives an idea in figures of the stages of this development:

<i>Year</i>	<i>Existing Co-operatives</i>	<i>Co-operatives Rendering Services</i>
1927	1	1
1942	79	52
1947	153	76
1952	213	145
1957	332	210
1962	585	367
1967	742	634
1969	721	656

The creation of large electricity-generating centres by the Federal Government and the provinces and, consequently the increasing construction of transmission lines have modified the traditional image of the Argentine electricity co-operative movement. The number of co-operatives which maintain their own generating plants is getting smaller all the time. The overcoming of the initial obstacles in the interconnected systems, their increasing extension and technical and economic advantages, which derive from their services, are conquering the initial resistance of co-operatives which, for understandable local reasons, symbolise their creative capacity through establishing their own generating plant.

Of 656 co-operatives in service on the 31st December 1969, only 301 maintain their own generating plant, according to statistical data provided by the Argentine Federation of Electricity Co-operatives.

Towards Co-operative Integration

The spreading of interconnecting systems is opening up a new prospect for the Argentine co-operative electricity movement: it is not only that co-operatives would be in a position to use their initiative and capacity for action to other activities when they are free from the complicated

problems created by generating plans.

Confirming their ability to adapt themselves to the new technical and economic nature of the service, spontaneous manifestations towards integration are arising in the field of electricity co-operation which tend to group the efforts of various communities, either by uniting various co-operatives within an interconnected system; or by creating their own systems of interconnection with their own resources or through loans from the Secretariat of State for Electricity and similar provincial divisions, and extending their services to small towns where no co-operatives exist, etc.

We consider that these spontaneous tendencies, suitably encouraged and orientated, will contribute to rationalise services and to make the functioning of the movement even more efficient within the present trends of co-operation towards new methods of action.

Rural Electrification

The trend towards integration which we have just described will undoubtedly favour the sound economic development of rural electrification by co-operative methods.

Some co-operatives have carried out, and are carrying out, promising experiments in this field, in various cases even prior to the existence of a rural electrification programme, financed by the combined resources of the National Bank, the Secretariat of State for Electricity and the Inter-American Development Bank.

From an analysis of the problem and from the experience so far gathered emerges the evidence that, except in zones which are divided up into very small and intensively cultivated areas, rural electrification, rather than being a profitable activity, is an effort towards development and promotion to be carried out by non-profit organisations, such as co-operatives which, through their spread in rural areas, constitute the best infrastructure for the development of the programme.

To the extent at which co-operative integration advances, giving the rural electrification the backing of the co-operative enterprises with growing economic potential, the task of bringing electricity to the rural areas will undoubtedly be facilitated.

Latest Figures

The following figures, taken from the statistics worked out by the Argentine Federation of Co-operatives with data up to the 31st December 1969, give us an idea of the development of the movement:

Co-operatives giving services	656
Towns served by Co-operatives	859
Investments in fixed assets (mortgages deducted and expressed in pesos) ..	19,815,942,740
Own Capital of the Co-operatives expressed in pesos	9,595,441,100
Number of consumers served by Co-operatives	609,250
Power installed in kwh ..	547,830
Kilowatt hours supplied in 1969	1,001,367,125
Value of electricity invoiced expressed in pesos	14,406,358,255
Workers employed by Co-operatives	5,880

The Argentine Federation of Electricity Co-operatives (FACE)

In 1939, the experience of Punta Alta was already more than a decade old. Electricity co-operatives had been formed in various cities and towns, initiating the rendering of services and others fully organised to make themselves ready to do so, demonstrating eloquently with facts the deceit of the entrepreneurial argumentation.

The gloomy initial predictions, with which those whose interests were affected greeted the appearance of the movement, were not fulfilled. Real and irreversible facts destroyed the mystery of the costs, the discussions on tariffs and the arguments about the lack of capital and appropriate technical management, and every time, the number of inhabitants who wanted to be

the masters of their own destiny in the matter of electricity services, grew bigger.

The need to rely on an organisation which would group the existing co-operatives, linking them for joint action and, at the same time, direct groups which were being formed, determined the creation of the Argentine Federation of Electricity Co-operatives, founded on the 12th November 1939 at an Assembly, in which 28 co-operatives participated.

The new organisation proposed an ambitious programme which included the carrying out of joint operations by the members, serving them as an agent for purchases and payments, providing advice on every field and promoting co-operatives and co-operative education.

The beginnings of the organisation were not easy, but the perseverance of the leaders and officials was asserted and consolidated their action, organising services of acquisition and distribution of equipments and of technical, legal and administrative advice, of attention to management, assistance in labour questions and many other services.

In 1958, the Federation inaugurated the initial stage of its own building, designed for offices and a warehouse for materials. In the same year, the storehouse for materials was set up, which undoubtedly signified a giant step in the development of the organisation. In the last fiscal year, the organisation distributed over 1,000,000,000 pesos worth of material to its members.

In 1964, the second and third floors of the building were added to the initial underground, lower and first floors and, in 1966, an adjoining building was acquired to enlarge the storehouse.

Through its various departments, the organisation fulfils the functions which its founders assigned to it. In addition to its annual Assemblies, the Federation promotes frequent meetings of its members on themes of common interest, prints publications and attends international meetings and congresses, occupying the place which

corresponds to the importance of the movement which it represents.

Conclusions

We have mentioned some figures referring to the electricity co-operatives and to the Federation which groups them. These figures are undoubtedly relevant to the general picture of the electricity services in the interior of the Argentine Republic.

It is certain that, in evaluating the work of the electricity co-operatives, one

must consider imponderable factors, impossible to express in figures. One of the most important is surely the experimental demonstration of the capability and aptitude of the people to free themselves from the exploitation of private capitalism and from the absorbing advance of State capitalism through the democratic method of free co-operation, opening new prospects and ways for the co-operative system in fields which appeared to remain closed to it.

The Co-operative Movement in Guyana

by A. A. Mohamed

Historical Background

Guyana has a "co-operative tradition". The Amerindians, the original inhabitants of the country, always had, and still have, the habit of helping each other with difficult undertakings requiring much labour, such as building a house, clearing a field for cultivation, hunting, fishing, etc. These were and are voluntary efforts to help each other in meeting specific needs. After emancipation, the former slaves worked and saved money which they used to make joint purchases of large tracts of land, which formerly were cotton and/or sugar plantations. On these large tracts of land, many of the coastal villages were built—in the ten-year period of 1839–1849, they had bought 38 villages co-operatively, covering over 15,000 acres of land at a cost of more than one million dollars. The indentured immigrants (the East Indians), who

succeeded the emancipated slaves on the sugar plantations, practised mutual help during and, to a considerable extent, after the end of their period of indenture; for instance, rice farmers "lent a hand" to each other in the planting and reaping of their crops, the development of drainage and irrigation, the building of houses, etc., a practice which has survived in many areas up to the present time.

The first Co-operative Society on the Rochdale pattern appeared at Victoria, the first village bought co-operatively by the former slaves in 1839. Victoria is 18 miles east of the capital city, Georgetown. Not much is known of how the Society at Victoria started. It was short-lived, and this effort was followed by a number of other consumer efforts which also did not last long.

During the 1930's, attempts were



Handicraft co-operatively produced by Amerindians and marketed through their Handicraft Centre and the Guyana Crafts Co-operative Society Ltd.

made to engage in formal co-operative consumer and credit ventures, but for one reason or another these failed.

In 1945, the first Government Co-operative Officer was appointed, who served in the Social Welfare Division of the Department of Local Government. His efforts were directed primarily towards establishing confidence and preparing the minds of the people for new ventures into formal and more permanent co-operative organisations. A programme of adult education under the slogan "Study and Save" resulted in the formation of a number of "savings unions" which provided the capital, knowledge and skills for twelve co-operatives, which were to be registered under the new Co-operative Law of December 1948.

The passing of the Co-operative Societies' Ordinance in 1948 and the

setting up of the Co-operative Department, with a Registrar and a field staff of five Co-operative Officers, were the result of a directive from the Colonial Office in London.

During the first 16 years (1948–1964) of organised Co-operation in Guyana, the Movement embraced a number of activities and gained ground through various types of societies: savings, thrift (school, rural and urban), credit unions, land (purchase and land lease), farm machinery and supply, consumer, fishermen, producer, marketing, housing, transport, workers (building trades and garment manufacturers), co-operative rice mills, and a number of societies classified as general purpose societies (community co-operatives).

On the 31st December 1964, the Movement, serviced by a limited govern-



Members of the Victoria Village Co-operative Society manufacturing clay bricks

ment staff of 19 and a Co-operative Union of voluntary workers, boasted a total membership of 42,551 in 567 societies, with savings totalling Guyana \$2,390,197 and a Reserve Fund of Guyana \$83,393.

The Co-operative Movement from 1964 onwards

The period from the 31st December 1964 to the 31st December 1969 has seen an increase in the number of societies from 567 to 805, in membership from 42,551 to 69,949, in shares and deposits from Guyana \$2,390,197 to \$5,580,267, and in Reserve Funds from Guyana \$83,393 to \$159,281.

Important advances in the Movement during this period were:

The study of Co-operative Principles and Practices was added to the curriculum of the Teachers' Training College from 1965, with both pre- and in-service students being involved.

A building to house the Co-operative Training Institute was erected by means of self-help and declared open on Independence Day on May 26th, 1966.

The Guyana Co-operative Credit Society Ltd., a secondary body designed to provide banking services for its member societies, was registered towards the end of 1966 and can be regarded as the pioneer of the Guyana National Co-operative Bank.

With the assistance of the External Aid Office of the Government of Canada, a feasibility study of consumer co-operatives was carried out in the country in 1966. This led to the organisation of the National Consumers' Co-operative Society in the capital city of Georgetown, with a branch at the bauxite town McKenzie (now named Linden after the Hon. Prime Minister Linden Forbes Sampson Burnham).

The Consumers' Co-operative Movement was strengthened by the creation of six Co-operative Women's Guilds. Their main function was to aid the development of the Consumers' Co-operative Movement.

A structural reorganisation of the Co-operative Division was carried out by the creation of five new specialist posts of Assistant Chief Co-operative Officers to cope with the increasing demand for expert advice in agricultural production, commerce and marketing, education, industrial, housing, transport and other types of societies.

The Guyana National Co-operative Bank was opened on the 24th February 1970, the day after Guyana became the

world's first Co-operative Republic.

The National Self-Help Road Project was launched with the building of a 122-mile long road to link Guyana with its south-western neighbour, Brazil.

A clay-bricks project on a co-operative basis was started as the main source of building low-cost houses and government buildings.

The Concept of the Co-operative Republic Guyana, 83,000 square miles in area and with a population of 714,000, is a typical developing country. Its major economic and social problems arise from reliance on two basic crops, rice and sugar, on the mining of bauxite, unemployment and under-employment, inadequate housing



Student Members of a School Co-operative Thrift Society preparing Records of Co-operative Shop run as Trading Project

and a vast unexplored *hinterland*. To diversify its agriculture, to integrate the bauxite industry with all the various linkages it offers, to provide good, low-cost and adequate housing to the majority of the Guyanese people, to gainfully employ the unemployed, to populate the *hinterland* and explore and gainfully exploit its rich mineral and timber resources, all these need capital, initiative, hard work, and skilled and trained personnel.

Foreign aid is too expensive a commodity. The Guyanese people believe that self-reliance, mutual help, hard work, training, the acquisition of new skills and new attitudes, based on the dignity of the human person and the brotherhood of man, can aid in the economic and social reconstruction of the Guyanese society. They believe that the co-operative is the

only instrument through which the mass of the Guyanese people can be involved in the economic, social, spiritual and moral development of the nation.

In Guyana, developments are proving that there is no end to the ways in which the co-operative idea can be used and can be made to benefit the people in the everyday needs of life. The Guyanese see the co-operative ideal as achieving:

(a) A united Guyanese people with an ideology and culture of their own;

(b) economic reconstruction of the masses, whereby there will be no exploitation of the economically weak by the economically strong;

(c) a just society, in which the "small man" can share in the wealth of the nation by means of a decent wage, good housing, a measure of ownership, etc.;



Members and Staff working in the Factory of the Buxton Co-operative Garment Manufacturers' Society

(d) a society, in which the resources of the country will be exploited by the people for the benefit of all the people;

(e) social, moral and spiritual reconstruction of the society, in which the dignity of man and the sacredness of the

human person prevail;

(f) and finally, a society, in which a man will be able to rise to his fullest capabilities regardless of race, colour, class or creed.

The Editor of the ICA acknowledges with thanks the translations made by Dr Alan Berson from Spanish into English of articles in this issue.

Book Review

not required

Die Genossenschaften in Peru und ihr Beitrag zur wirtschaftlichen und sozialen Entwicklung des Landes ("Co-operatives in Peru and their Influence on the Economic and Social Development of the Country")

By Dr Günter Metzger. Published by Eukerdruck KG, Marburg/Lahn, Federal Republic of Germany, 1970, in "Marburger Schriften zum Genossenschaftswesen", Reihe B. In German, with 10-page Résumé in Spanish. 186 pp. Price DM 35.

This excellent study of the role of co-operatives in the development of Peru shows both the close similarities of the Peruvian co-operatives with those in Europe, at least in their formal make-up, and the unique features of these co-operatives, arising from special psychological, ethnographic, anthropological and religious factors in the local environment.

In fact, it can be established that the co-operative tradition in Peru dates back to pre-Inca days. Therefore, there are special problems involved in incorporating these ancient experiences in modern co-operative organisation, and on the solving of these problems will depend the future social and economic development.

The author first gives a general résumé

of the Co-operative Movement in Peru, illustrating the various stages of its development. An important stage was reached with the various stages of its development. An important stage was reached with the promulgating in 1944 of a special law to establish the legal basis for the organisation of co-operatives. The outstanding features of this law are supplied in the book, including a description of the five types of co-operation amongst co-operatives. In all, Peruvian law recognises twelve types of co-operatives, and statistics concerning the share capital and members of these co-operatives are provided. The book as a whole provides many data and charts which will be of use to the student of co-operation.

The book details the progress of development of the various types of producers' and consumers' co-operatives, and pays equal attention to the social and commercial aspects of the co-operatives. Special problems of the co-operatives, including those of financing and administration, are explained and studied in detail. Finally, the relation of the co-operatives to the over-all economic problems of Peru is analysed, as is the extent to which the Peruvian Government assists in the development of co-operatives within the over-all development plans of the country.

A.B.

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**International Co-operative Alliance
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Affiliated Organisations

Algeria: Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 6 et 8 rue du Cercle Militaire, Oran. Tel. 205-00; 237-75; 368-64; also at - 21 rue Edgar Quinet, Algiers, and 9 rue Mathurin-Régnier, 75 Paris 15e.

Argentina: Federación Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires. Tel. 28-5381/3.

Intercoop, Editora Cooperativa Limitada, Rivadavia 4426 (1er piso), Buenos Aires. Tel. 99-3193.

Asociación Argentina de Cooperativas y Mutualidades de Seguros, Belgrano 530, 5 Piso, Buenos Aires. Tel. 33-0222/7138.

Federación Argentina de Cooperativas de Crédito Ltda., Pueyrredon 468, 2 Piso, Buenos Aires (RC 24). Tel. 86-6283.

Australia: Co-operative Federation of Australia, President's Office: 50-54 Ferry Street, South Brisbane, Queensland 4101. Tel. 4-5083.

Secretariat: 569 Wellington Street, Perth, Western Australia 6000. Tel. 21-0191.

Austria: "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, A-1061 Vienna VI. Tel. 57-75-38.

Membership (1967): 476,200; turnover: retail trade: Sch. 4,646 mill. (thereof consumers' societies: Sch. 3,895 mill.; department stores: Sch. 713 mill.; other retail trade: Sch. 38 mill.); wholesale society (G.Ö.C.): Sch. 1,821 mill.; own production: consumers' societies: Sch. 472 mill.; G.Ö.C. and subsidiaries: Sch. 415 mill.

Bank für Arbeit und Wirtschaft A.G., Seitzer-gasse 2-4, Vienna 1.

Zentralkasse der Konsumgenossenschaften, Theobaldgasse 19, Vienna VI.

Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, 1, Bösendorferstrasse 7/11, 1010 Vienna. Tel. 65-71-63; 65-13-25.

1969: Affiliated organisations: 301 (comprising 189 societies and 112 associations); membership: 146,767; dwellings administered: 310,124 (comprising 136,462 societies and 173,662 associations); balance at 1968: 45.2 milliard Sch. (divided as to societies 22.2 milliards, associations 23 milliards).

Österreichischer Raiffeisenverband, Seilergasse 16, Vienna 1. Tel. 52-69-34.

Belgium: Fédération belge des Coopératives (FEBECOOP), 26-28 rue Haute, Brussels 1. Tel. 13-28-60; 11-83-50.

Affiliated consumers' societies: 21; membership: 300,000; turnover (1968): Frs. 4,180 mill.; shops: 1,409; Wholesale society turnover (1968): Frs. 1,272 mill.

Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151 rue Royale, Brussels 3. Tel. 18-80-80.

Premiums (1966): Frs. 1,903 mill.; reserves: Frs. 6 milliards; insurance funds, life: Frs. 20 milliards.

Fédération Nationale des Coopératives Chrétiennes, 135 rue de la Loi, 1040 Brussels 4. Tel. 35-60-90.

(1967): 1,250 shops; turnover: Frs. 1,430 mill.; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 mill.; reserves: Frs. 1,300 mill.

L'Economie Populaire, 30 rue des Champs, 5300 Ciney (Namur). Tel. (083) 228-01.

Branches (1970): 466; membership: 98,456; turnover: F.B. 1,319,000,000; savings deposits: F.B. 380 mill. + 340 mill. CEP (Private Savings Bank, Ltd.); capital and reserves: F.B. 208 mill.

L'Institut Provincial de Coopération Agricole, 42 rue des Augustins, Liège. Tel. Liège 32-36-52.

OPHACO (Office des Pharmacies Coopératives de Belgique), 602 Chaussée de Mons, Anderlecht-Brussels. Tel. 22-56-90.

Union of 28 co-operative 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.

Centrale des Caisses Rurales du Boerenbond Belge (CERA), Minderbroedersstraat 8, 3000 Leuven. Tel. 016/279.31.

Bulgaria: Central Co-operative Union, Rue Rakovski 103, Sofia. Tel. 7-83-11; 8-03-11.

Central Union of Productive Co-operatives, Boulevard Dondoukov 41, Sofia. Tel. 88-45-90.

Cameroon (West): West Cameroon Co-operative Association Ltd., P.O. Box 135, Kumba, Meme Division, West Cameroon. Tel. Kumba 251.

Canada: Co-operative Union of Canada, 111 Sparks Street, Ottawa 4, Ont. Tel. 232-9657.

A federation of English-language co-operative organisations, organised in 1909.

Conseil Canadien de la Coopération, Case postale 58, Station N, Montréal 129. Tel. (514)-866-8048.

Ceylon: Co-operative Federation of Ceylon, P.O. Box 1669, Co-operative House, 455 Galle Road, Colombo 3. Tel. 85496.

Chile: Federación Chilena de Cooperativas de Ahorro y Crédito, Ltda., Dieciocho 246, Clasificador 760, Santiago de Chile. Tel. 61373.

Cooperativa Sodimac Ltda., Casilla 3110, Santiago de Chile. Tel. 734023.

Cooperativa de Empleados Particulares Ltda., Teatinos 601, Casilla 424, Santiago de Chile. Tel. 82935.

Instituto de Financiamiento Cooperativo, IFICOOP, Ltda., Agustinas 853, Of. cina 547, Casilla 1118, Santiago de Chile. Tel. 398253.

Unión Cooperativa de Seguros (Ucoseg) Ltda., Moneda 1040, of. 704-705, Santiago de Chile. Tel. 81295; 65100.

Colombia: Cooperativa Familiar de Medellín Ltda., Calle 49, No. 52-49, Medellín. Tel. 45-00-55; 41-71-13; 41-53-78.

Congo, Democratic Republic of: Centrale Générale des Coopératives Angolaises, B.P. 6039, Kinshasa I.

Cyprus: Co-operative Central Bank Ltd., P.O. Box 1447, Nicosia. Tel. 62921; 62677; 63311.

Cyprus Turkish Co-operative Central Bank Ltd., P.O. Box 791, Nicosia. Tel. 4257.

Vine Products Co-operative Marketing Union Ltd., P.O. Box 314, Limassol. Tel. 2331; 2872; 4582.

Czechoslovakia: Ustredni Rada Druzstev, Tesnov 5, Prague 1. Tel. 621-54; 647-51.

Denmark: De samvirkende danske Andelskaber (Andelsudvalget), Vester Farimagsgade 3, DK-1606 Copenhagen V. Tel. (01)12-14-19. 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.

Det Kooperative Faellesforbund i Danmark, Kronprinsensgade 13, 1114 Copenhagen K. Tel. (01)12-22-62.

Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprising consumers', workers', artisans', productive and housing societies, etc.

Faellesforeningen for Danmarks Brugsforeninger (FDB), Røskildevej 65, Albertslund. Tel. (01)64-88-11.

Affiliated societies (1969): 1,742; members: 839,000; turnover: 4,032 mill. D.Kr.; wholesale turnover: 2,198 mill. D.Kr.; own production: 741 mill. D.Kr.

Finland: Suomen Osuuskauppojen Keskus-kunta (S.O.K.), Vilhonkatu 7, 00100 Helsinki 10. Tel. 90-650-611.

Affiliated societies (1970): 274; members: 572,610; whole-sale turnover: Fmk. 1,804 mill.; own production of SOK: Fmk. 332 mill.

Yleinen Osuuskauppojen Liitto r.y. (Y.O.L.), Vilhonkatu 7, 00100 Helsinki 10.

Affiliated societies (1970): 274; members: 572,610; turnover of societies: Fmk. 3,152 mill.; total production of the affiliated societies: Fmk. 53 mill.

Kulutusosuuskuntien Keskusliitto (K.K.), r.y., P.O. Box 740, 00101 Helsinki 10. Tel. Helsinki 10491.

Affiliated societies (1970): 75; members: 574,733; turnover: Fmk. 2,133.9 mill.; own production: Fmk. 274.8 mill.

Keskusosuusliike O.T.K., P.O. Box 120, 00100 Helsinki 10. Tel. 71-13-22; 70731.

Affiliated societies (1970): 75; turnover: Fmk. 1,330.8 mill.; own production: Fmk. 431.9 mill.

Pellervo-Seura, Central Organisation of Farmers' Co-operatives, Simonkatu 6, Helsinki K. Tel. 61046.

Affiliated organisations (1963): 10 central organisations; 1,102 societies.

France: Fédération Nationale des Coopératives de Consommation, F.N.C.C., 89 rue la Boétie, 75 Paris VIII. Tel. 225-99-98.

Affiliated societies (1970): 315; membership: 3,400,000; shops: 8,300; turnover: NF. 6,100 mill.

Société Générale des Coopératives de Consommation, 61 rue Boissière, 75 Paris XVI. Tel. 553-88-22.

Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88 rue de Courcelles, 75 Paris VIII. Tel. 622-40-48; 622-45-20.

Confédération Générale des Sociétés Coopératives Ouvrières de Production, 88 rue de Courcelles, 75 Paris VIII. Tel. 622-07-81/2.

Banque Française de Crédit Coopératif, 88 rue de Courcelles, 75 Paris VIII. Tel. 227-48-03.

Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, 129 Bd. St. Germain, 75 Paris VI. Tel. 033-93-31.

Caisse Nationale de Crédit Agricole, 91-93 Boulevard Pasteur, 75 Paris XV. Tel. 273-90-00.

Fédération Nationale des Sociétés Coopératives d'Habitation à Loyer Modéré (H.L.M.), 20 rue de Richelieu, 75 Paris 1er. Tel. 266-4520.

Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 3 av. du Coq, 75 Paris 9e. Tel. 742-45-79; 874-67-62.

Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, 75 Paris VIII. Tel. 267-14-50.

Gambia (The): The Gambia Co-operative Union Ltd., *P.O. Box 505, Bathurst*. Tel. 581.

Federal Republic of Germany: Bund deutscher Konsumgenossenschaften G.m.b.H., *Besenbinderhof 52, (2) Hamburg 1*. Tel. (0411)284-4001.

Affiliated societies (December 1969): 115; membership (end of 1969): 2,235,000; turnover (1969): D.M. 4,827 milliards.

Großeinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof 52, (2) Hamburg 1*. Tel. (0411)284-4310.

Total turnover incl. subsidiaries (1969): D.M. 2,462 milliards.

Gesamtverband gemeinnütziger Wohnungsunternehmen e.V., *Breslauer Platz 4, 5 Cologne 1*. Tel. 72-04-15.

Volksfürsorge Lebensversicherung Aktiengesellschaft, *An der Alster, (2) Hamburg 1*.

Volksfürsorge Deutsche Sachversicherung Aktiengesellschaft, *Steinstrasse 27, (2) Hamburg 1*.

Deutscher Raiffeisenverband e.V., *Adenauerallee 127, 53 Bonn*. Tel. (0-22-21) 1061.

Ghana: The Alliance of Ghana Co-operatives Ltd., *Post Office Box 2068, Co-operative House, Liberty Avenue, Accra*. Tel. 25560.

Greece: Pan-Hellenic Confederation of Unions of Agricultural Co-operatives (S.E.S.), *56 El. Venizelou Street, Athens 142*. — Membership suspended.

Guyana: Guyana Co-operative Union Ltd., *Ministerial Buildings, High Street and Brickdam, Georgetown*.

Haiti (W.I.): Caisse Populaire Dominique Savio, *57 Rue Rigaud, Pétion-Ville*.

Hungary: Federation of Hungarian Co-operative Societies. *Szabadság 14, Budapest V*. Tel. 113-600; 112-800.

National Federation of Producers' Co-operatives (OKISZ), *Pesti Barnabás 6, Budapest V*. Tel. 188-806.

National Co-operative Council, *Szabadság tér 14, Budapest V*. Tel. 113-600; 112-800.

National Council of Hungarian Agricultural Co-operatives, *Akadémia utca 1-3, Budapest V*.

Iceland: Samband Isl. Samvinnufélaga, *Reykjavik*. Tel. 17080.

India: National Co-operative Union of India, *72 Jorbagh, New Delhi 3*. Tel. 611123; 611343; 619328.

Iran: Sepah Consumers' Co-operative Society, *Avenue Sevvom Esfand, Rue Artèche, Tehran*. Tel. 332015; 332019.

Credit and Housing Co-operative Society of Iran, *20-22 Shahabad Avenue, Tehran*.

Central Organisation for Rural Co-operatives of Iran, *357 Pahlavi Avenue, Tehran*. Tel. 64210.

Ireland: Irish Agricultural Organisation Society Ltd., *The Plunkett House, 84 Merrion Square, Dublin 2*. Tel. 64783/4-6.

National Organising and Advisory Body for Agricultural Co-operatives. Affiliated societies: 333; membership: 127,000; turnover (1967): £152 mill.

Co-operative Development Society Ltd., *35 Lower Gardiner Street, Dublin*.

Israel: General Co-operative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv*. Tel. 46111-35.

Affiliated societies and companies (1963): 1,855 in all branches.

"Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, *44 Rothschild Bd., P.O. Box 75, Tel-Aviv*. Tel. 65085.

"Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, *8 Kaplan Street, P.O.B. 209, Tel-Aviv*. Tel. 250881.

"Bahan" Audit Union of Agricultural Co-operative Societies in Israel, *47 Nahmani Street, P.O.B. 622, Tel-Aviv*. Tel. 614933.

Italy: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome*. Tel. 868-141/2-4.

Confederazione Cooperative Italiane, *Borgo Santo Spirito 78, 00193 Rome*. Tel. 653-875; 565-605; 565-614.

Associazione Generale delle Cooperative Italiane, *Via Parma N. 22, 00184 Rome*. Tel. 462-659; 471-846.

Jamaica (W.I.): Jamaica Co-operative Union Ltd., *14-16 Barry Street, Kingston*. Tel. 24737.

Japan: Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Co-operative Union), *1-13, 4-chome, Sendagaya, Shibuya-ku, Tokyo*. Tel. Tokyo (404) 3231.

Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Co-operatives), *5, 1-chome, Otemachi, Chiyoda-ku, Tokyo*.

Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Co-operative Associations), *Sankaido Building no. 9-13, 1-chome, Akasaka, Minato-ku, Tokyo*.

National Federation of Forest Owners' Co-operative Associations, *11-35, Nagato-cho, 1-chome, Chiyoda-ku, Tokyo 100*.

Jordan: Jordan Co-operative Organisation, *P.O.B. 1343, Amman*. Tel. 23101/3.

Kenya: Kenya National Federation of Co-operatives Ltd. *P.O.B. 9768, Nairobi*. Tel. 21486.

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The official Organ of the International Co-operative Alliance

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CONTENTS

	Page
Consumers' Co-operative Societies in the German Democratic Republic, by Heinz Fahrenkrog	192
One Year into the Co-operative Development Decade, by Bert Oram, M.P. . .	198
Andreas Korp Retires, W.P.W.	208
Co-operative Journalists' Visit to ILO Projects in the Ivory Coast and Cameroon, by Jean Boniface	209
40th ICA Seminar in the USSR, 1971, -Si-	213
Letter to the Editor — At School with Dr. Laidlaw? R. L. Marshall	216
Joint Action by European Co-operative Laboratories, by Thomas Naess	217
Research Officers Meet in Norway, L.S.	219
Book Reviews	222

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Consumers' Co-operative Societies in the German Democratic Republic

by **Heinz Fahrenkrog**

President of the Verband Deutscher Konsumgenossenschaften

This article written on the activities of the reconstituted "Verband Deutscher Konsumgenossenschaften" coincided with the 25th anniversary of the German Democratic Republic and is now being published here on the admittance of VDK into the family of the International Co-operative Alliance.

On the 18th December 1970, the German Consumers' Co-operative Societies had worked for 25 years under new social conditions in the German Democratic Republic. A quarter of a century is a relatively short period in the history of an Organisation, which can look back on a tradition of almost 130 years. It is impossible to draw up a balance-sheet based solely on a certain number of years, since the significance of events and the extent of changes which have occurred must be taken into account. If we look at the achievements of these 25 years, we realise that, in no period hitherto, has there been such an extensive development of the co-operative idea and such an uninterrupted economic progress as during the period of the reconstruction of the consumers' co-operative societies since 1945.

It was a difficult beginning, even taking into account the fact that, immediately after the end of the war, the most progressive co-operators took over the work of reconstruction and put their experience at its disposal. The main things rescued from the Nazi period were the co-operative ideals, experience and determination of the men who assumed



Mr Heinz Fahrenkrog

responsibility from the first hour onwards to bring the consumers' co-operative societies back to life.

What have the Consumers' Co-operatives done for their Members?

By 1970, the consumers' co-operative societies were amongst the largest economic enterprises in the German Democratic Republic. With the full support of the members, having meanwhile increased to over four millions, they were able to create a sound supply system. They own about 35,000 sales and 6,000 catering establishments, over 140 department stores and shops, and are increasing the number of modern supermarkets. This is sufficient to meet the demands of more than one-third of the population of our country. The consumers' co-operatives do about 34 per cent of the total retail trade, the yearly turnover amounting at present to 22 milliard Marks (£2,200 million sterling). In addition, over 1,000 co-operative productive units turn out a large range of consumer goods, representing an annual value of over 4 milliard Marks (over £400 million). The industrial enterprises owned by the consumers' co-operative societies produce amongst other things 60 per cent of the matches, 43 per cent of the toilet soaps, 40 per cent of the meat products and sausages, and 28 per cent of the bakery products of the country's total production. Part of these products are exported to more than 50 countries throughout the world. In addition, one special enterprise, belonging to the consumers' co-operatives and controlling a network of commercial enterprises and plants of the manufacturing industry spread over the whole country, undertakes all wholesale operations, including the export and import of fruit, vegetables and potatoes. Thus, the consumers' co-operatives practically organise the supply of these products not only for their members, but for all the 17 million people of our country. The annual value of this trade passing through their hands amounts at

present to 4 milliard Marks (£400 million).

Although the consumers' co-operatives in the GDR have continually developed and spread in all directions, they have, for historical reasons, always felt a special responsibility for their members in the rural areas. Of the total population of the GDR, 38.7 per cent live in 8,600 rural communities and localities. Large numbers of the rural population joined the consumers' co-operative societies, expecting mainly that these would help to overcome the mediaeval trade conditions in which farm hands and maid-servants were left behind—conditions which prevailed under the landed gentry and Prussian Junkers until 1945; furthermore, they wanted the support of the consumers' co-operative societies for the growing agricultural co-operative movement. Today, the consumers' co-operatives maintain more than 20,000 shops and 5,000 catering establishments in the rural areas. Together with the department stores, the distribution centre of goods for the consumers and the other specialised sales points in the cities, the consumers' co-operatives have, with this comprehensive material and technical basis and the big achievements in provisions, practically become dominant in supplying the rural areas. Of their 22 milliard Marks retail trade turnover, about 35 per cent represents direct sales in the rural areas.

The steadily growing efficiency has also resulted in greater economic strength. At present, co-operative assets amount to almost 4 milliard Marks (£400 million). Such a sound financial basis enables the co-operative movement to provide over 70 per cent of liquid capital and 100 per cent of investment capital from its own resources, a factor which is of great benefit to the members.

Thus, since 1967, the Movement has newly built or reorganised 8 department stores, 72 shops, 27 supermarkets and 80 shopping centres in the rural areas. Standardised ranges of goods have been introduced, according to demand and size



VDK's largest and most modern Co-operative Consumer Department Store in Leipzig

of sales outlets, in 9,000 shops, 120 supermarkets and 13 department stores.

The consumers' co-operatives consider it also as noteworthy that, at present, the self-service in all department stores and in the majority of the other specialised sales outlets is effective. (Over two-thirds of the total retail trade turnover of the consumers' co-operatives are being realised by this labour- and time-saving form of selling.)

There has been a continuous increase in the dividend returned to members in recent years, the total having now reached about 300 million Marks (£30 million).

These few figures reflect not only

the enthusiasm and initiative of over 300,000 collaborators in the consumers' co-operatives, but the determination of the co-operators to build up their movement; it also shows that favourable exterior conditions have an essential influence on the development of our consumers' co-operatives. The building up of the socialist society, the assumption of power by the working class and the peasants opened up at the same time particularly favourable possibilities for the consumers' co-operative organisation to realise its co-operative mandate.

What is the Member's Voice Worth?

The Constitution of the GDR guarantees

the following right: "Every citizen of the GDR has the right to participate fully in shaping the political, economic, social and cultural life of the socialist community and the socialist state."

This guiding principle has long since ceased to be merely a constitutional right, but is the basis of day-to-day life at all levels of society in the GDR, including, of course, the consumers' co-operative societies. How does this participation function in practice? What chance has the individual to make his influence felt?

Whoever looks a little more closely at the consumers' co-operatives in the GDR will soon find out that, in principle, no decisions are made at any level which have not previously been discussed and approved by the people to whom they will apply. In a resolution of the 6th Co-operative Congress, the highest organ of the consumers' co-operative societies, which took place in April 1968 in Berlin, the following point was made in this connection: "The tradition of the consumers' co-operatives, whereby every stage in their development is based on the closest collaboration between their members, their elected organs and their employees, will also remain in the future the first principle of the co-operative activity." Of the four million members, some 200,000 co-operators in the democratic organs of the consumers' co-operatives, such as the Committees of the sales outlets and of the memberships, the Advisory Councils of the commercial enterprises, the Co-operative Councils, the Auditing Commissions or the various Boards, thus have a direct say in the planning and administration of the consumers' co-operative organisation.

The work of the organisation is further influenced by hundreds of thousands of members in regular membership meetings. Moreover, the fact that over 90 per cent of members attend the biennial elections to the democratic organs of the consumers' co-operatives is further evidence of the members' interest in taking part in their society.

The tasks, forms and methods which member participation takes are, of course, dictated by the situation and practical requirements of our Co-operative Movement. As in the past, we still regard our main task as being to arouse in the young members the desire to play an active part in the decisions regarding the future development of the consumers' co-operatives.

In this connection, there is another problem which should be mentioned. The question is frequently raised whether co-operative democracy is still compatible with our times and whether extensive membership influence can be reconciled with the process of concentration which is now taking place. This theory is refuted by our own experience. The consumers' co-operatives in the GDR are also confronted with the effects of the scientific and technological revolution taking place in our country. During the past four years, they have taken a big step forward in the development of their economic organisation. Efficient trade enterprises have been built up which are connected with 200 new consumers' co-operatives. Since the beginning of the year, the lower turnover margin of each consumers' co-operative has been about 60 to 80 million Marks (£6 to £8 million). That of the majority of the new consumers' co-operatives lies, however, above the 100 million Mark margin, and there are already six consumers' co-operatives in existence with a joint turnover of 4 milliard Marks (£400 million).

The introduction of a process of economic concentration has not, however, resulted in any diminution in the members' right of participation. On the contrary, their influence has been extended by the creation of new forms of participation, such as the introduction of advisory councils in the commercial enterprises. For a long time now, we have given up discussing whether membership participation is good or bad, whether it is an advantage or a disadvantage. Consumers'

co-operatives, where democratic rights were not continuously observed, would be unthinkable.

Internationally respected

This is also the reason why the Union of German Consumers' Co-operatives (Verband Deutscher Konsumgenossenschaften) has increased its authority and influence internationally. We are glad to say that the VDK now maintains relations and contacts in more than sixty countries throughout the world. As consumers' co-operatives in a socialist country, they have especially close and cordial relations with the co-

operatives in other socialist countries. At present, we also have close relations with many co-operative organisations in West European countries and collaborate continuously with them. The VDK identifies itself with many co-operative organisations in the new national states, by giving them aid and helping their development in so many ways.

Some years ago, the VDK founded an International Co-operative College for the training of middle and higher management personnel. Up to now, more than 350 students from 22 non-European countries have had an opportunity to



VDK's International Co-operative College for Students from Developing Countries

study in this educational institute.

Furthermore, we regard our publicity work, in which we collaborate with over 90 organisations, as a contribution to the efforts of the International Co-operative Alliance to spread co-operative principles and methods throughout the world, to promote Co-operation in all countries and to create lasting peace and security.

The consumers' co-operatives in the GDR, for their part, are doing everything in their power to help the development of world Co-operation. They think that the time is ripe and that it is in our mutual interest to strengthen their international activities by taking their place in the International Co-operative Alliance.

The purpose of this article is to acquaint the interested reader with some

of the problems facing the consumers' co-operatives in the German Democratic Republic, many of which we shall undoubtedly have to reconsider in the light of the scientific and technical revolution. We consider it essential to extend our standardisation policy, to fix our investment priorities, to plan educational activities for our members and collaborators, as well as finding a solution to the fundamental problems of a modern economic organisation. Seen in this light, the 25th anniversary of the rebuilding of the consumers' co-operatives in the GDR only marked an interim stage. Our most important aim in the future will be to maintain, in the interest of the co-operative idea and its adherents, our reputation as a progressive, dynamic and efficient co-operative organisation.

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One Year into the Co-operative Development Decade

by Bert Oram, M.P.

Annual reports are required reading for those who have a stake in the enterprise concerned. Accordingly, it was felt that the thousands of co-operators throughout the world, who are contributing in one way or another to the Co-operative Development Decade, are entitled to an over-all view of how matters stand at the end of its first year of operation. This account will cover various aspects of the Decade activities, such as publicity, research and education, and including those of international conferences and seminars, and of the Auxiliaries of the International Co-operative Alliance. It will also deal with bilateral assistance from its Members, from governments and other organisations and multilateral assistance from the ICA, the United Nations Specialised Agencies, international financing institutions and the Joint Committee for the Promotion of Agricultural Co-operatives (COPAC), as well as with the collaboration of the ICA with UNESCO, UNICEF and UNIDO.

Publicity

A year ago, it was stated in a previous

issue of this Review (No. 6, 1970, p. 217) that "publicity has a major and constructive function in the CDD operation by way of evoking interest and stimulating potential collaborators to greater efforts". Since then, a number of major steps has been taken to bring the Decade operation to the attention of co-operators, governments, international aid organisations and the general public.

Perhaps the most important was the formal approval by the ICA Executive of the rules of its new Working Party on the Co-operative Press. Amongst its purposes are the promotion of contacts between the ICA and its member organisations, governments, non-governmental international bodies and the public, as well as assistance to the Co-operative Press and publications of organisations in the developing countries.

In addition, a number of CDD publicity aids has been initiated by the ICA Secretariat in London. These include the following:

1. A pamphlet entitled "The Co-operative Development Decade 1971-1980" has been published in English, French, German

and Spanish. It explains the basic concept of the CDD, its relationship to the UN Development Decade and the ways in which co-operative movements, governments and the UN Specialised Agencies are playing their part in the promotion of co-operatives in the developing countries.

2. *A leaflet* entitled "The Next Ten Years" has been issued in English, French and German for free distribution to leading co-operators at both national and local levels. It briefly explains the purposes of the Decade and lists the publicity aids available from the ICA for promoting Decade efforts.

3. *The CDD Badge*. This is an attractive metal lapel badge, designed and manufactured by the Czechoslovak Co-operative Movement as a contribution to the Decade. It depicts the rainbow, the globe and the dates of the CDD, 1971-1980. No price is fixed for the badges, but organisations wanting supplies are invited to make as generous as possible a contribution to the ICA Development Fund.

4. *Adhesive Symbols*. The same emblem as on the badges is produced in colour as an adhesive "sticker" suitable for putting on letters and envelopes. These are obtainable in packets of 100 at a price of £1.00 per packet.

5. *UNESCO Gift Coupons*. Through the use of UNESCO Gift Coupons, co-operators in advanced countries can help co-operators in developing countries to acquire books needed for co-operative libraries, for formal classes and for study circles of co-operative members. The ICA Development Fund is included in the UNESCO's List of Recommended Beneficiary Projects for 1971-72.

6. *Greetings Cards*. In conjunction with UNICEF, the ICA is issuing co-operative greetings cards which carry the co-operative message in English, French, German and Russian. They are suitable for all seasons and occasions.

7. *Syndicated Articles*. The ICA publishes every two weeks a short syndicated article on some aspect of the Co-operative

Development Decade, including the activities of the ICA and its member organisations. These are issued to Editors of co-operative and other journals on a commercial basis, but they are also available to libraries and individuals for a subscription of £3.00 a year.

8. *Co-operative New Service*. This monthly publication now includes reports on the progress of the activities within the Co-operative Development Decade.

Research

A year ago, it was pointed out that "a good deal more research will be required for Decade purposes, and particularly during the preparatory phase, in order to provide the hard facts on which realistic projects must build". (Review No. 6, 1970, p. 217.) Since then, considerable progress has been made by the Research Department of the ICA Secretariat despite its limited Staff. An expert has been employed to prepare the draft of a report on "Co-operative Legislation in Developing Countries". A study on "Inter-Co-operative Trade" is being prepared in collaboration with the ICA Regional Office and Education Centre for South-East Asia and the Office for East and Central Africa and the OCA. The comprehensive study on "International Finance for Co-operatives in Developing Countries", sponsored by the member organisations of COPAC, is in its final stages of preparation. Work is continuing on an investigation into the possibilities for "Collaboration between Co-operatives and Trade Unions in Developing Countries". Finally, papers have been prepared on "Functional Education through Co-operatives"; "Prerequisites for Efficiency in Co-operatives"; "Multinational Corporations and Co-operatives"; and the "Role of Research and Information in the Development Process".

A report on "Fishermen's Co-operatives" has been prepared by the Fisheries Sub-Committee of the ICA Agricultural Committee.

In connection with the "Survey of

Agricultural Co-operative Marketing Projects”, on which the ICA Regional Office for South-East Asia and the Japanese Central Union of Agricultural Co-operatives are collaborating, the chapters on Australia, India and Indonesia have been drafted, and work is under way on Ceylon, Iran and the Republic of Korea. The final phase will cover Pakistan, Malaysia and the Philippines. The Regional Office for South-East Asia has also published a number of monographs on consumer co-operation in the area.

Meanwhile, with the help of a grant from the ICA Development Fund, the Research Department is making contacts, compiling information and investigating the procedures which would be involved in setting up and maintaining a comprehensive register of the research on co-operatives in developing countries undertaken by co-operative movements, universities, colleges, research institutions and international bodies throughout the world.

Education

As the Decade proceeds, it becomes increasingly clear that the key to co-operative development is adequate training of co-operative managers, staff and members. At the same time, it is generally acknowledged that Co-operation is itself a major form of functional education for development. This is because it provides its own motivation; it is gradual and experimental, building on what exists; it involves group work; it identifies and encourages natural leaders; and it is work-related, enabling members to continue using skills acquired on the job.

Thus, the ICA is coming to be looked upon as a focal point for tackling the problems of co-operative education on a world scale and it is being asked to become a centre or clearing-house, through which information can be shared on curricula, staff and educational materials. Already a large number of practical steps has been taken in this direction: the ICA is collaborating with UNESCO on a

number of projects described later on; plans for a meeting of the heads of international co-operative training centres are mentioned in the following section; and discussions were held with the Centre for Educational Development Overseas in London, with a view to making its services available to co-operative educators everywhere. It has already prepared some co-operative materials, including a package television programme, and consideration is being given to collaboration with the ICA and the Co-operative College at Loughborough in the production and distribution of additional educational materials.

Meanwhile, the educational activities of the ICA Offices in New Delhi and Moshi are being intensified. At the Regional Office for South-East Asia, a field project on co-operative education for primary societies has been launched in a selected area near Indore, Madhya Pradesh, India, in collaboration with the National Co-operative Union of India. Pilot education programmes will be initiated for employees, Board members and ordinary members of primary societies, as well as for secondary co-operative organisations. Experiments will be made in new educational techniques and the production of educational manuals, and audio-visual aids for use in the project. The general educational activities of the Office have also been accelerated to include a number of national and regional seminars, the planning of a Fellowship Programme on the Multi-purpose Co-operative Approach and a Teachers' Exchange Programme, involving periods of one month each, six to eight week courses for top level co-operative personnel and collaboration with the Institute for the Development of Agricultural Co-operation in Asia (IDACA) in Tokyo on a series of general training courses in agricultural co-operation.

The Office for East and Central Africa has made a comprehensive survey of educational facilities and training needs in the area and has published a Handbook

on Co-operative Education. A film covering co-operative credit in Uganda, co-operative marketing in Kenya and co-operative education in Tanzania has been prepared in conjunction with the Nordic Project. A series of seminars has been arranged for co-operative education secretaries, as well as preliminary orientation courses for participants in the courses in Sweden, of which the Swedish Co-operative Centre was the host; and plans are under way for a series of national and regional seminars on co-operative credit, in collaboration with the Finnish Credit Movement and the African Co-operative Savings and Credit Association (ACOSCA).

In Latin America, an Educational Director has been appointed by the Organization of the Co-operatives of America (OCA) and a comprehensive educational programme is being developed with technical assistance from the ILO. A series of national and regional seminars has been arranged with the support of national governments and of the US Agency for International Development (AID), and preparations have been made for a scholarship exchange programme.

At the same time, national co-operative movements in developed countries are intensifying their educational activities in developing countries. For example, the International Co-operative Training Centre in Wisconsin has sent a team of experts to Liberia to advise on co-operative education and extension work and on the development of pamphlets, posters and visual aids for training. The Fédération belge des Coopératives (formerly SGC) is collaborating with "La Prévoyance Sociale" on setting up a training centre, with eight-month courses for volunteers to developing countries. Finally, the Czechoslovak Co-operative Council arranged a seminar for 50 officials from developing countries.

International Conferences and Seminars

Even more effective than the Co-operative Press in diffusing information—and en-

thusiasm—about the Decade have been personal interchanges on the occasion of international co-operative conferences. These not only facilitate the exchange of experience, they also lead to continuing business contacts and practical collaboration.

On the threshold of the Decade, the *ICA/UNESCO Conference of Co-operative Education Leaders*, held in Jongny, Switzerland, in November/December 1970, reviewed the facilities available for training of co-operators of developing countries and identified major priorities, including particularly the preparation and distribution of suitable educational materials and techniques and the need for regular consultation between Principals of International Co-operative Training Centres.

In April 1971, the *Third International Conference on Aid for Co-operatives in Developing Countries* was convened in Loughborough, England, at the Co-operative College by the Overseas Development Administration of the Foreign and Commonwealth Office (the British Aid Ministry). As the first two Conferences which were held in Denmark in 1965 and 1968, this Conference, too, brought together co-operators, government aid administrators and representatives of international organisations, and highlighted the need for the co-ordination of efforts in finding and training key personnel and in providing financial and technical assistance.

The *Third Assembly of the Organization of the Co-operatives of America (OCA)* took place in San José, Costa Rica, from the 25th to 31st July 1971, with delegates from 19 countries in Latin America and the Caribbean and representatives from Canada and the USA, as well as a number of international organisations. The ICA was represented by its Director, Dr S. K. Saxena. The importance of education and integration was stressed, as well as collaboration between trade unions and co-operatives, agrarian reform and pre-co-operatives. A full session was devoted to the Co-operative Development Decade,

and it was proposed to establish multi-national organisations for co-operative training, economic co-operative integration, co-operative financing and for co-operative re-insurance, as well as pilot projects in the fields of agriculture, marketing, land reform, agricultural processing, consumer co-operatives, co-operative housing and supervised credit.

Representatives from Colombia, Bolivia, Chile, Peru and Venezuela participated in May 1971 in Lima, Peru, in the first *Co-operative Seminar on Economic Integration of the Andean Sub-Regional Area*, organised by the OCA in collaboration with the Santa Elisa Credit Union and the National Office for Co-operative Development of Peru. It was recommended that co-operative trade should be promoted by requesting co-operative representation in national and international meetings dealing with trade agreements, by requesting a permanent seat for co-operatives in the Economic Advisory Council of the Andean Group and by setting up a trade centre for the Andean area, as well as a multi-national organisation for the financing of co-operatives and an organisation to deal with re-insurance.

In Nairobi, Kenya, a week's *Research Seminar on Efficiency in the Performance of Co-operatives* was organised in November/December 1971 by the Scandinavian Institute of African Studies in Uppsala, Sweden, in collaboration with the ICA Office for East and Central Africa, and brought together researchers from academic circles, who study co-operatives from the economic or sociological point of view, and officials who are faced with the task of promoting and directing co-operative development in East Africa. The purpose was to establish effective working relations between them in the interest of co-ordination and more effective utilisation of research results. A similar Seminar concerning Research on Co-operatives in Developing Countries undertaken in developed countries will take place at the end of May 1972 in Warsaw under the

joint sponsorship of the Polish Co-operative Movement and the ICA.

Several other major conferences, which should make important contributions to the objectives of the Co-operative Development Decade, are projected for the months ahead. The first *Open World Conference of the International Agricultural Co-operative Movement* is being organised by the ICA with the collaboration of the FAO, ILO and IFAP through COPAC. It will take place at the FAO Headquarters in Rome from May 22nd to 26th, 1972 on the theme of "The Role of Agricultural Co-operatives in Economic and Social Development". This theme will be developed with regard to the efficiency of co-operatives, the mobilisation of human resources and collaboration with governments and national and international institutions.

Other conferences planned in 1972 include a *Seminar on Management of Fishermen's Co-operatives* in Bombay under the auspices of the FAO, ICA and SIDA (Swedish International Development Authority); a *Meeting of the Heads of International Co-operative Training Centres* in Warsaw, just prior to the ICA Congress in September; a *Conference of Principals and Tutors of Co-operative Colleges* in East Africa, jointly sponsored by the ICA and UNESCO; a *Co-operative Literacy Workshop* in West Africa, also under the auspices of the ICA and UNESCO. Furthermore, a *FAO Workshop on Agricultural Credit* in the Far East (Tokyo) is planned in 1973; and the *Third International Conference on Co-operative Thrift and Credit*, probably some time in 1974.

The Auxiliaries of the International Co-operative Alliance

At the outset of the Decade, it was noted that one of the most important assets of the ICA in approaching the problem of development is its direct functional contacts with co-operators at the grass-roots through its various auxiliary organs. It has already become clear that these will indeed

prove to be a major source of technical and financial assistance to the co-operative development.

Perhaps the most dramatic progress has been in the field of *co-operative housing*. Following the successful launching of a major project in Tanzania, the International Co-operative Housing Development Association (ICHDA), which was formed in 1966 by the ICA Housing Committee, is discussing with the National Co-operative Union of India plans for a similar development in that country. Meanwhile, a number of regional seminars has been held. ICHDA has established close links with the United Nations, and a Memorandum of Understanding was signed by the UN with ICHDA in late 1970. Under this agreement, ICHDA can, when requested by the UN, provide expertise in pre-feasibility studies, promote housing as an essential component of an integrated economic plan and advise on the over-all feasibility of low-cost housing programmes.

Similarly, the Insurance Development Bureau, set up by the ICA Insurance Committee, has, through its guarantee Organisation, *Allnations*, promoted new insurance co-operatives in Ecuador, Guatemala and Colombia, and several others are under consideration. The Working Party of Librarians and Documentation Officers is making plans to assist Decade efforts regarding the recruitment and briefing of experts, the setting up of a research register and the administration of an ICA/UNESCO book scheme for developing countries, which will be described later. Lastly, the Women Co-operators' Advisory Council initiated a number of one-week Seminars for Co-operative Women in Kenya and Tanzania. Funds were provided by the Swedish Women Co-operators. A similar series of seminars is to be held in January 1972 in West Africa.

The ICA has stressed from the beginning that the success of the Decade will depend primarily on contributions from co-operative movements or organisations, governments and international organ-

isations, and that its own function is limited to stimulating these sources of technical and financial assistance by means of publicity, information, research and co-ordination. It is encouraging that the record of the first year of the Decade demonstrates that this has been fully understood and that there is a firm and growing determination in all these quarters to make the tremendous efforts required.

Examples of efforts made in 1971 are far too numerous to be documented here; the completely arbitrary selection below is intended to be merely illustrative of the trend.

Bilateral Assistance:

From ICA Members

The Austrian Movement is launching a country-wide fund raising campaign to enable it to support development work for co-operatives in the developing countries.

The Canadian Movement, both English- and French-speaking, is discussing with the Canadian International Development Agency (CIDA) possible collaboration in the setting up of a co-operative training centre in West Africa.

The Czechoslovak Movement has contributed 40,000 Decade badges to the Decade and donated a ciné-camera to Ghana. It also trains regularly co-operators from developing countries.

The FDB (Faellesforeningen for Danmarks Brugsforeninger) of Denmark marked the occasion of its 75th anniversary by setting up a development fund to be used for planning and organising co-operative projects in developing countries and for scholarships and seminars in Denmark for co-operators from these areas.

The Deutscher Raiffeisen Verband of the Federal Republic of Germany is extending aid to a number of co-operative projects in developing countries and providing training courses and seminars for co-operators from these areas.

The Afro-Asian Institute for Co-operative and Labour Studies in Israel conducts seminars in Israel and in Africa and

Asia for co-operative officials and trade unionists from developing countries.

The Central Co-operative Bank for Agriculture and Forestry of Japan has seconded a senior official to the Staff of the ICA Secretariat in London, and the Japanese Central Union of Agricultural Co-operatives has provided team members for an Agricultural Marketing Projects Survey in South-East Asia, as well as training facilities for officials and staff of agricultural co-operatives.

Centrocoop (Central Union of Consumer Co-operatives) of Romania has offered to pay the cost of publishing the *ICA Review of International Co-operation* in French and to act as host of a seminar on co-operative youth activities and problems.

The KF (Kooperativa Förbundet), Sweden, is supporting, through the Swedish Co-operative Centre (SCC), a large number of projects in developing countries, such as a one-year English language course, in collaboration with the Swedish International Development Authority (SIDA), for co-operators wishing to work in developing countries; together with the ICA and OCA, financial support for the Latin American Technical Institute for Co-operative Integration (LATICI), which has been setting up consumer co-operatives in Latin America; aid for various seminars for co-operators from developing countries; and financial help for the work of the ICA Offices in New Delhi and Moshi.

The Coop Schweiz has accelerated its technical and financial aid to co-operatives in Dahomey by setting up the Union Coop du Dahomey and a chain of five modern co-operative supermarkets. Centrosoyus of the USSR is also assisting the development of consumer co-operatives in Dahomey.

The Consumer Co-operative Movement in the United Kingdom is mounting a fund raising drive in support of a mobile educational unit and a model training co-operative store, amongst many other things, for the Movement in Tanzania.

The Co-operative League of the USA has recently sent a team to study the requirements of co-operatives in Indonesia as a basis for future collaboration; it is also giving advisory assistance to the National Federation of Marketing and Purchasing Co-operatives of Thailand and its farmer-owned co-operative members in purchasing and operating fifteen grain facilities; and providing an advisory team of dairy specialists for a giant co-operative dairy project "Operation Flood" in India.

From Governments

The International Technical Assistance Department of the Netherlands Ministry of Foreign Affairs has, through CO-OP Nederland, promised financial support for a research team leader to be attached to the ICA Office in Moshi, Tanzania, to supervise the work of four research assistants made available by the national movements of the Region.

The Indian Government has offered training facilities in Co-operation to 50 co-operators annually from developing countries during the Co-operative Development Decade, with free travel from and to their respective home countries, as well as free board and lodging in India.

In Guyana, the Guyana Marketing Corporation, with the aid of the Government, is planning to organise individual farmers into marketing co-operatives. The President of the Co-operative Republic has reaffirmed the intention of the Government to promote agricultural, handicraft and housing co-operatives, as well as co-operative education; and the Ministry of Economic Development proposes to promote closer trade links between the co-operatives in Guyana and those in other countries.

In Scandinavia, the Governments of Denmark, Finland, Norway and Sweden are extending a substantial financial and technical assistance to co-operatives in Tanzania and Kenya under the Nordic Project.

In the United Kingdom the Overseas Development Administration has

provided financial support to the Co-operative College for the training of co-operators from developing countries, has sponsored the Third International Conference on Aid for Co-operatives in Developing Countries, and contributed a large loan to a giant co-operative fertiliser plant in India.

In the United States, the Agency for International Development (AID) has made contracts with a large number of co-operative organisations to provide financial and technical assistance to a variety of co-operative projects in developing countries, as, for instance, a fertiliser project in India.

From Other Organisations

In the Federal Republic of Germany, the German Development Assistance Association for Social Housing (DESWOS) is conducting, in collaboration with the Carl-Duisburg Foundation, a fourteen months' programme of training for managers and administrators of housing co-operatives in developing countries. MISE-REOR, a Catholic Aid Organisation also

in the Federal Republic, has approved a grant to ACOSCA for vehicles for training centres and field extension personnel, as well as for credit union training programmes in the Congo, Upper Volta and Cameroon.

Multilateral Assistance:

From the ICA

One of the most heartening developments during the first year of the Decade has been the generous response of member organisations to an appeal for contributions to the ICA Development Fund which is used for projects in developing countries. Altogether, donations since the launching of the Decade in late 1970 have totalled £48,879, plus large contributions in local currency from Eastern European countries which, of course, have foreign exchange difficulties and are required to utilise funds within their own countries for seminars, conferences, training facilities, etc.

Donations to the Development Fund October 1970–November 1971

		£
Canada	Conseil Canadien de la Coopération	790
Canada	Co-operative Union of Canada	921
Denmark	Samvirke	56
France	FNCC	375*
Fed. Rep. of Germany	"CO-OP" Frauengilde	241†
Iceland	Samband Isl. Samvinnufélaga	1,515
India	Bombay Dock Workers' Co-operative Credit Society	28
ICA	Anniversary Stamps	374
ICA	Staff Association	20
Japan	Central Union of Agricultural Co-operatives	5,367‡
Malaysia	Government's Servants' Co-operative Thrift Society	10
Netherlands	UNESCO Gift Coupons (UNESCO Centre)	416
Norway	NKL and Individual Societies	8,500
Sweden	KF	20,000
Sweden	Swedish Co-operative Centre	7,000
USSR	Centrosoyus	2,309
United Kingdom	Individual Societies	131
USA	Co-operative League of the USA	826
		<hr/> 48,879
Czechoslovakia	Ustredni Rada Druzstev	40,000 CDD Badges§
Hungary	Federation of Hungarian Co-operative Societies	100,000 florints*
Poland	Central Agricultural Union of "Peasant Self-Aid" Co-operatives	100,000 zlotys*
USSR	Centrosoyus	550,000 roubles

* For each year of the Decade.

† Earmarked for Women.

‡ Earmarked for South-East Asia: £4,790.

§ Received.

From the United Nations Specialised Agencies

The *International Labour Organisation* has recently provided technical assistance for planning an educational programme in Latin America in conjunction with the OCA; has sent experts to advise on co-operative development in Trinidad, Tobago and Jamaica; and is planning to establish a new servicing institution in Ceylon, tentatively named the Co-operative Management Services Centre, with finance from the Swedish International Development Authority.

The *Food and Agriculture Organisation* has been designated as the Executing Agency for a recently approved project by the United Nations Development Programme (UNDP) to assist the agricultural co-operative development in Central and Southern Tunisia. It also continues, under its co-operative agreement with the International Bank for Reconstruction and Development (World Bank), to send technical experts to a number of developing countries.

The *World Food Programme* has recently made a grant of about £900,000 for self-help and co-operative organisations in Mauritania.

UNICEF has assisted the Government of Lesotho in raising egg production by providing loans for equipment and has also supplied seeds, tools and irrigation equipment to co-operatives growing vegetables.

From International Financing Institutions

The International Bank for Reconstruction and Development (IBRD), one of the UN Specialised Agencies, has made a large loan to the Republic of the Philippines for development work involving the co-operatives, and three big loans for agricultural credit to co-operatives in India (Andhra, Tamil, Nado and Haryama).

The Inter-American Development Bank has recently approved two substantial loans to the Republic of Paraguay for a broad national agricultural development

project, which will also benefit co-operatives. It has also signed a loan agreement with Ecuador, part of which is designated for the organisation of co-operatives, and the Co-operative League of the USA, through its Agricultural Development Programme in that country, will collaborate in this project.

The International Development Association (IDA) has provided loans to co-operatives in Senegal, to Ghana for the development of the cocoa industry via the Ghana Co-operative Marketing Association, and to Punjab, India, for farm mechanisation.

From COPAC

The Joint Committee for the Promotion of Agricultural Co-operatives was set up for the purpose of accelerating the co-ordination of the agricultural co-operative development activities between the UN Agencies—initially the FAO and ILO—and Non-Governmental Organisations—initially the ICA, IFAP (International Federation of Agricultural Producers) and IFPAAW (International Federation of Plantation, Agricultural and Allied Workers). The major activity of COPAC during the first year of the Decade has been the drafting, at the request of the UN Economic and Social Council (ECOSOC), of the report which the UN Secretary-General is to present to the Council in 1972 as a follow-up to its Resolution 1491 (XLVIII) on the Role of Co-operatives in Developing Countries.

The major proposal in this report is the setting up by COPAC, under the aegis of the UN Resident Representatives, of Co-operative Development Groups in selected developing countries for the purpose of ensuring the co-ordinated consideration and planning of co-operative development in each country by all the aid donors concerned. In November and December 1971, preparations were being made for the first of these Co-operative Development Groups in Zambia.

Consideration is also being given to the extension of COPAC's membership

and the enlarging of its scope to include co-operatives of all types.

The ICA and UNESCO

In addition to holding the International Conference of Co-operative Education Leaders in Jongny-sur-Vevey, Switzerland, by the ICA in co-sponsorship with UNESCO, the ICA is collaborating in the UNESCO Gift Coupon Scheme. As indicated earlier, the ICA Development Fund has been designated a beneficiary under the Scheme, and a specific ICA Programme has been devised, whereby co-operators in developed countries may send books to co-operative institutions in developing countries.

Several further projects for collaboration during 1972 are in the planning stage. One is a Conference of Principals and Tutors of Co-operative Colleges in Africa, which will be held in a suitable centre in East Africa. The purpose is to follow up the recommendations of the Jongny Conference and to relate them to the needs of co-operatives in Africa.

Another proposed project is a Co-operative Literacy Workshop to be held on a regional basis in West Africa. The objective is to bring together a group of literacy experts, co-operative administrators and co-operative members for the purpose of devising, against the background of the business and social operations of co-operative societies, literacy techniques to facilitate the efficient performance of co-operatives. Finally, the ICA is planning to collaborate fully with UNESCO in the preparations for the Third International

Conference on Adult Education, which is scheduled to be held in Tokyo in 1972.

The ICA and UNICEF

UNICEF is collaborating with the ICA in issuing special co-operative greetings cards.

The ICA and UNIDO

Under a service contract with the United Nations Industrial Development Organisation, the ICA has found and engaged an industrial co-operative expert for a six-month period to advise the El Salvador Institute of Industrial Development on the formulation and execution of a programme for the promotion and development of industrial co-operatives. The contract is financed by UNIDO, but the work of the expert is under the supervision of the ICA.

It has also been agreed in principle that the ICA and UNIDO will collaborate on a number of joint activities, including identification, preparation and execution of technical assistance projects; joint promotional meetings to encourage contractual relations between co-operatives in specific industrial branches; and a programme of regional training workshops on industrial co-operatives.

And so the catalogue continues. For the casual reader, these many examples of support for co-operative development may seem repetitive and tedious; but they clearly add up to very good news for those co-operators who are genuinely concerned that the Co-operative Development Decade should have a real impact on the future of the International Co-operative Movement.



Andreas Korp Retires

With this year's Congress of the Austrian Union of Consumers' Co-operatives, "Konsumverband", General Director Andreas Korp laid down his office of President, thus bringing his lifetime of activity in, and for, the Co-operative Movement to an end. He had already retired some months before from the chairmanship of the "Zentral-kasse", the Movement's financial institution. His successor in both offices, F. Haberl, a member of the National Assembly, in paying appropriate homage to the man and his work, said: "Korp has shaped our Movement, set his stamp upon it and led it to many victories. He has devoted his exceptional abilities to the service of the co-operative idea and remained faithful for over 50 years to Consumers' Co-operation."

Throughout, Korp was keenly interested in the international aspects of Co-operation. As a member of the Austrian delegation, he attended the ICA Congress at Basle in 1921 and every following Congress since then. He served on the ICA's Central and Executive Committees and could always command the attention of its Congresses for his interventions, notably in the discussions in recent years on the Movement's structural problems.

If Korp led the Austrian Consumers' Co-operative Movement to many triumphs, he was also destined to bear the burden of leadership through its darkest years when, its societies dissolved and their material possessions sequestered, its existence and the possibility of its revival were discernible by the eye of faith alone.

In his youth, Korp came under the powerful influence of Dr Karl Renner, statesman and social philosopher and the Movement's intellectual leader, but he also possessed statesmanlike qualities of his own. When the senior leaders of the Movement were driven into retirement by the political eruption of 1934, it was upon Korp at the Wholesale Society GÖC and Dr Andreas Vukovich at the Union that the responsibilities of leadership fell and rested for over thirty years. Under their guidance, the Movement rallied its forces from 1945 onwards and, in twenty years, rose to its present pre-eminence in the national distributive system.

To the task of leadership, Korp brought a trained mind, penetrating intelligence, sound judgement, brilliant talents for organisation and exposition and unshakable fidelity to fundamental principles. He spared no pains in presenting to

congresses and conferences masterly statements, so clear that all could understand them, on current policies awaiting decision and problems demanding solution. The delegates returned the compliment by giving him their entire confidence. The Wholesale Society made him General Director and retained him as consultant after his retirement. Somehow, the word "Director" slipped out of use. To all his colleagues, he became "The General". What higher tribute could be paid to his achievements as the Movement's arch-strategist who could always point the way forward?

It is altogether appropriate that the

Co-operative Council of the "Konsumverband", besides awarding him the Dr Karl Renner Plaque, has instituted the Korp Prize for young people in recognition of their achievements of exceptional merit for the good of the community and humanity.

Of Adreas Korp's public services, as Minister in the Government and as First Vice-President of the National Bank, it must suffice to say here that his colleagues in those spheres learnt to appreciate his work and personality no less than those at every level in the Co-operative Movement.

W.P.W.

Co-operative Journalists' Visit to ILO Projects in the Ivory Coast and Cameroon

by Jean Boniface

It is noticeable how much, for the past two years, co-operatives and Co-operation have become the subject of fresh interest on the part of the large international organisations. A new proof of this is given by the tour offered by the International Labour Office in February 1971 to three journalists of the Co-operative Press. It is the first time that it has taken such an initiative, and, no doubt, it will be repeated. This action demonstrates the ILO's wish to make known fulfilments to the co-operators at the grass-roots through the medium of their most important journals, such as the Helsinki *ME*, represented by Madame Valajarvi, and the *Coopérateur de France*, represented

by Monsieur J. Boniface, the third person invited being Mlle Terlouw as representative of the whole agricultural Press in the Netherlands.

The main *raison d'être* of the two projects visited in the Ivory Coast and the Cameroon is to promote Co-operation. The ILO maintains other similar projects throughout the world, but it considered that the two in question were particularly good examples: they were recent, got off to a good start and occurred after two virtual failures which, in any case, had affected most countries of the Third World—the one due to the colonial Powers and the other following immediately on independence.

This was not without after-effects on the minds of the populations who readily associate the image of the co-operatives with colonial excesses and the futile bureaucratic rule of the first years of independence.

It was necessary, therefore, to start again from scratch, with modest ambitions in limited areas, avoiding any feeling of obligation, by rousing and, if necessary, rejecting inadequately trained would-be co-operators.

That is one of the essential aspects of the policy conducted by the two project leaders, Mr Welty in the Ivory Coast and Mr Benjacov in the Cameroon. It calls for immense patience on their part, a rare talent for organisation and stimulation, and genuine co-operative faith. We can bear witness that both possess these qualities and that they know how to imbue their co-workers with the same spirit. It is no small credit to the ILO to have chosen the former and trained the latter.

The other important aspect of this

policy is to aim at the most rapid africanisation possible. With this object in view, each expert has an African understudy competent to take his place and handle future developments. We gained the impression that a co-operative élite is already beginning to emerge.

To achieve this, an intensive effort has been made in education. It must be remembered that projects, which have been established for a period of four or five years, did not actually start to function until the end of 1969. In the course of our 3,000 km journey along the roads and tracks, we have, therefore, only seen the initial results and, in a way, only the very beginnings. There is, however, no doubt that they show promise.

A description of the two projects is called for, even if only in a rough outline.

The Ivory Coast project is based at Bingerville, near Abidjan, where the National Centre for the Promotion of Co-operative Enterprises (Centre national de Promotion des Entreprises coopéra-



National Centre for the Promotion of Co-operative Enterprises (CENAPEC) at Bingerville, Ivory Coast

tives, CENAPEC) is situated. It has seven experts. The offices, school and training premises as well as the offset printing works are at Bingerville. Some of the experts (teaching and research) are at Bingerville, others are in the pilot areas in villages, where cocoa and coffee are the main crops.

The Cameroon project is based at Yaoundé, the capital, under the name of Centre for Co-operative Training (Centre de Formation coopérative, CEFDEC). It has ten experts distributed over the French-speaking zone in the east and the English-speaking zone in the west. Teaching is in French at the Ebolowa Centre (south of Yaoundé) and in English at Bamenda in the west. The co-operatives produce mainly coffee.

Although similar in many respects, the two projects are different in other aspects, which are either of a human nature or in connection with the country. Thus, in the Western Cameroon, the co-operatives have not experienced the same break-downs as elsewhere, but have remained comparatively prosperous, as is the case of the big Union of Bafoussam, l'UCCAO, which owns an electronic sorting plant and markets 70 per cent of the arabica coffee of the Cameroon, amounting to over 15,000 tons and which will soon rise to 20,000 tons. The Union has a membership of 65,000 planters. A factor also to be noted in the English zone is the continuance of the commercial structure set up by the Marketing Boards which give the co-operators a kind of technical advance.

The problem is then to reform and revive the co-operatives rather than increase their number. The monopoly, which certain co-operatives enjoy here and there, does not induce them to expert management nor to a competitive spirit. In all these cases, the experts' work seems to have succeeded in an astonishing "re-conversion", arousing amongst the co-operators just such competition for quality

resulting in a rapid increase in quantities sold.

In the Ivory Coast, the main need has been to restore the "taste" for co-operation to the planters who were disappointed by unfortunate experiences. The Law itself cautiously provides, as in many African countries, for a kind of "noviciate" under the title of "Vocational Co-operative Group" ("Groupe à Vocation Coopérative", GVC), lasting from one to three years, after which it is decided which are the genuine co-operatives. The idea has proved remarkably infectious, which shows that the images of the past have been effaced, partly because economic success is assured and perhaps, above all, because the planters are themselves running their co-operative and have a definite feeling that it is their own business. It is now a question of disciplining and establishing in depth the attraction which has been stirred up.

Admittedly, it has been more difficult to persuade the peasants to assume themselves the tasks which they had given up than to obtain better quality coffee or cocoa. Before the co-operative existed, they delivered their crop to Greek or Lebanese middle-men, at the risk of being exploited and, even worse, of ruining themselves by incurring large debts. Now they have adopted methods of cultivation, use fertilisers and are aware of plant hygiene, the cost of which in cash or in kind is advanced to them by the co-operative; they themselves carry out crop selection, shelling, weighing, collection, warehousing and selling to exporters. At the same time, they collect as a counterpart the group subsidy paid hitherto to intermediaries by the State, a bonus which enables the co-operative to purchase material and equipment for collective use, as well as to improve the standard of living.

In all these ways, the co-operative modifies little by little not only the technical environments but the mental attitudes as well, while keeping well within the traditional social hierarchical structure of

the village, which does not work without a certain risk, and it ends up by giving these ancient but still existing communal structures a new dimension directed towards foreign markets and towards the future. Thus, ideas as abstract as saving, investment and economic growth are assimilated little by little.

The great advantage of the co-operative is therefore not to sweep away and brutally destroy the African civilisation, as is all too often the effect of the great city, the big factory, or the large plantation. It helps to smooth the way towards an up-to-date economy in a humane manner.

We shall lay stress on the fact that the progress observed is the result of educational methods which do not fill the mind with a veneer of Western ideas, but make a permanent appeal for the participation of everybody according to his age and his capacity.

Thus, in the Bingerville buildings, there are both permanent courses of one or two years for young co-operative cadres and two-week training courses concurrently held, the latter for planters continuously during their dead season, with 700 of them participating in one year. During this time, three experts visit the 188 GVC in the three pilot zones, using films, slides, tape recorders and illustrated booklets printed at Bingerville, explaining in them very simply and with a touch of local humour the mechanics of economics and the Co-operative Principles. In a way,

a genuine élite of militants and technicians has been gradually built up, and the next decade will show how sound they prove to be.

Similarly, in the Cameroon, complete study courses ("cycles") of one or two years are organised in French at Ebolowa and in English at Bamenda, while, at the same time, day and weekend courses are held for planters and seminars for managers. To the Union of Bafoussam goes the credit for having "recycled" its managers and officials in the course of a year, while systematically visiting its co-operative members, 25,000 of whom have been contacted and invited to take part in discussions.

In this manner, a system of democratic communication has been instituted, without which no genuine co-operative can exist. There will, of course, be hair-splitting arguments as to whether the Rochdale Principles are properly respected, when the State still intervenes at various stages. But which is best: aid with control which, in any case, is getting more flexible, or no co-operative at all?

However that may be, in our opinion, the grafting attempted by the ILO seems to be successful. Thanks to it and to the United Nations, Co-operation is pushing again new and strong roots in this African land, where it was moribund, and thanks to them, it should play an increasing role in the future of African economic and social evolution.

40th ICA Seminar in the USSR, 1971

After the remarkable break-through made in 1970 in the "Europe-confined" geographical traditions, when the 39th ICA Seminar was the first to be held on the American continent, the 40th ICA Seminar was convened, for a change, in Moscow, the capital of the USSR, at the beginning of September 1971.

The theme of the Seminar had a rather long-worded title, namely, "Co-operative Education as a Factor Enhancing the Importance of the Role Played by the Co-operative Movement in the Economic Sphere and in Public Life". It had apparently been found necessary by the organisers of the Seminar—the ICA in collaboration with the host Organisation, Centrosoyus—to formulate the terms of reference of what was to be discussed as accurately as possible in order to make sufficiently clear the relevance of the problems involved, common to the co-operative movements in all parts of the world, and hence to attract an appropriately representative participation.

These expectations were surpassed by an attendance of 63 participants, mostly high-level educationists, representing national co-operative movements of 27 countries from nearly all parts of the world, all of whom concentrated on the task of examining the theme from all angles and drawing appropriate conclusions.

This proved to be no easy task. After all, such a large number of delegates from so many countries, with the most diverse socio-economic backgrounds,

could hardly have been expected to approach problems from a common angle and arrive easily at conclusions acceptable and applicable either universally or even to a group of countries of a certain type.

After eight days of listening to lectures, examining case studies, as well as arguing in discussions held partly in four separate working groups and partly in plenary sessions, the participants found that, despite all the differences in local conditions and approaches, they were able to agree on quite a number of conclusions, subsequently embodied in a final report, the length of which, of course, exceeds the scope of this article, in which only the main ideas can be briefly mentioned.*

Apart from pointing out, on the basis of very thorough analyses, the obvious but often overlooked fact that co-operative education is, indeed, an indispensable factor to enable co-operatives to play an adequate role in any country's national economy and social life, the delegates felt very strongly about the necessity of more international co-ordination in the educational field.

It was realised that, on the one hand, in some countries, purely utilitarian approaches to the co-operative movement's economic function led to a short-sighted under-estimation of the importance of co-

*The full text of the Final Report will appear in the "Studies and Reports" series, published by the ICA and will be available early in 1972. It can be ordered from the ICA Head Office in London or the ICA Offices in New Delhi, India, and Moshi, Tanzania, at the price of 20 pence.

operative education, but that, at the same time, in other instances, the very opposite danger threatened, particularly in the form of unrealistic beliefs that co-operatives could achieve miracles almost overnight; hence, co-operative education was sometimes regarded as a kind of "patent medicine", expected to cure all ills and, accordingly, administered without an adequately sensitive approach.

With these and other aspects in mind, participants of the Seminar urged that a suitable form must be found to enable the ICA to encourage a wide-scale and fruitful cross-fertilisation of ideas and experiences of national co-operative organisations and their educational and training institutions in order that all of them should be able to derive the maximum benefit from such an international co-ordination, within the framework of which an appropriate role should also be played by the educational programmes of the United Nations and of its Specialised Agencies. These include, of course, the ILO, FAO, UNIDO and particularly UNESCO, who representatives—although unable to attend the Seminar—had sent its participants a very comprehensive letter, specifically pointing out the areas in which mutual collaboration between the co-operative organisations and UNESCO at different levels could be most meaningful.

To be able to cope with the tasks involved, the ICA should, in the participants' opinion, equip itself, at the first stage, with an appropriate advisory body with sufficient expertise; and at the second stage, it should work for the establishment of an international co-operative training and research institute, which could eventually develop through more co-ordinated international efforts.

The discussions at the Seminar did not overlook the financial problems involved, nor did participants fail to realise that there were still many "white spots" on the map of the world as regards membership in the international co-operative family. These shortcomings and the part-

icipants' views were accordingly communicated to the Authorities of the ICA for consideration and appropriate action.

For one of the future annual seminars of the ICA, it was recommended that the problem of *methods* of co-operative education and training would deserve maximum attention.

Amongst the specific conclusions approved and recommended by the participants were that the ICA should:

- advocate national planning of co-operative education as a concept indispensable particularly (but not only) for developing countries;
- make its activities more meaningful in the sphere of international training of experts, training personnel and teachers;
- organise refresher courses for expert co-operative educationists;
- promote the establishment of more training institutions in all developing countries, especially West Africa and Latin America;
- try to satisfy the increasing demand for adequate co-operative textbooks;
- make its publication and information activities more relevant to the educational field through closer collaboration with member organisations;
- concentrate a substantial part of its research work on methods and techniques of co-operative education, including the costing, comparison of curricula, etc.; and
- initiate international prizes for educational achievements.

The Seminar was followed by a Study Tour to the Ukrainian SSR, where participants visited educational and other co-operative establishments in and around the cities of Kiev and Lvov. Wherever they went during their stay in the USSR, they were received with great friendliness and hospitality by representatives of co-opera-



Opening of Seminar by ICA Vice-President, Mr A. P. Klimov

tives as well as other institutions.

At the beginning of the Seminar, the Deputy Mayor of Moscow welcomed the participants immediately after the inaugural address of Mr A. P. Klimov, Chairman of the Board of Centrosoyus and Vice-President of the ICA.

This friendly atmosphere and numerous facilities generously made available by Centrosoyus, together with the keen

interest of the participants themselves, created conditions under which the 40th Seminar of the ICA succeeded in becoming what it was intended to be—a further contribution towards more successful international collaboration amongst cooperative education and training officers and institutions.

— Si —

Letter to the Editor

AT SCHOOL WITH DR LAIDLAW?

Sir,

So much of our advocacy of Co-operation (including mine) consists of assertion and rhetoric that it was very agreeable to read in the *Review No. 3* in the article "Are Co-ops for the Poor?" the essay in definition and analysis by Dr Laidlaw. It is, I think, a tribute to its stimulation that I still hesitate to accept it all:

1. Are the four schools into which he groups Co-operators really exclusive or even distinguishable categories? For example, "the School of Modified Capitalism", which sees Co-operation as "governor within the private profit mechanism", would surely also see Co-operation co-existing with public ownership and private profit. How then does it differ essentially from the "Co-operative Sector School"?

2. Is he fair to the School of Modified Capitalism? Dr Laidlaw says it "is all too clear to

us" that capitalism "first causes . . . poverty and then seeks to justify it and legitimise it". Is it clear to the modified capitalists and, if not, have they no explanation but their own blindness?

3. And finally, cannot each of the schools still make a case that it has a service for the poor, though not necessarily for them alone?

The intention of this tribute and riposte is simple: not for the moment to make out a case for any one of the schools and least of all for modified capitalism, but, like one of the classic poor, *Oliver Twist*, to "ask for more".

Yours faithfully,

R. L. Marshall, OBE, MA

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The Editor would welcome further "Letters to the Editor" from Readers of the Review on Articles of special interest to them, as featured as an innovation in this issue.

Joint Action by European Co-operative Laboratories

by Thomas Naess

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The function of INTERCOOP, the International Organisation for Consumer Co-operative Distributive Trade, is to review and publicise co-operative technical know-how.

It is clear to most people that joint purchasing and selling on a large scale has great advantages. It is also evident to many that, if consumers are to be offered better and cheaper goods, quality and prices must be guaranteed and controlled.

As a consequence of its principles, the Co-operative Movement has a comparatively clear-cut position in the great international trading battle. It aims at marketing high quality goods at reasonable prices—in other words, to give the consumer the best possible value for money. On the other hand, the purpose of large private productive and retailing organisations is to make the highest possible profit on the goods they manufacture. This often means that considerable effort is wasted on glamourising quite ordinary articles, encouraging consumers to be influenced by such factors as fashion and "snob-value" in their selection of goods.

This difference in attitudes has led to the formation of laboratories within the Co-operative Movement, the work of which is concerned to a considerable extent with consumer protection. Since then, co-operative laboratories collaborated with each other and worked in conjunction with other laboratories, such as those of the Health Council and the Government which are concerned with similar problems.

NKL's Central Laboratory started operations in February 1946 and, in September of that year, a joint Nordic Co-operative Organisation, concerned with collaboration in the chemical-technical field, was set up following a Danish initiative. This Organisation compiled a register of all technicians and their specialist fields and published a comprehensive information bulletin. The success of the Organisation resulted in the creation of the Nordic Methods Committee for Joint Nordic Foodstuffs Analyses, thus extending collaboration to a wider range of products, such as margarine, flour, soap and chocolate.

By 1948, it was clear that inter-

national collaboration between co-operative movements was desirable and it was organised by the Co-operative Wholesale Committee.

As the various interests of different countries became more closely identified, the demands for better services and quality grew. The work of the central laboratories moved from the broad international collaboration extended over a wide range of products to collaboration in testing foodstuffs. This did not, however, prevent the heads of central laboratories from keeping in touch with the testing of non-food products, asking for advice, or commissioning investigations from competent technicians when help was needed. Several central laboratories also had service laboratories for use by productive units which were too small to have their own.

In April 1971, a Committee of INTERCOOP agreed on principles for collaboration between the heads of foodstuffs laboratories. There are six principles, the second of which states the four aims of the INTERCOOP Committee:

- a) Continuing exchange of experience and results of tests, notification of projects (for example, internal quality control, packaging and product development) and information about new technical equipment.
- b) Exchange of experience regarding testing methods and attempts at achieving identical approaches and specifications (i.e., in examining imported goods).
- c) Carrying out jointly practical everyday tasks, for example, commission-

ing those laboratories which have the specialised technicians and the correct equipment for a particular project (or the setting up of special laboratories).

- d) Exchange of information and experience about national and international regulations for foodstuffs and, if possible, working out joint resolutions. -

So far, collaboration has worked very well. New registers of experts and specialised equipment available in the laboratories of the various countries have been compiled. INTERCOOP is now making use of a Swedish co-operative laboratory in an advisory capacity regarding non-food goods.

At the meetings of the heads of co-operative central laboratories held over the past three years, collaboration has principally centred on consumer protection, as, for instance, hygiene and labelling regulations, defining an upper limit for traces of undesirable metals in foodstuffs, and attempting to standardise the methods of analysis for these tests. In addition, the Danes have produced a list of foodstuffs which have been improved so that they are less harmful to the teeth than in previous years.

We can confidently say that the groundwork has been laid for effective, interesting and productive collaboration across national borders, as long as the ability to co-ordinate the work is as strong as the wish and will of the heads of the laboratories to collaborate with each other.

Research Officers Meet in Norway

Every year, a group of twelve to fifteen research technicians from European consumer co-operative movements meet for three or four days to compare notes on methodological approaches to one or two co-operative issues of mutual interest. This year, the meeting of the ICA Research Officers' Group was held in Trondheim, on the West Coast of Norway, from the 15th to 17th September 1971, with the NKL as host. Researchers from the co-operative movements of Finland, France, Italy, Norway, Poland, Sweden and the United Kingdom, as well as the ICA Secretary for Research and officials from the Statistical Office of the European Economic Community, discussed two major themes, namely, "Distribution Costs" and "Dividends". Between sessions, they visited a co-operative warehouse, a co-operative department store and a co-operative bakery, and saw the world-famous Nidaros Cathedral and the unique Ringve Musical History Museum.

Distribution Costs

Particular interest was attached to the description by Dr W. Schwarz, Head of the Domestic Trade Department of the Common Market Statistical Office, of the preliminary results of a comparative investigation of retail distribution costs of consumer co-operatives in the six EEC countries. This is the first comprehensive survey, incorporating comparable figures on distribution costs, which has been attempted on the European level.

It is a tribute to European co-opera-

tors that the contents of this initial study related to co-operative data. The reasons for this development were outlined to the Group. An earlier EEC statistical investigation of retail prices had alarmed Common Market officials in that it revealed prices tending to be "harmonised" at a level considerably higher than the previous average for the six countries, as well as the persistence of marked price differentials between the countries, reaching as much as up to 58 per cent in some instances.

This prompted a request to the Statistical Office for a further investigation into the basic reason for such a disappointing development, which, in turn, pointed to the need for a study in depth of the distribution costs. The intention was to prepare a profile of the European distribution system in general, encompassing the private and co-operative sectors. In the event, however, the private enterprises refused to collaborate and, therefore, this first study was limited to the co-operatives in the Common Market in 1970, on the basis of a joint investigation agreed upon by the Statistical Office and EURO COOP.

It was more than their traditional concern for the public and consumer interests that induced the European co-operators to collaborate on this project. They were, in fact, far-sighted enough to realise that a set of reasonably comparable figures on co-operative distribution costs could prove to be one of the most effective tools yet devised for promoting efficiency in the co-operative system of retail distri-

bution. Hence, European co-operators are eagerly awaiting the general conclusions, which are being prepared after detailed discussions of the data by special working groups, set up for this purpose.

Meanwhile, the co-operative movements have already profited from the exercise in that the very process of compiling comparable data has forced them to "harmonise" their accounting systems to some extent. Even more important, they have learnt how to collaborate with each other. The working groups, which were set up in EURO COOP for this purpose, are developing into an effective machinery for further joint action by co-operators of the six countries.

There is no doubt that Community officials are grateful to the movements for their "co-operative" attitude. The experimental approach to this first exercise has enabled them to hammer out a statistical framework for recording and reconciling data on distribution costs, which can now be extended to the private sector. On the basis of the work done with co-operatives, the Statistical Office has already succeeded in negotiating agreements with the European Organisation of Multiple Food Shops and a European Organisation of Furniture Manufacturers, and it expects to be able to extend such agreements to a large number of private enterprises for the purpose of a second investigation with greater scope and more depth, which is already under way. The hope was expressed that co-operators in the United Kingdom, Norway, Sweden and Denmark will agree to participate in this new study. Because it will include information about their private competitors, it should prove even more useful to co-operators than the first one.

A second paper on the theme of "Distribution Costs" was prepared by Mr Mäkeläinen, of Finland's SOK, in relation to the "Influence of the Warehousing Network on Distribution Costs". This was primarily a methodological description of the process, which is still continuing, of devising, through computerised linear

programming, a formula or model which will make it possible to minimise distribution costs by choosing the most advantageous location for warehouses (old and new).

The discussion, which followed, revealed that a similar system is in use in the Research Department of Sweden's KF, but that fewer variables are involved, since the factories are widely spread out over the country in contrast to those in Finland, where they are concentrated. It was emphasised by several participants that the importance of the scientific determination of the location of the warehouses is rapidly growing, as these become bigger and more expensive.

Factors other than warehousing which influence the distribution costs were also noted, amongst them, the direct delivery from the factory to the shop, more effective use of road delivery, joint purchasing, and the degree of integration between the retail societies and the wholesale organisation. This last point was developed at some length by Mr Wilkinson of the Co-operative Union of the United Kingdom, who pointed out that, in the British Movement, the cost levels of the retail societies are not susceptible to the centralised influence of the wholesale organisation or the Union, as the retail societies are autonomous and are reticent to make data on the operations of their different departments available to other societies. Nevertheless, the Union has attempted to exercise some influence by publishing comparative data and analyses on retail societies to enable individual societies to measure their performance against that of other groups. The discussion made it clear that this degree of autonomy is rare amongst European co-operative movements.

Dividends

The first paper on this topic, presented by Mr Lindblad, of the KF (formerly Secretary of the Committee on Retail Distribution), was a comparative analysis of divi-

dend rates in CRD member organisations. Mr Lindblad pointed out that, in most of the movements, the dividend has developed into a fairly rigid element of cost rather than representing a true surplus after sale at market price. Also, the level of dividend payments has tended to decline during the 1960's, with the notable exception of Norway.

Mr Cross, of the Co-operative Wholesale Society of the United Kingdom, gave a lively description of the way in which the British Movement has recently moved (at present, to the extent of 80 per cent of the trade) to the payment of the dividend in the form of trading stamps. The stamps are uniform in design throughout the Movement, but individual societies adjust the rate of their dividend by varying the number of stamps given per pound sterling of purchases. Thus, they provide flexibility for the purpose of promoting particular items. They may also be redeemed at varying rates, the lowest rate being for redemption in cash, a higher rate for the purchase of goods and the highest rate for the retention in share accounts. This means that the stamps can act as a stimulus to sales and also provide a new source of capital. Furthermore, they are administratively by about one-half cheaper to operate than the previous CLIMAX system of recording purchases for the purpose of dividends. The stamps have become so popular that certain private firms, particularly petrol stations, are distributing them on behalf of the co-operatives because of their sales promotional effect. Although the actual yield of stamps to members is somewhat lower than the dividend rates to which they have been accustomed, their popularity appears to be on the increase.

Mr Halvorsen, of the NKL, pointed out that, in recent years, the increasing level of the dividend in Norway is partly related to the refunding of a value added tax of 20 per cent on the dividend paid, as well as that the greater part of dividend payments is retained by members in their

share accounts.

In Finland, on the other hand, dividends are at the bottom of the European scale, with one-third of the societies paying nothing at all, one-third paying between nothing and 0.5 per cent, and the remainder paying between 0.5 and 1.5 per cent. Nevertheless, the co-operative market share is relatively very high for Europe and is increasing, presumably due to the competitiveness in prices and services and to increasing investments in the rationalisation of the co-operative distributive system.

Mr Semler-Collery, of the FNCC of France, briefly reported on a motivational study undertaken by the FNCC in respect of the members' attitude towards dividends. It revealed that older members are much more interested in the dividend than younger people, who are more concerned about the quality, assortment and immediate price, and that the interest in a dividend is much greater in rural than in urban areas. In the rural areas, where there is very little understanding of the co-operative system, the dividend is looked upon as a gift, and it is also considered that the women benefit most directly from it, because they handle the household money.

In addition to the papers relating to the main discussion themes, the participants were given detailed information about the Norwegian Co-operative Movement by the Norwegian delegates. The market share in the retail trade of the NKL is about 11 per cent (25 per cent in food). Of the 1,923 co-operative shops of all kinds, 60 per cent are very small, with a turnover of less than 2 million Krone. There are 753 societies. In 1970, the gross surplus on the gross turnover was 19.5 per cent, and the net surplus was about 3.7 per cent, of which 1.5 per cent was used for depreciation and 0.5 per cent for reserves, leaving 1.7 per cent for dividends. Member deposits account for 55 per cent of the total capital. This is partly attributable to the guarantee fund, which underwrites these deposits, and also to an interest rate

of 5 per cent as compared to 3 per cent in savings banks. There are eleven warehouses, the two largest being in Oslo and Trondheim and accounting for about one-half of the total turnover.

It was proposed, and later confirmed, that the next meeting of the Group should take place at the ICA Headquarters in London probably in October 1972. The theme to be discussed will be "The Role of Research and Planning in Co-operative Organisations", with emphasis on the

influence of research on the decision-making process in various movements, the structure of research departments, types of research undertaken and research methods. Arrangements will be made by a Planning Committee, consisting of Mr Heikkila of the SOK (Finland), who was re-elected Chairman, Mrs Stettner, ICA Secretary for Research, and Mr Wilkinson of the Co-operative Union (United Kingdom).

L.S.

Book Reviews

The Man from Margaree

"Writings and Speeches of M. M. Coady. Edited and with Commentary by Alexander F. Laidlaw." *Published by McClelland and Stewart Ltd., Toronto/Montreal, Canada. 1971. 218 pp. Price: \$7.95.*

In the past three months, this book has been my constant companion. I have dipped into it, as I waited in noisy airports, snatched a few pages while escaping from dreary unpredictable Conferences, and enjoyed the full savour of its message quietly at the fireside, when all had gone to bed.

It will be one of my bedside books for many years to come. It is not a story, although something of the life of this remarkable man is revealed. It is basically an anthology of the writings and speeches of Father Coady, assembled by Alex Laidlaw with all the care of a devoted disciple.

Father Coady, writer, educationalist and priest, was born in North-East Margaree on the 3rd January 1882.

Like Scotland, Nova Scotia exports its prophets and its geniuses, and there is a long list to prove it. Father Coady was an exception and, apart from speaking tours and Con-

ferences, he remained amongst his people in the maritime provinces in eastern Canada. Yet, his name and its association with Antigonish became an inspiring symbol throughout the world, wherever men studied the art of living and working together for the common good. He discovered great truths and proclaimed them loudly, but with the simplicity of the founder of the Christian Church. Pilgrims came from the four corners of the earth and were moved to return to their own countries and follow the faith.

Alex Laidlaw, in his excellent introduction, described him as a man before his time. In a sense, this is true. He preached about pollution years before it became fashionable. He pointed the way to the salvation which we are still struggling to achieve. But he was a product of his time. Reading his speeches, I was reminded of the co-operative and socialist pioneers in Europe a century before. They, too, recognised the wastefulness and dehumanisation of the new system. The Nova Scotia priest, living amongst fishermen and farmers, saw that the capitalism, which was developing rapidly in Canada, brought with it exploitation of man by man. He denounced it with the fervour of a Marxist. But his method was based on enlightenment and not class struggle as the

instrument of social change. He writes: "It would be easy for Canadians to take the highway that leads to the development of a rich and powerful few, disregarding its inevitable concomitant: complete proletarianization of the many. That is the way things have been done in North America for two hundred years. It is the American Way or the British Way, as we say. The opportunity for the poor boy, born on the farm, in the fishing village or in the slums of the city, to rise in half his lifetime to be a multimillionaire has come to be regarded as synonymous with democracy. . . . We can never build democracy by walking over the dead bodies of our fellows."

Like Robert Owen and the European pioneers, he has too great a faith in education. "If men were only enlightened to see the way", he cries, but our experience has shown that seeing the way in itself is not enough. His social doctrine was firmly based on his Christian conviction. Because he believed that man was made in the image of God, he could not stand aside at the sight of degradation of the human spirit. Exploitation was incompatible with brotherly love. Here is his revolutionary creed: "I would have you consider this important idea: our activities should not be confined to finding life within the framework of society as now constituted. Staying within the present framework is a smug philosophy—it lacks the dynamics that will make us great. We want to enjoy the good things of life within this framework, but our educational and social activities should at the same time change society."

His religion was deeply rooted in the world about him. He anticipated some of the debates which are now raging in the Catholic Church, as he called on Sisters in religious orders to desert their convents and become involved in the work-a-day world of ordinary people.

He has the supreme optimism of a simple faith. In his address on "Blueprint for Progress", he claims: "Before the dynamics of such an idea, all obstacles disappear. As a matter of fact, obstacles will become the challenge to our greatness." In the sophisticated world of big business, in which many co-operators are now involved, some will dismiss Father Coady as an idealist. But we dismiss our visionaries at our peril. As our objectives become confused with the com-

promise and expedencies of the day, it is necessary that we should hold to the great truths of this Christian revolutionary. We will become no better than our competitors, if we forget our fundamental purpose in society. Father Coady speaks to us like a conscience.

Lord Taylor of Gryfe

Report of the Working Party on Agricultural Co-operative Law in the United Kingdom

Published by the Central Council for Agricultural and Horticultural Co-operation, Hancock House, Vincent Square, London, S.W.1. 68 pp. Price: £2.

Since the establishment by Horace Plunkett in 1889 of the Drumcollogher Co-operative Creamery, which marks the beginning of the Agricultural Co-operative Movement in the British Isles, farmers' co-operatives in these islands have normally been registered, along with other co-operatives, under the Industrial and Provident Societies Act. This Act was conceived and administered principally to meet the needs of industrial co-operatives, that is, consumers' retail societies, workers' productive societies and their federations. Moreover, the Danish Agricultural Co-operative Movement being then insufficiently known to Plunkett and his colleagues, the very rules of the Drumcollogher Creamery were actually adapted from the model rules for consumers' retail societies provided by the Co-operative Union in Manchester. At a later period, farmers found that their co-operative enterprises could also be registered under the Companies Act.

Experience proved in time that each of these alternative legal frameworks had its own disadvantages as well as advantages, and that neither meets the requirements of the newer associations, which the evolution of farming techniques and the organisation of the market have encouraged farmers to form and wish to develop. Despite the support and protection afforded by the older legislation, it is accompanied by a number of disabilities and restrictions, particularly in regard to finance, from which it is desirable, even essential, that agricultural co-operatives should as soon as possible be emancipated.

It is perfectly natural, therefore, that the Central Council for Agricultural and Horticultural Co-operation, established under the Agriculture Act of 1967, should set up a Working Party, including some of its own members and expert representatives of the four countries of the United Kingdom, to examine legislation at present in force and to recommend any changes considered desirable. The British Agricultural Co-operative Movement thus comes into line with those other European Co-operative Movements, which have been obliged by the increased complexity of their financial and marketing problems to contemplate more or less radical changes in their legal frameworks, in order to be able to compete more effectively for capital and enjoy greater freedom in employing it.

The principal recommendation of the Working Party is the promotion and enactment of a law dealing specially and exclusively with agricultural associations. Such a law would, in the first place, define the agricultural association as a distinct class of business organisation, in which the interest of the agricultural producers would be dominant and which would be clearly separate from the consumers' co-operative organisations which constitute the largest co-operative element in the British economy. The existence of agricultural organisations, whether legally incorporated or not, has been variously recognised in British legislation enacted within the last decade, but the Working Party is convinced that the time has come for its formal recognition, together with some consolidation of the special enactments relating to agricultural associations. Under the proposed law, agricultural associations would come under the supervision of their own registry. Associations already incorporated under the Industrial and Provident Societies and the Companies Acts would be required to re-register, while trading associations with fewer than 20 members, non-trading associations and other associations with special objects, or imposing special obligations on their members as a condition of enjoying certain benefits, would also be eligible for registration.

Any association, of whatever type, would be eligible, if its rules provided a defined minimum membership, laid down objects concerned with agriculture and ensured a co-operative constitution. In the report,

it is rightly taken for granted that the responsibility for applying Co-operative Principles rests with the co-operators themselves. The concern of the Government is that those associations, which claim the benefits of registration on the ground of their co-operative character, shall be genuine of their kind. It is gratifying to observe that, in this connection, the Working Party has carefully studied the new formulation of the Co-operative Principles, adopted by the ICA at its Vienna Congress in 1966.

The Working Party accordingly devotes considerable space in its report to the discussion of the constitutional features, which the proposed Registrar of Agricultural Associations will need to look for in the rules of associations applying for registration. The discussion revolves around the proper relations which should exist between four elements: conditions of membership; the subscription of capital; the distribution of benefits; and the exercise of democratic rights. The approach is from the standpoint of practical good sense and natural justice, rather than theoretical correctness or consistency. Briefly, if an association is not merely to start, but to continue indefinitely as a genuine co-operative association, its membership must be open to all who can effectively utilise its services, but not include too many persons who join it for any other reason, material or sentimental; there must be a relation between the amount of capital a member is required to contribute and the extent (roughly measured by sales or purchases) to which he makes use of the society's services; there must be a similar relation between a member's trading support for his society and the cash or other economic advantages he directly derives from it; the body of members, who are at any time effective users of the society's services, should be able to dominate its policy and decisions through the rights of information, speech and voting, embodied in its constitution.

There is no space within the limits of a review article to follow the Working Party into every phase of its consideration of the proper application of the Co-operative Principles to the situation and needs of agricultural associations in the United Kingdom at the present time. Nevertheless, the reader, who is prepared to do so, will be well rewarded by receiving a lesson in clear thinking and careful phraseology

and the feeling at the end that his grasp of the essential Co-operative Principles has been strengthened by the exercise.

Furthermore, the Working Party does not shrink from considering a number of important external factors, notably taxation and legislation on restrictive trade practices, about which clarity is essential, if only because of the confusion sometimes deliberately created

by the Co-operation's hostile critics. The suggested Agricultural Associations Act, based on the recommendations of the Working Party and competently piloted through Parliament, should provide a Charter for Agricultural Co-operation which could be valid for a generation or even longer.

W.P.W.

**International Co-operative Alliance
Regional Office and Education Centre for
South-East Asia**

**Regional Director: Mr P. E. Weeraman
PO Box 3312, 43 Friends Colony
New Delhi 14, India. Tel. 631541; 632093.**

**International Co-operative Alliance
Office for East and Central Africa**

**Regional Director: Mr Dan Nyanjom
PO Box 946, Moshi, Tanzania. Tel. 2616.**

Affiliated Organisations

Algeria: Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 6 et 8 rue du Cercle Militaire, Oran. Tel. 205-00; 237-75; 368-64; also at - 21 rue Edgar Quinet, Algiers, and 9 rue Mathurin-Régnier, 75 Paris 15e.

Argentina: Federación Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires. Tel. 28-5381/3.

Intercoop, Editora Cooperativa Limitada, Humberto 1°, 2318-1° P.-A., Buenos Aires. Tel. 99-3193.

Asociación Argentina de Cooperativas y Mutualidades de Seguros, Belgrano 530, 5 Piso, Buenos Aires. Tel. 33-0222/7138.

Federación Argentina de Cooperativas de Crédito Ltda., Pueyrredon 468, 2 Piso, Buenos Aires (RC 24). Tel. 86-6283.

Asociación de Cooperativas Argentinas, 25 de Mayo 35, Buenos Aires.

Australia: Co-operative Federation of Australia, President's Office: 50-54 Ferry Street, South Brisbane, Queensland 4101. Tel. 4-5083. Secretariat: 569 Wellington Street, Perth, Western Australia 6000. Tel. 21-0191.

Austria: "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, A-1061 Vienna VI. Tel. 57-75-38.

Membership (1967): 476,200; turnover: retail trade: Sch. 4,646 mill. (thereof consumers' societies: Sch. 3,895 mill.; department stores: Sch. 713 mill.; other retail trade: Sch. 38 mill.); wholesale society (G.Ö.C.): Sch. 1,821 mill.; own production: consumers' societies: Sch. 472 mill.; G.Ö.C. and subsidiaries: Sch. 415 mill.

Bank für Arbeit und Wirtschaft A.G., Seitzer-gasse 2-4, Vienna 1.

Zentralkasse der Konsumgenossenschaften, Theobaldgasse 19, Vienna VI.

Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, 1 Bösendorferstrasse 7/11, 1010 Vienna. Tel. 65-71-63; 65-13-25.

1969: Affiliated organisations: 301 (comprising 189 societies and 112 associations); membership: 146,767; dwellings administered: 310,124 (comprising 136,462 societies and 173,662 associations); balance at 1968: 45.2 milliard Sch. (divided as to societies 22.2 milliards, associations 23 milliards).

Österreichischer Raiffeisenverband, Seilergasse 16, Vienna 1. Tel. 52-69-34.

Belgium: Fédération belge des Coopératives (FEBECOOP), 26-28 rue Haute, Brussels 1. Tel. 13-28-60; 11-83-50.

Affiliated consumers' societies: 21; membership: 300,000; turnover (1968): Frs. 4,180 mill.; shops: 1,409; Wholesale society turnover (1968): Frs. 1,272 mill.

Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151 rue Royale, Brussels 3. Tel. 18-80-80.

Premiums (1966): Frs. 1,903 mill.; reserves: Frs. 6 milliards; insurance funds, life: Frs. 20 milliards.

Fédération Nationale des Coopératives Chrétiennes, 135 rue de la Loi, 1040 Brussels 4. Tel. 35-60-90.

(1967): 1,250 shops; turnover: Frs. 1,430 mill.; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 mill.; reserves: Frs. 1,300 mill.

L'Economie Populaire, 30 rue des Champs, 5300 Ciney (Namur). Tel. (083) 228-01.

Branches (1970): 466; membership: 98,456; turnover: F.B. 1,319,000,000; savings deposits: F.B. 380 mill. + 340 mill. CEP (Private Savings Bank, Ltd.); capital and reserves: F.B. 208 mill.

L'Institut Provincial de Coopération Agricole, 42 rue des Augustins, Liège. Tel. Liège 32-36-52.

OPHACO (Office des Pharmacies Coopératives de Belgique), 602 Chaussée de Mons, Anderlecht-Brussels. Tel. 22-56-90.

Union of 28 co-operative 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.

Centrale des Caisses Rurales du Boerenbond Belge (CERA), Minderbroedersstraat 8, 3000 Leuven. Tel. 016/279.31.

Bulgaria: Central Co-operative Union, *Rue Rakovski 103, Sofia.* Tel. 7-83-11; 8-03-11.

Central Union of Productive Co-operatives, *Boulevard Dondoukov 41, Sofia.* Tel. 88-45-90.

Cameroon (West): West Cameroon Co-operative Association Ltd., *P.O. Box 135, Kumba, Meme Division, West Cameroon.* Tel. Kumba 251.

Canada: Co-operative Union of Canada, *111 Sparks Street, Ottawa 4, Ont.* Tel. 232-9657.

A federation of English-language co-operative organisations, organised in 1909.

Conseil Canadien de la Coopération, Case postale 58, Station N, Montréal 129. Tel. (514)-866-8048.

Ceylon: Co-operative Federation of Ceylon, *P.O. Box 1669, Co-operative House, 455 Galle Road, Colombo 3.* Tel. 85496.

Chile: Federación Chilena de Cooperativas de Ahorro y Credito, Ltda., *Dieciocho 246, Clasificador 760, Santiago de Chile.* Tel. 61373.

Cooperativa Sodimac Ltda., Casilla 3110, Santiago de Chile. Tel. 734023.

Cooperativa de Empleados Particulares Ltda., Teatinos 601, Casilla 424, Santiago de Chile. Tel. 82935.

Instituto de Financiamiento Cooperativo, IFICOOP, Ltda., Agustinas 853, Oficina 547, Casilla 1118, Santiago de Chile. Tel. 398253.

Unión Cooperativa de Seguros (Ucoseg) Ltda., Moneda 1040, of. 704-705, Santiago de Chile. Tel. 81295; 65100.

Unión de Cooperativas de Consumo y Servicios de Chile Ltda. ("U-Coop"), Agustinas 1141, 7° Piso, Casilla 14439, Santiago de Chile. Tel. 715256.

Colombia: Cooperativa Familiar de Medellín Ltda., *Calle 49, No. 52-49, Medellín.* Tel. 45-00-55; 41-71-13; 41-53-78.

Congo, Democratic Republic of: See "Zaire".

Cyprus: Co-operative Central Bank Ltd., *P.O. Box 1447, Nicosia.* Tel. 62921; 62677; 63311.

Cyprus Turkish Co-operative Central Bank Ltd., P.O. Box 791, Nicosia. Tel. 4257.

Vine Products Co-operative Marketing Union Ltd., P.O. Box 314, Limassol. Tel. 2331; 2872; 4582.

Czechoslovakia: Ustredni Rada Druzstev, *Tesnov 5, Prague 1.* Tel. 621-54; 647-51.

Denmark: De samvirkende danske Andelskaber (Andelsudvalget), *Vester Farimagsgade 3, DK-1606 Copenhagen V.* Tel. (01)12-14-19.

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.

Det Kooperative Faellesforbund i Danmark, Kronprinsensgade 13, 1114 Copenhagen K. Tel. (01)12-22-62.

Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprising consumers', workers', artisans', productive and housing societies, etc.

Faellesforeningen for Danmarks Brugsforeninger (FDB), Røskildevej 65, Albertslund. Tel. (01)64-88-11.

Affiliated societies (1969): 1,742; members: 839,000; turnover: 4,032 mill. D.Kr.; wholesale turnover: 2,198 mill. D.Kr.; own production: 741 mill. D.Kr.

Finland: Suomen Osuuskappojen Keskuskunta (S.O.K.), *Vilhonkatu 7, 00100 Helsinki 10.* Tel. 90-650-611.

Affiliated societies (1970): 274; members: 572,610; wholesale turnover: Fmk. 1,804 mill.; own production of SOK: Fmk. 332 mill.

Yleinen Osuuskappojen Liitto r.y. (Y.O.L.), Vilhonkatu 7, 00100 Helsinki 10.

Affiliated societies (1970): 274; members: 572,610; turnover of societies: Fmk. 3,152 mill.; total production of the affiliated societies: Fmk. 53 mill.

Kulutusosuuskuntien Keskusliitto (K.K.), r.y.,
P.O. Box 740, 00101 Helsinki 10. Tel. Helsinki
10491.

Affiliated societies (1970): 75; members: 574,733; turn-
over: Fmk. 2,133.9 mill.; own production: Fmk. 274.8 mill.

Keskusosuusliike O.T.K., *P.O. Box 120, 00100
Helsinki 10.* Tel. 71-13-22; 70731.

Affiliated societies (1970): 75; turnover: Fmk. 1,330.8
mill.; own production: Fmk. 431.9 mill.

Pellervo-Seura, Central Organisation of Farmers'
Co-operatives, *Simonkatu 6, Helsinki K.* Tel.
61046.

Affiliated organisations (1963): 10 central organisations;
1,102 societies.

France: Fédération Nationale des Coopératives
de Consommation, F.N.C.C., *89 rue la Boétie,
75 Paris VIII.* Tel. 225-99-98.

Affiliated societies (1970): 315; membership: 3,400,000;
shops: 8,300; turnover: NF. 6,100 mill.

Société Générale des Coopératives de Con-
sommation, *61 rue Boissière, 75 Paris XVI.* Tel.
553-88-22.

Fédération Nationale des Sociétés Coopératives
Ouvrières de Production du Bâtiment, des
Travaux Publics et des Matériaux de Construc-
tion, *88 rue de Courcelles, 75 Paris VIII.* Tel.
622-40-48; 622-45-20.

Confédération Générale des Sociétés Coopéra-
tives Ouvrières de Production, *88 rue de Cour-
celles, 75 Paris VIII.* Tel. 622-07-81/2.

Banque Française de Crédit Coopératif, *88 rue
de Courcelles, 75 Paris VIII.* Tel. 227-48-03.

Confédération Nationale de la Coopération, de
la Mutualité et du Crédit Agricoles, *129 Bd. St.
Germain, 75 Paris VI.* Tel. 033-93-31.

Caisse Nationale de Crédit Agricole, *91-93
Boulevard Pasteur, 75 Paris XV.* Tel. 273-90-00.

Fédération Nationale des Sociétés Coopératives
d'Habitation à Loyer Modéré (H.L.M.), *20 rue
de Richelieu, 75 Paris 1er.* Tel. 266-4520.

Confédération des Coopératives de Construction
et d'Habitation, "L'Habitation", *3 ave. du Coq,
75 Paris 9e.* Tel. 742-45-79; 874-67-62.

Confédération des Organismes de Crédit Mari-
time Mutuel, *18 bis, Avenue Hoche, 75 Paris VIII.*
Tel. 267-14-50.

Gambia (The): The Gambia Co-operative
Union Ltd., *P.O. Box 505, Bathurst.* Tel. 581.

German Democratic Republic: Verband
Deutscher Konsumgenossenschaften (VDK),
Stresemannstrasse 128, 108 Berlin.

Federal Republic of Germany: Bund deut-
scher Konsumgenossenschaften G.m.b.H., *Besen-
binderhof 52, (2) Hamburg 1.* Tel. (0411)284-
4001.

Affiliated societies (December 1969): 115; membership
(end of 1969): 2,235,000; turnover (1969): D.M. 4,827
milliards.

Grosseinkaufs-Gesellschaft deutscher Konsum-
genossenschaften m.b.H., *Besenbinderhof 52,
(2) Hamburg 1.* Tel. (0411)284-4310.

Total turnover incl. subsidiaries (1969): D.M. 2,462 milli-
ards.

Gesamtverband gemeinnütziger Wohnungs-
unternehmen e.V., *Breslauer Platz 4, 5 Cologne 1.*
Tel. 72-04-15.

Volksfürsorge Lebensversicherung Aktiengesell-
schaft, *An der Alster, (2) Hamburg 1.*

Volksfürsorge Deutsche Sachversicherung Akti-
engesellschaft, *Steinstrasse 27, (2) Hamburg 1.*

Deutscher Raiffeisenverband e.V., *Adenauerallee
127, 53 Bonn.* Tel. (0-22-21) 1061.

Ghana: The Alliance of Ghana Co-operatives
Ltd., *Post Office Box 2068, Co-operative House,
Liberty Avenue, Accra.* Tel. 25560.

Greece: Pan-Hellenic Confederation of Unions
of Agricultural Co-operatives (S.E.S.), *56 El.
Venizelou Street, Athens 142.* — Membership
suspended.

Guyana: Guyana Co-operative Union Ltd.,
*Ministerial Buildings, High Street and Brickdam,
Georgetown.*

Haiti (W.I.): Caisse Populaire Dominique
Savio, *57 Rue Rigaud, Pétion-Ville.*

Hungary: Federation of Hungarian Co-opera-
tive Societies, *Szabadság 14, Budapest V.* Tel.
113-600; 112-800.

National Federation of Producers' Co-operatives
(OKISZ), *Pesti Barnabás 6, Budapest V.* Tel.
188-806.

National Co-operative Council, *Szabadság tér 14,
Budapest V.* Tel. 113-600; 112-800.

National Council of Hungarian Agricultural
Co-operatives, *Akadémia utca 1-3, Budapest V.*

Iceland: Samband Isl. Samvinnufélaga, *Reyk-
javík.* Tel. 17080.

India: National Co-operative Union of India,
72 Jorbagh, New Delhi 3. Tel. 611123; 611343;
619328.

Iran: Sepah Consumers' Co-operative Society,
Avenue Sevvom Esfand, Rue Artèche, Tehran.
Tel. 332015; 332019.

Credit and Housing Co-operative Society of
Iran, *20-22 Shahabad Avenue, Tehran.*

Central Organisation for Rural Co-operatives of
Iran, *357 Pahlavi Avenue, Tehran.* Tel. 64210.

Consumers and Services Co-operative Society
for the Ministry of Labour and Social Affairs
Employees, *Ministry of Labour and Social
Affairs, Tehran.*

Ireland: Irish Agricultural Organisation Society Ltd., *The Plunkett House, 84 Merrion Square, Dublin 2.* Tel. 64783/4-6.

National Organising and Advisory Body for Agricultural Co-operatives. Affiliated societies: 333; membership: 127,000; turnover (1967): £152 mill.

Co-operative Development Society Ltd., *35 Lower Gardiner Street, Dublin.*

Israel: General Co-operative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv.* Tel. 46111-35.

Affiliated societies and companies (1963): 1,855 in all branches.

"Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, *44 Rothschild Bd., P.O. Box 75, Tel-Aviv.* Tel. 65085.

"Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, *8 Kaplan Street, P.O.B. 209, Tel-Aviv.* Tel. 250881.

"Bahan" Audit Union of Agricultural Co-operative Societies in Israel, *47 Nahmani Street, P.O.B. 622, Tel-Aviv.* Tel. 614933.

Italy: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome.* Tel. 868-141/2-4.

Confederazione Cooperative Italiane, *Borgo Santo Spirito 78, 00193 Rome.* Tel. 653-875; 565-605; 565-614.

Associazione Generale delle Cooperative Italiane, *Via Parma N. 22, 00184 Rome.* Tel. 462-659; 471-846.

Jamaica (W.I.): Jamaica Co-operative Union Ltd., *14-16 Barry Street, Kingston.* Tel. 24737.

Japan: Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Co-operative Union), *1-13, 4-chome, Sendagaya, Shibuya-ku, Tokyo.* Tel. Tokyo (404) 3231.

Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Co-operatives), *5, 1-chome, Otemachi, Chiyoda-ku, Tokyo.*

Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Co-operative Associations), *Sankaido Building no. 9-13, 1-chome, Akasaka, Minato-ku, Tokyo.*

National Federation of Forest Owners' Co-operative Associations, *11-35, Nagato-cho, 1-chome, Chiyoda-ku, Tokyo 100.*

Jordan: Jordan Co-operative Organisation, *P.O.B. 1343, Amman.* Tel. 23101/3.

Kenya: Kenya National Federation of Co-operatives Ltd., *P.O.B. 9768, Nairobi.* Tel. 21486.

Korea: National Agricultural Co-operative Federation, *75, 1st Street, Chung-Jong-Ro, So-daemun-ku, Seoul.* Tel. 73-0021; 75-2681.

Malaysia: Co-operative Union of Malaysia Ltd., *Peti Surat 685, Kuala Lumpur.* Tel. 23903.

Co-operative Central Bank Ltd., *29 Leboh Ampang, P.O. Box 685, Kuala Lumpur.* Tel. 299679; 24518.

Sarawak Co-operative Central Bank Ltd., *Kuching, Sarawak.*

Malaysian Co-operative Insurance Society Ltd., *36 Jalan Ampang, P.O. Box 817, Kuala Lumpur.* Tel. 87915/6.

Malta: Farmers' Central Co-operative Society Ltd., *New Building, Middleman Street, Marsa.* Tel. Cent 24896.

Mauritius: Mauritius Co-operative Union, *Co-operation House, Dumat Street, Port Louis.* Tel. Port Louis 822.

Netherlands: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikscoöperaties, "CO-OP Nederland", *Postbus 6008, Vierhavensstraat 40, Rotterdam 7.* Tel. (010) 235180.

Association of Enterprises on a Co-operative Basis, *Bloemgracht 29, Amsterdam.* Tel. 62303.

Nigeria: Co-operative Union of Western Nigeria, Ltd., *c/o Co-operative Buildings, New Court Road, Ibadan.* Tel. Ibadan 24399; 24446.

Lagos Co-operative Union Ltd., Co-operative Office, *147 Broad Street, Lagos, W. Nigeria.* Tel. 58920/85.

Mid-Western Nigeria Co-operative Federation Ltd., *c/o Ministry of Co-operative and Rural Development, Co-operative Societies Division, P.O.B. Benin City.* Tel. Benin 594.

Norway: Norges Kooperative Landsforening, *Revierstredet 2, Oslo 1.* Tel. (47-2)20-62-90. Affiliated societies (1970): 753; membership: 406,000; turnover of local societies: Kr. 3,500 mill.; of N.K.L.: Kr. 1,149 mill.

Norske Boligbyggelags Landsforbund (NBBL), *Trondheimsveien 84-86, Oslo 5.* Tel. 33-32-42.

Pakistan: East Pakistan Co-operative Union Ltd., *9/D-Motijheel Commercial Area, 8th floor, Dacca 2.* Tel. 255846.

West Pakistan Co-operative Union, *5 Court Street, P.O.B. 905, Lahore 1.* Tel. 54203.

Karachi Central Co-operative Bank Ltd., *14 Laxmi Building, Bunder Road, Karachi 2.* Tel. 36185.

Karachi Central Co-operative Consumers' Union, *Iqbal Market and Cold Storage, Soldier Bazar, Karachi.* Tel. 70917.

Karachi Co-operative Housing Societies' Union, *Shaheed-e-Millat Road, Karachi 5.* Tel. 40244.

Karachi Co-operative Union Ltd., Co-operative House, Shaheed-e-Millat Road, Karachi 5. Tel. 230289.

Karachi Fishermen's Co-operative Purchase and Sales Society Ltd., West Wharf Road, Karachi.

Sind Baluchistan Provincial Co-operative Bank, Ltd., Provincial Co-operative Bank Bldg., Serai Road, P.O. Box 4705, Karachi 2. Tel. 32361; 37290; 34736.

Provincial Fishermen's Co-operative Society Ltd., Iqbal Road, Patharghata, Post Box 27, Chittagong. Tel. 80587; 85967.

Peru: Cooperativa de Seguros "INCA" Ltda., No. 181, Av. Brasil 1360, Apartado 10159, Lima 21.

Cooperativa de Seguros del Peru, Maximo Abril 542, Lima. Tel. 46769.

Philippines: Central Co-operative Exchange Inc., P.O.B. 1968, Manila. Tel. 7-60-09.

Poland: Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Kopernika 30, Warsaw. Tel. 26-39-69; 26-10-81.

Central Union of Building and Housing Co-operatives, Ul. Marchlewskiego 13, Warsaw. Tel. 20-90-29.

"Spolem" — Union of Consumer Co-operatives, Gzazyny 13, Warsaw. Tel. 45-32-41.

Central Union of Work Co-operatives, Surawia 47, Warsaw.

Supreme Co-operative Council, Ul. Jasna 1, Warsaw.

Puerto Rico: Co-operative League of Puerto Rico, 458 Fernando Calder Street, Box 177, Roosevelt. Tel. 766-2592; 766-1382.

Romania: Uniunea Centrala a Cooperativelor de Consum, "Centrocoop", Strada Brezoianu 31, Sectorul 7, Bucharest. Tel. 16-00-10; 13-87-31. 1969/70: Associated 1,728 Consumers' Co-operatives in 39 District Unions; membership: 7 mill.; 28,000 retail shops: of which 8,100 public catering units; 7 processing and marketing enterprises; 18 production enterprises; 17 building enterprises; 20,400 servicing units; 18 educational centres.

Uniunea Centrala a Cooperativelor Mestesugaresti, "Ucecom", Calea Plevnei 46, Bucharest. Tel. 16-21-40.

Uniunea Centrala a Cooperativelor Agricole de Productie, "Uncap", 25 Bd. Gheorghe Gheorghiu-Dej, Bucharest.

Singapore: Singapore Co-operative Union Ltd., Post Box 366; Office and Library: 3-JJK Clifford House, Singapore 1.

Sweden: Kooperativa Förbundet, S-104 65 Stockholm 15. Tel. International: 46-8-449560; National: 08-44-90-60.

Affiliated retail societies (1970): 232; membership: 1,605,500; total turnover of consumer societies: Kr. 8,100 mill.; turnover of K.F.: Kr. 6,649 mill. (thereof Kr. 4,835 mill. to affiliated consumer societies); K.F.'s own production: Kr. 3,102 mill.; total capital (shares, reserves and surplus) of K.F.: Kr. 1,105 mill. and of affiliated retail societies: Kr. 1,332 mill.

Hyresgästernas Sparkasse- och Byggnadsförningars Riksförbund (H.S.B.), Flemingatan 41, Fack, S-100 21 Stockholm 18. Tel. 54-05-40.

1970: Affiliated Building Societies: 96; with individual members: 345,000; number of flats administered by local societies: 311,500; value of real estate: Kr. 15,735 mill.

Svenska Riksbyggen, Hagagatan 2, P.O. Box 19015, S-104 32 Stockholm 19. Tel. (08)34-05-20.

Folksam Insurance Group, Folksam Building, Stockholm 20. Tel. 22-01-00.

Lantbrukarnas Riksförbund, S-105 33 Stockholm. Tel. (08)14-16-00.

Kooperativa Gilleförbundet, S-104 65 Stockholm 15. Tel. (08)44-90-60; (08)44-95-60.

Switzerland: Coop Schweiz, Thiersteinerallee 14, CH 4002 Basle. Tel. (061)35-50-50.

Affiliated societies (1970): 276; retail outlets: 2,451; membership: 899,320; Coop-total turnover: Frs. 3,432.3 mill.; Coop-retail turnover: Frs. 2,893.0 mill.; Coop Schweiz, wholesale turnover: Frs. 1,743.5 mill.

Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), Schaffhauserstrasse 6, Winterthur 8401.

Verband sozialer Baubetriebe, c/o SBHV, Sihlpfach, Zürich.

Genossenschaftliche Zentralbank, Aeschenplatz 3, CH 4002 Basle. Tel. 23-84-00.

CO-OP Lebensversicherungs-Genossenschaft Basel, Aeschenvorstadt 67, CH 4002 Basle.

Tanzania: Co-operative Union of Tanganyika Ltd., National Co-operative Building, P.O. Box 2567, Dar-es-Salaam. Tel. 23077; 23344; 23347.

Thailand: Co-operative League of Thailand, 4 Pichai Road, Dusit, Bangkok. Tel. 811414.

Turkey: Türk Kooperatifcilik Kurumu (Turkish Co-operative Association), Mithatpasa Caddesi 38, Yenisehir, Ankara. Tel. 12-43-73.

Uganda: Uganda Co-operative Alliance, P.O.B. 2215, Kampala. Tel. 56984/6.

U.S.S.R.: Central Union of Consumers' Co-operative Societies of the U.S.S.R., "Centrosoyuz", Tcherkassky per no. 15, Moscow. Tel. 221-7253.

Consumers' societies (1967): 16,489; members: 55 mill.; shops: 356,700.

United Kingdom: Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester M60 0AS*. Tel. (061) 834-0975.

Affiliated retail societies (1969): 469; membership: 12,500,000; share capital: £181 mill.; retail sales: £1,132 mill.

Co-operative Wholesale Society Ltd., *P.O.B. 53, New Century House, Corporation Street, Manchester M60 4ES*. Tel. (061) 834-1212.

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*. Tel. (061) 832-8686.

Assets (1964): £369 mill.

Scottish Co-operative Wholesale Society Ltd., *Centenary House, 100 Morrison Street, Glasgow C.5*. Tel. (041) 429-2100.

Affiliated societies (1967): 153; sales: £89,008,059; reserves and insurance funds: £9,474,291; total resources: £23,139,384.

U.S.A.: Co-operative League of the U.S.A., *59 East Van Buren Street, Chicago, Ill. (60605)*. Tel. 312-922-0726; 202-628-9000; and *1012 14th Street, N.W., Washington 5, D.C.*

Uruguay: Centro Cooperativista Uruguayo, *Dante 2252, Montevideo*. Tel. 41-25-41; 40-90-66.

Yugoslavia: Glavni Zadruzni Savez FNRJ, *Terazije 23/VI, Belgrade*. Tel. 30-947/9.

Zaire: Centrale Générale des Coopératives Angolaises, *B.P. 6039, Kinshasa 1*.

Zambia: Eastern Province Co-operative Marketing Assoc. Ltd., *P.O.B. 108, Chipata*. Tel. 439; 485.

National Co-operative Development Committee, *Mulungushi House, Independence Avenue, P.O. Box 1229, Lusaka*. Tel. Lusaka 51744.

INTERNATIONAL ORGANISATIONS

Organization of the Co-operatives of America, *G.P.O. Box 4103, San Juan, Puerto Rico 00936*. Tel. 765-8520.

Nordisk Andelsförbund (Scandinavia), *3 Axel-torv, Copenhagen V, Denmark*. Tel. 15-15-33.

International Co-operative Bank Co. Ltd. (INGEBA), *Dufourstrasse 54, P.O.B. 711, CH 4002 Basle, Switzerland*. Tel. (061)23-58-27.

International Co-operative Petroleum Association, *28 West 44th Street, New York, N.Y. 10036, U.S.A.* Tel. LA 4-4455.

Sociedad Interamericana de Desarrollo de Financiamiento Cooperativo (SIDEFCOOP), *Ca-silla de Correo 4311, Buenos Aires, Argentina*.

International Co-operative Housing Development Association (ICHDA), *Suite 1007, 1012-14th Street, N.W. Washington, D.C. 20005, U.S.A.* Tel. 202-737-3420.