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**INTERNATIONAL COOPERATIVE ALLIANCE**

**REVIEW OF  
INTERNATIONAL  
COOPERATION**

EDUCATION



**VOL. 57 No. 1 . . . JANU**

# THE INTERNATIONAL COOPERATIVE ALLIANCE



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

It comprises organisations in every continent, and its total affiliated membership through national organisations exceeds 174,000,000. The consumers' movement accounts for about half the membership, the other half consisting of agricultural, credit, workers' productive, artisanal and fishery societies.

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

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

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

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

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

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

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

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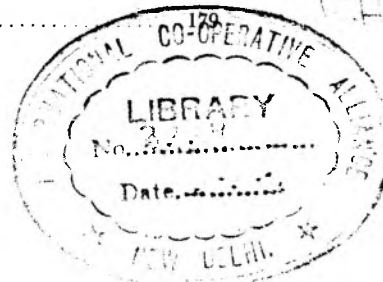
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## AFFILIATED ORGANISATIONS

- ALGERIA:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 8, rue du Cercle Militaire, Oran; also at - 21, rue Edgar Quinet, Algiers, and 9, rue Mathurin Régnier, Pcris, 15.
- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, Avda. Suarez, 2034, Buenos Aires.
- AUSTRALIA:** Cooperative Federation of Australia, 45, Mandolong Road, Mosman, Sydney, N.S.W.
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, Vienna VI.  
Membership (1962): 415,717; turnover: consumers' societies: Sch. 2,758 mill.; wholesale (G.O.C.): Sch. 1,326 mill.; department stores: Sch. 424 mill.; own production: consumer societies: Sch. 335 mill.; G.O.C. and subsidiaries: Sch. 401 mill.  
Arbeiterbank A/G Wien, Seitzergasse 2-4, Vienna I  
Zentralkasse der Konsumgenossenschaft, Theobaldgasse 19, Vienna VI.  
Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösendorferstrasse 6/11, Vienna I.  
(1961): Member Societies: 218, Assocs. 108; No. of members: 89,000; Dwellings administered: (socs.) 76,348; Assocs. 100,851; Total Balance: (Socs.) Sch. 6,677,096,800; (Assocs.) Sch. 8,409,217,600.  
Österreichischer Genossenschaftsverband, Peregringasse, 4, Vienna 9.  
Österreichischer Raiffeisenverband, Seilergasse 16, Vienna I.
- BELGIUM:** Société Générale Coopérative, 17-21, Place Emile Vandervelde, Brussels.  
Affiliated consumers' societies: 27; membership: 340,000; turnover (1961): Frs. 3,400 mill.; shops: 1,400; Wholesale society turnover (1961): Frs. 827 mill.  
Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151, rue Royale, Brussels.  
Premiums (1961): Frs. 922 mill.; reserves: Frs. 4,000 mill.; insurance funds, life: Frs. 12,000 mill.; fire: Frs. 155,000 mill.  
Fédération Nationale des Coopératives Chrétiennes, rue de la Loi, 141, Brussels.  
Société "Bien-Etre": 1,320 shops; turnover Frs. 1,251 million; dividends: Frs. 60 million; Savings Bank: 1,800 branches; 320,000 members; deposits: Frs. 5,500 mill. Insurance Society: 160,000 policy holders; premiums: Frs. 193 mill.; reserves Frs. 500 mill.  
L'Economie Populaire, 30, rue des Champs, Ciney (Namur).  
Branches (1961): 445; membership: 74,956; turnover: Frs. 687 mill.; savings deposits: Frs. 404 mill.; capital and reserves: Frs. 77 mill.  
Institut Provincial de Coopération Agricole, 42, rue des Augustins, Liège.
- OPHACO** (Office des Pharmacies Coopératives de Belgique), 602, chaussée de Mons, Brussels.  
Union of 28 cooperative societies owning 330 pharmacies, 50 optical departments and counters, 7 drug stores, 15 wholesale depots. Turnover (1961): Frs. 1,000 mill. Surplus distributed to 400,000 members: Frs. 82 mill.  
Société Coopérative Fédérale de Belgique, 83-85, rue Vanderschrick, Brussels.
- BRAZIL:** Centro Nacional de Estudos Cooperativos, Av. Franklin Roosevelt 39, 12<sup>o</sup>, Sala 1216 Rio de Janeiro.
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., Ministry of Education and Social Development, 41, High and Cowen Streets, Kingston, Georgetown.
- BULGARIA:** Union Coopérative Centrale, 103, Rakovski, Sofia.
- BURMA:** National Cooperative Council, 290-300, Lewis Street, (2nd. Floor), Rangoon.
- CANADA:** Co-operative Union of Canada, 202, Queen Street, Ottawa 4, Ont.  
A national association of English-language cooperatives, the principal members of which are provincial cooperative unions and inter-provincial cooperatives; organised in 1909.  
Conseil Canadien de la Coopération, 2030, Bd. Hamel, Quebec 8.
- CEYLON:** The Co-operative Federation of Ceylon, Co-operative House, 455, Galle Road, Colombo 3.
- CHILE:** Federación Chilena de Cooperativas de Ahorro, Ltda., Huerfanos 1639, Clasificador 760, Santiago de Chile.
- COLOMBIA:** Cooperativa Familiar de Medellín, Ltda., Calle 49, No. 52-49, Medellín.
- CYPRUS:** Cooperative Central Bank Ltd., P.O. Box 411, Nicosia.  
Cyprus Turkish Cooperative Central Bank Ltd., P.O. Box 791, Nicosia.  
Vine Products Cooperative Marketing Union Ltd., P.O. Box 315, Limassol.
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, Tesnov 5, Prague II.
- DENMARK:** De samvirkende danske Andels-selskaber (Andelsudvalget), H. C. Andersens Boulevard 42, Copenhagen V.  
Representing 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1961): D.Kr. 11,300 mill.  
Det kooperative Faellesforbund i Danmark, Frederiksborggade 60, Copenhagen K.  
Affiliated societies (1960): 626; total sales: D.Kr. 1,050 mill.; employees: 11,000; comprises: consumers' workers', artisans', productive and housing societies etc.
- DOMINICA:** Dominica Cooperative Credit Union League, Ltd., 14, Turkey Lane, Roseau.
- EGYPT:** Société Coopérative des Pétroles, 94, Kasr el Eini Street, Cairo.
- EIRE:** The Co-operative Development Society, Ltd., 35, Lower Gardiner Street, Dublin.
- FINLAND:** Suomen Osuuskappojen Keskuskunta (S.O.K.), Vilhonkatu 7, Helsinki.  
Affiliated societies (1962): 358; members: 504,298; wholesale turnover: Fmk. 887.98 million; own production of SOK: Fmk. 216.09 million,



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

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## HELP TO SELF-HELP

WE are living in a dangerous and insecure world—that was the one John F. Kennedy dealt with in his official statement the day before he fell victim of a senseless murder. At the funeral of President Kennedy East and West for once met in common grief and all paid homage to a great man and his work.

During his few years as President of the United States, John Kennedy had done more than any other statesman in the Western world to avert the outbreak of total nuclear war. He used his tremendous power to serve the cause of peace and to protect fundamental human rights. He worked untiringly and with firm determination to put an end to the cold war.

His endeavours were not in vain. The policy inaugurated by John Kennedy will be continued by his successor.

\* \* \*

The year 1963 will probably be known in history as the year when agreement on a ban on nuclear tests was reached. Judged against the background of the tragic world political developments in the whole postwar period, the Moscow treaty seems to be an achievement of paramount importance. Statesmen and common people alike presently hope that the test ban will mark a decisive turning point in the relations between East and West; that

it will do much to dispell deep-rooted fear and mutual distrust and thus lessen world political tension.

“Peaceful coexistence” will, however, remain wishful thinking so long as international agreement on disarmament remains impossible to achieve. The application of the old Roman maxim: *si vis pacem, para bellum* (if you want peace, be prepared for war) has for centuries led mankind from one catastrophe to another.

We have now reached a stage in the armaments race when universal disarmament under international control is the only trustworthy safeguard against total destruction of our civilization. This very fact gives us reason to believe that the test ban will pave the way for energetic efforts by the leading statesmen to conclude an agreement leading to gradual disarmament.

The long drawn out negotiations at the disarmament conference in Geneva have so far been characterised by a disappointing lack of results. New and vigorous efforts are necessary to break the deadlock. But even unilateral action by the great powers to diminish spending on arms should be welcomed. Some reductions of military forces have recently been announced unilaterally by the Soviet Union and the United States. Even if such decreases are more of a symbolic nature to begin with, they may

gradually lead to more tangible achievements.

The present spending on arms is estimated to reach in some states five to fifteen per cent of the national income. As a thought-provoking comparison, let us recall the fact that the industrialised countries—both in the West and the East—generally spend very much less than even *one per cent* of their national incomes on technical and financial assistance to the lesser developed countries. In the long run this is an intolerable situation.

The governments and parliaments in the industrialised countries are indeed shouldering a grave responsibility, if they think they can afford such huge spending on arms and let two thirds of the world population go on living in misery.

It is not much use paying lip service to the "freedom from hunger" campaign and the programme for "the development decade" as long as the rich nations are not prepared to give up even one single per cent of their national income to combat hunger, disease and illiteracy in the underdeveloped countries.

As was unanimously declared at the ICA Congress in Lausanne and confirmed by our Congress in Bournemouth, we as cooperators must feel it to be an urgent personal duty to use every opportunity to create, nationally and internationally, a strong general opinion for massive economic and technical assistance to the lesser developed countries. What can we do? Let me mention some examples.

1) *For the ICA itself the forthcoming international trade conference in Geneva will offer a very important occasion for a firm and constructive policy declaration. A draft statement is already*

*in preparation for the Executive meeting in February.*

2) *Both the ICA and its member organizations in the countries concerned, ought, furthermore, to bring pressure to bear on the government delegations which will take part in the negotiations at the so-called "Kennedy Round" within the framework of GATT. As cooperators we must urge that customs reductions and other measures for liberalizing international trade should be substantial. It is furthermore essential that the hindrance to export from the lesser developed countries to the industrialised states should be removed: for the lesser developed countries trade is often even more important than aid.*

3) *The ICA and the national cooperative movements must also, according to our Congress decision, extend and intensify their collaboration with such UN Specialized Agencies which are promoting cooperation in all its various forms in the lesser developed countries. The initiative taken by the ICA to start an FAO enquiry about promoting agricultural development through credit, marketing and supply cooperatives will this year reach its first stage of implementation through pilot projects. This important promotional work must be followed up. This is an example which may serve as a practical illustration of the existing possibilities to promote cooperation through collaboration with the international governmental agencies concerned.*

4) *The cooperative movements in membership of the ICA should press in their respective countries for increased financial and technical assistance to the lesser developed countries and within*

ramework, especially, for assistance  
e cooperative field. They should  
that their movements be repre-  
l on the national technical assis-  
boards.

*It is quite proper when we as  
rators urge in our own countries  
more money should be spent on  
ical assistance to be disbursed by  
xpayers. But, "charity should be-  
t home". Are we as cooperators  
red to give massive assistance,  
ed by ourselves, to the cooperative  
ments in the lesser developed coun-  
What we ourselves have done so  
grossly inadequate in relation to  
ormous need for help to self-help.  
is year, and before next Congress  
we could do much more than  
to through the ICA and bilate-  
I repeat "we could". Do we want*

\* \* \*

important deliberations and the  
is resolutions passed at our Con-  
n Bournemouth have laid a solid  
ation for our future work within  
ICA and its auxiliary committees.  
I of these committees have been  
established for many years, and  
panding efficiently and intensify-  
eir activities. I am thinking, for  
ce, of the Insurance Committee,  
nternational Co-operative Petro-  
Association and the Housing Com-  
. There is thus no need to deal  
with the work of these committees  
is mentioned elsewhere in this Re-

ish, however, to illustrate with a  
amples some new and important  
pments which were briefly men-  
at Congress.

Within the Banking Committee ad-  
l plans are being worked out to

establish an international cooperative  
bank. An efficient implementation of  
this programme may in due time turn  
out to be of great importance for pro-  
moting cooperative development both in  
industrialised and lesser developed coun-  
tries.

The Co-operative Wholesale Commit-  
tee has elaborated detailed plans for  
co-ordinating its research activities in  
connection with the EEC and EFTA  
markets. This work will in future be  
taken care of by the economic secretariat  
established at the Scandinavian Co-op-  
erative Wholesale Society in Copenha-  
gen. The wholesales in the two market  
groups will also collaborate to some ex-  
tent as importers and exporters within  
the framework of the Scandinavian  
CWS. This collaboration may eventually  
lead to the establishment of joint trad-  
ing enterprises for the cooperative  
movements concerned.

In view of the great role agricultural  
cooperation is destined to play, not least  
in the lesser developed countries, the  
ICA has every reason to devote much  
attention both to the work of its agri-  
cultural committee and to agricultural  
problems in the context of its general  
policy. In this connection it must extend  
its collaboration with both FAO and  
IFAP.

The greatly increased interest, nation-  
ally and internationally, in consumer  
protection and education problems will  
enhance the importance of the ICA's  
activities in this field carried out  
through its newly established working  
party and by other means.

The structural reforms with which a  
number of cooperative movements are  
now confronted merit thorough and sy-  
stematic study, to which the ICA work-  
ing party of research officers must make  
its contribution.

Already this survey of some actual tasks for the near future makes it clear that the ICA and its auxiliary committees, in close collaboration with our member organisations, will have to tackle a whole series of significant questions. There is certainly wide scope for extended and intensified cooperative action both nationally and internationally.

There are, however, two essential prerequisites which must be met to enable us to accomplish our tasks successfully. The first is that the ICA must have at its disposal sufficient resources in respect of finance and personnel. The second is that the collaboration within the ICA between its member organisations must be pursued in a constructive spirit.

In recent years there has, fortunately, been evident a pronounced tendency at the ICA meetings to avoid unfruitful debate on highly controversial world political issues. The emphasis has gradually been shifted to genuine cooperative problems.

In the new year it is my sincere wish that this tendency should prevail and develop still further in the future. May I express the hope that the friendly atmosphere from Bournemouth will also characterise our forthcoming meetings.

Mauritz Bonow



Mr. W. P. Watkins

# INTERNATIONAL COOPERATIVE ALLIANCE

## Retirement of W. P. Watkins

COOPERATORS the world over have acquired such a high regard and affection for the retiring Director of the I.C.A. that it is difficult indeed for any of us to imagine the day to day affairs of international Cooperation continuing without him. So many know him as a teacher, a writer, a speaker, and a Director, and all must inevitably be dismayed at the thought of this inexhaustible source of cooperative wisdom slipping quietly away from active affairs. Such a man is not replaced, for there could not be found a like blend of wisdom, experience, power of expression, energy, sympathy and dedication to the cause of Cooperation.

Tributes to W. P. Watkins and his work have already been appearing in the Cooperative Press of many national movements, and some of the writers have been privileged to know him for very many years. These warm personal tributes are more appropriate to the occasion than an impersonal list of some of the events of his life, but there are some who read the pages of this *Review of International Cooperation* who would wish us to recall for them something, however brief, of the career of W. P. Watkins.

Born in Plymouth, England, in 1893, he was the son of a Civil Servant who was a Cooperator prominent in both local and national circles. His father did

much to encourage cooperative education, and one example of this was W.P.W., at the age of 12 years, attending his first Cooperative Course, and in 1910 years he visited Paris to study Consumer and Workers' Productive Cooperation. Trained as a schoolmaster, he took a degree of Bachelor of Arts at Liverpool University. The war years from 1914 to 1919 claimed him for service with the military forces, but in 1919 he was awarded a scholarship by the Cooperative Union of Great Britain to study relations between consumer and agricultural cooperatives. He further studied agricultural cooperation in Ireland before accepting appointment as tutor at the Cooperative College in 1922. In 1929, Henry J. May, General Secretary of the I.C.A., invited W.P.W. to join the I.C.A. staff, and his work in writing and in organising International Cooperative Schools during the next ten years is especially remembered. In 1939 he joined the staff of the Cooperative Sunday newspaper, "*Reynolds's*" (now "*Sunday Citizen*"), and from 1940 to 1950 he served as advisor on Cooperation to the British Military Government in Germany. In 1951 he was appointed Director of the I.C.A., in which capacity he has served until his retirement in 1963, although he continued to advise the new Director until the end of the year.

This cryptic record does little to

cate the contribution made by this great Cooperator to the World Cooperative Movement and the International Cooperative Alliance, but his retirement is not simply an occasion for remembering the past or regretting the great loss which we shall all feel by his absence from the pressing affairs of International Cooperation today. W. P. Watkins is now free to devote more time to writing and free to write as he wishes. He and Mrs. Watkins will at last be able to enjoy an uninterrupted home life together, and cooperators will await with eagerness the publication of his future work.

At No. 11 Upper Grosvenor Street, headquarters of the Alliance, there is a new Director, W. G. Alexander, and a new Editor of the *Review of International Cooperation*, J. H. Ollman, who has worked under W. P. Watkins since March 1962. We hope that habit will guide the footsteps of W.P.W. back to this address on frequent occasions, for although we may converse with him by telephone, nothing will give more pleasure to all members of the staff of the Alliance than visits from the recently retired Director.

#### **Appointment of Administrative Secretary**

Mr. John Gallacher has been appointed to the post of Administrative Secretary of the I.C.A. and will arrive for duty at I.C.A. headquarters at the beginning of February. He will attend the meetings of the Executive Committee in Geneva and will understudy the General Secretary for two months. Miss G. F. Polley, O.B.E., is continuing as General Secretary until the 1st April 1964, and has very kindly agreed to continue as advisor to the Administrative Secretary for a further period of at least three months beyond that date. Although the

duties of the Administrative Secretary will be somewhat similar to those of the retiring General Secretary, the essential difference between the old and the new posts is that the Administrative Secretary is responsible to the Director, whereas the General Secretary was responsible directly to the other authorities of the Alliance.

Mr. Gallacher is aged 43, of British nationality, and married with one son. He has been Assistant Education Secretary of the Royal Arsenal Cooperative Society (1948–50), Education Secretary, Enfield Highway Society (1950–53), Southern Sectional Secretary of the Cooperative Union (1953–62), and Assistant Secretary of the Motor Agents Association (from 1962). A student at the Cooperative College, Loughborough, from 1946 to 1948, he obtained the Cooperative Secretaries' Diploma and is also a Fellow of the Corporation of Secretaries. His early business training was with the Scottish Cooperative Wholesale Society. Since 1954 Mr. Gallacher has been President of the Enfield Highway Society, a Society which has capital funds exceeding £2 million, 64,000 members, and an annual turnover of £5½ million. He also served for two years on the Board of Directors of the Vale of Leven Society in Scotland. Mr. Gallacher is the author of the Cooperative Union course entitled "An Introduction to the Board Room", and is known as a lecturer and a contributor of articles to various publications.

#### **Bournemouth onwards— Auxiliary Committees**

The meetings which preceded the 1963 I.C.A. Congress at Bournemouth were packed into a very full week and of necessity overlapped each other to some extent, causing problems for those

wished to attend them all. Cover-  
such a wide field of international  
erative activities, these meetings of  
Auxiliary Committees are a fine  
de to the Congress of the I.C.A.

The International Committee on  
ing met at the beginning of the  
and reported that its special secre-  
began to operate from the beginn-  
of 1963 with Mr. Ake Johnson of

Stockholm, as Secretary. The deci-  
of the United Nations to set up a  
nittee on Housing, Building and  
ing, though most welcome, does  
atisfy the recommendation of the  
for a Special Agency for Hous-  
nd the I.C.A. will continue to pur-  
s aim. At the same time the I.C.A.  
ontinue to be represented at appro-  
e regional and international com-  
es and will continue to point out  
suitability of cooperative housing  
iques for many forms of develop-  
. Advice and assistance will conti-  
o be given to developing countries.

The International Committee on  
ultural Cooperation is still without  
retary and is temporarily handi-  
ed by this. It has found, however,  
the technique of selecting a com-  
ty or commodities and bringing  
her representatives of cooperatives  
ested in importing and exporting  
lpful to a better understanding and  
result in an increase of business.  
series of conferences of this kind  
airy products, wines, tea, coffee and  
t, will be continued with a confe-  
: on fresh fruit and vegetables. The

and Agriculture Organisation of  
United Nations and the World Bank  
now become interested in the need  
rovide finance from the internatio-  
level through cooperative banking  
utions for development of agricul-  
and the I.C.A. will continue to

pursue this possibility actively to achieve  
practical results.

The Committee of Representatives of  
Workers' Productive and Artisanal So-  
cieties expects the exchange of techni-  
cians and experience to continue among  
the European movements and to extend  
to other movements, especially in Asia,  
Africa and Latin America. The Com-  
mittee also feels itself interested in the  
spread of cooperatives amongst the libe-  
ral professions.

The Conference on Education and the  
Press requires to be followed up by fur-  
ther opportunity for our international  
cooperative leaders to present their ideas  
and discuss them with appropriate ex-  
changes of experiences. The I.C.A. hopes  
to appoint a Secretary for Education,  
Press, Public Relations and Films early  
in 1964, who will devote himself to this  
field of activity, to liaison with  
UNESCO, and to the Henry J. May  
Foundation and the International  
School. The new appointment also co-  
vers responsibility for the publications  
of the I.C.A. and for the assistance given  
in rewriting, translating, and publishing  
of cooperative literature in various lan-  
guages. The Committee of the Heads of  
Cooperative Colleges is expected to meet  
in 1965 and the Committee of Coope-  
rative Librarians will also be meeting  
between the Congresses. Work is in pro-  
gress on a Glossary or various Glossaries  
of Cooperative Terms, and something  
of these should be published well before  
the next Congress.

The Cooperative Wholesale Commit-  
tee has solved the problem of the retire-  
ment of Dr. Kéler as their Secretary by  
appointing Mr. Mogens Eiholm of the  
Scandinavian Cooperative Wholesale  
Society and arranging to take over the  
Economic Secretariat of the NAF with  
effect from the 1st January, 1964. It is



most fortunate that Mr. Eholm has found it possible to accept these additional responsibilities, and those readers of the *Review* who are not already familiar with the work of the Scandinavian Cooperative Wholesale Society will find an article by Mr. Eholm elsewhere in this number. (See page 23).

The I.C.A. Auxiliary Committee on Retail Distribution, since the sad loss of its Secretary, Mr. Olof Eng, is taking stock of the present situation as regards the field of work covered by its own Working Parties, by the special Consumer Working Party, by the annual meetings of Research Officers, and by the Cooperative Wholesale Committee with its new facilities for research. The Chairman and Management Sub-Committee of the Retail Distribution Committee are considering an approach to the Executive Committee of the I.C.A. for discussions on the future role of the Retail Distribution Committee.

The International Cooperative Insurance Committee is extremely active and will continue to develop the various aspects of the work. The report published by the Research Committee has sections on cooperative insurance in developing countries, exchange of staff, joint investment programme and other future developments of the International Insurance Committee. The work of the Reinsurance Bureau is by now well known, as in future will be the work of the new Development Bureau and the facilities afforded by the Loan Guarantee Fund. Under study is the proposal to set up a Cooperative Insurance Holding Company or similar organisation, and a proposal for a survey of pensions schemes for cooperative employees.

The International Banking Committee has re-elected its seven-member Executive Committee but has opened

its Committee Membership to Cooperative Banks associated with the I.C.A. The Executive is to approach the International Cooperative Bank at Basle to ascertain whether the Bank would be willing to make certain changes which it is hoped might result in a strengthening of the Bank and a widening of its activities.

The International Cooperative Petroleum Association is rapidly gaining momentum and will continue to expand its operations to include further cooperative movements in the supply of petrol and oils. It is also considering possibilities of extending its activities to the fields of fertilisers and chemicals.

This brief summary omits so much of the work which lies ahead for these specialist Auxiliary Committees of the International Cooperative Alliance, but it may be helpful to readers of the *Review* as an indication of some of the important work in hand.

### **Congress**

After the fanfare of auxiliary meetings, the Congress met for four days to review the past three years and to set the stage for the next three year period. The resolutions and decisions made by Congress will be submitted to the Executive and Central Committees of the I.C.A., as may be appropriate to their subject matter, and these Committees decide on the implementation or further action required. At this stage it is only possible to make a brief review of some of these Resolutions and Decisions of Congress, since they have not yet received the consideration of the Committees.

Congress accepted to amend the Rules of the I.C.A., as proposed by the Central Committee, so that effectively from October 1963 the Director is the only official directly responsible to the other

ities of the I.C.A. The intention  
s respect is to end the responsibili-  
f two officials directly to the other  
rities, and to appoint an Adminis-  
e Secretary early in 1964 to take  
rom the General Secretary and to  
sponsible for his duties to the Di-

Resolution was passed by Congress  
g upon the cooperatives of the  
oped countries to collaborate with  
r organisations in the developing  
ries by providing capital and tech-  
know-how for setting up consu-  
nd processing industries in those  
in which the cooperatives of the  
oped countries have gained expe-  
: and made headway. For imple-  
tion of this Resolution the I.C.A.  
need to request information from  
ted organisations, and will need  
sider the various ways of tackling  
erious problem of feasibility sur-

e Resolution directing the I.C.A. to  
ile and distribute more cooperative  
ture for promotion of cooperation  
veloping countries, in close collabo-  
i with interested affiliated organi-  
s and Auxiliary Committees, is in  
a directive to spend more money  
ime on this work which has already  
undertaken as suitable opportuni-  
ave arisen. The Executive Commit-  
f the I.C.A. will obviously review  
policy and will have to take into  
nt the need to re-write, translate  
rint, and the expenses involved.

e Resolution stressing the duties of  
Cooperative Movement towards  
g people will necessitate obtaining  
iews of individual national move-  
s on Permanent Committees for  
n Activity, and further information  
: activities indicated by the Lau-  
: and Bournemouth Resolutions

which may in due course make clear  
whether further action at the interna-  
tional level is required.

The Resolution on Strengthening  
Unity and Collaboration in the Interna-  
tional Cooperative Movement is mainly  
an exhortation to even greater efforts  
in this field and does not suggest any  
change of policy or new course of ac-  
tion. The decisions to recommend all  
national cooperative organisations to  
display a spirit of collaboration and  
mutual understanding, to strengthen  
and develop friendly and business rela-  
tions on the basis of mutuality, and to  
approve the principle of national coop-  
erative organisations rendering assis-  
tance to the cooperatives of the econo-  
mically underdeveloped countries with-  
out any political and economic condi-  
tions will therefore be a matter for con-  
sideration by the Executive Committee  
of the I.C.A. as to any further action re-  
quired.

The Resolution requesting the Cen-  
tral Committee of the I.C.A. to consti-  
tute an authoritative commission to for-  
mulate the fundamental principles of  
activity of Cooperation under modern  
conditions, gives a fairly clear indica-  
tion of the action which will follow on  
this matter. This Resolution is address-  
ed to the Central Committee and re-  
quests on the one hand that a commis-  
sion be constituted and empowered, to  
study, to state certain opinions, and to  
formulate principles of cooperative ac-  
tivity, and on the other hand that the  
Executive be empowered to request na-  
tional cooperative organisations, mem-  
bers of I.C.A., to send their proposals on  
this subject. The Central Committee is  
then asked to consider the information  
from both sources.

The proposed Resolution on the esta-  
blishment within the Central Commit-

tee of an Investigation Committee for membership eligibility, and a proposed amendment to this Resolution, were not adopted by Congress, but the matter was referred to the Executive and Central Committees for their consideration.

The proposed Resolution that the I.C.A. should organise discussion meetings and seminars for strengthening the cooperative movement against international monopolies was withdrawn on the understanding that the Authorities of the I.C.A. will act swiftly and efficiently whenever an opportunity occurs to protect the interests of the consumer in this field.

Action will be taken to give the widest possible publicity to the Resolution of Congress on Disarmament and Peace.

The Resolution of Congress, which followed the discussion on the Paper of Mr. W. P. Watkins on Long Term Programmes of Cooperative Promotion and the Conditions of their Realisation, will need to be made known to certain UN Agencies and to be given serious consideration by affiliated organisations of the I.C.A. Every society and national movement has high priorities and urgent business for its own resources of capital and managerial and technical skill, but a considerably increased effort is required in the future to bring effective assistance on an increasing scale to the cooperative movements of developing countries. Efforts of individuals and of societies have to be made and put to such use, directly or indirectly, that both the giver and the receiver of such help can understand it and feel that it is good. The I.C.A. as the responsible international non-governmental organisation of cooperatives, can sponsor, coordinate, and act in such a way as to put cooperative movements directly in touch with each other, acquire, and pass on

essential information, and take action itself through the means of its Regional Office or Development Fund. Since the developing countries already have planning and close collaboration between governments and national cooperative movements, the best possible use of this collaboration must be made to achieve feasibility surveys and other requirements for effective implementation of technical assistance, and on the other hand consideration must be given to a closer collaboration between Governments and National Cooperative Organisations which will be in the position of donors of such technical assistance. The demand for technical assistance is insatiable; the donor will usually require to identify and approve, if not also to control, the assistance which he will give; liaison has to be effected between a real need and an effective goodwill and then means must be devised of getting the two parties into a practical relationship.

Unfortunately it has been found that this work cannot best be done by remote control from one international headquarters, and the I.C.A. Regional Office for S.E. Asia, with its Education Centre supported by the Swedish Cooperative Movement, and the Advisory Council drawn from the national movements of the Region, is playing a vital part towards affording Technical Assistance. The need for similar ventures in Africa and in Latin America will probably become urgent in the very near future, and the affiliated national organisations of the I.C.A. will shortly have to consider how far they are prepared to meet such a need. Extravagance there must not be, and our limited resources should not be dissipated in administrative charges, but work in Africa and Latin America would be carried out

more effectively with the help of Regional Offices for those continents, working alongside the national and regional cooperative organisations in these regions.

Resolution following the discussion of the paper on Economic Integration and Cooperative Development by Horsten Odhe is so wide in its scope that it covers many different fields of action. I.C.A. Meetings which bring together cooperative representatives from different or neighbouring eco-regional zones facilitate comparisons which lead to coordination and preparation for future activities beyond national boundaries. By drawing attention to appropriate developments in certain countries and by holding special seminars on modern management techniques the I.C.A. hopes to play its part in bringing the national cooperative movement to effect the structural reforms necessary to attain or maintain an overall efficiency in trade and production. Discussion of the study made four years ago on international cooperation in independent regions may also be of some use in this connection. The national cooperative organisations and the I.C.A. will need to coordinate their aims at the 1964 UN Trade and Development Conference. It is not possible to enumerate at one point in this report all the various means which may be used to further the different aspects of the Resolution which acts as a guide to the implementation of policy.

Resolution on the World Housing Situation and the Role of Cooperatives will be communicated to all countries and will be followed up with the United Nations.

Many other very important matters were touched upon at Congress without being made the objects of specific decisions or resolutions, and it is essential

to mention some of these matters in this summary review of the work which lies ahead for the I.C.A.

Research work is required on taxation of cooperative movements with a view to the preparation of internationally sponsored principles to assist national movements.

Consideration has been requested for the setting up of a single International Agency for Cooperative Development.

Cooperative fisheries may soon be ready to set up their own International Committee as an Auxiliary of the I.C.A.

Further attempts may be made to develop the activities of the H. J. May Foundation.

The Advisory Committee on Women Cooperators is to be appointed and the new post for a woman secretary at the I.C.A. Secretariat has to be filled so that work in this field can start as soon as possible.

Suitable preparation must be made for the 1965 ILO Conference at which International Cooperative Development will be discussed.

Collection and circulation of full information on Cooperative Travel Agencies, Hotels, Holiday Camps, and other Accommodation and Catering.

Follow up with FAO and the World Bank the provision of international finance through cooperative banking institutions for development of agriculture.

Consideration to be given to the Report of the Polish Enquiry Committee.

The holding of International Schools.

The April 1964 Conference in Japan for Ministers of Cooperation, their Chief Officials, and Presidents and Secretaries of national cooperative organisations in South East Asia.

Preparation and publication of statistics of national cooperative movements

## I.C.A. AND UNITED NATIONS

### Conference of FAO, Freedom from Hunger Campaign, and World Food Programme

**T**HIS Conference was held in Rome from 31st October to 5th December, 1963, and the International Cooperative Alliance was represented by the Director, the Vice-Chairman of the Agricultural Committee, Dr. L. Malfettani, and Mr. M. Appierto.

A written joint statement by the International Cooperative Alliance and the International Federation of Agricultural Producers was submitted to the Director-General of the FAO before the Conference, in support of additional staff and finance for cooperative work. This statement was introduced by Dr. Malfettani in the Technical Committee on Economics, and was referred to by the Director in the meeting of the Non-Governmental Organisations, in Commission II, and in the Plenary Session of the Conference. It is expected that the

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and the possibility of a UN Agency again undertaking certain work in this field.

As the list lengthens, the important tasks which lie ahead become for the reader rather less exciting by reason of the catalogue effect which is created. Let it suffice, therefore, to stop at this point in considering that the national cooperative movements are working together to tackle their common problems of economic and social development through their own International Cooperative Alliance. W.G.A.

cooperative staff of the FAO will be augmented by one permanent post for a cooperative expert, and a second post for a cooperative consultant to be appointed immediately for the remainder of the present two-year term, and to be reviewed before the next budget period. The consultant post is designed for a member of a four-man team which is to be ready to advise member Governments on request on co-ordinated economic planning. A project for the preparation of a Glossary of Cooperative Terms was approved and efforts are being made to co-ordinate the proposed work with that of the Working Party of the I.C.A. Committee of Librarians, which is already working on a Glossary of Cooperative Terms.

The Director-General of the FAO, Mr. B. R. Sen, referred in his opening statement to the FAO Conference on the 16th November, 1963, to the address of the President of the World Bank, Mr. George D. Woods, to the Boards of Governors of the World Bank, the International Finance Corporation and the International Development Association, in Washington D.C., on 30th September, 1963. Mr. Woods had said that the time has come when the Bank will have to add new dimensions to both its lending and technical assistance activities. He believed that the Bank should now intensify its support of agricultural development on a broader front, through such means as help to finance storage

ties, and farm-to-market roads, and through strengthening agricultural organizations that extend credit and technical help to the farmer. He stated that one way in which the Bank could be especially useful is by helping to build up local agricultural credit investment institutions which might progressively become important channels for the Banks financing to the agricultural sector and catalysts for a wide range of measures to raise productivity. He revealed that he has already undertaken exploratory discussions with Mr. Woods, and believes that the FAO should fully explore the possibilities in the World Bank might be prepared to offer before going any further on the suggestion of establishing an international source of finance. He stated his conviction that financial assistance to small-scale producers which hitherto been regarded as a national responsibility, could no longer be treated as a field for international financial assistance.

A provisional paper on the final conclusions and recommendations of the group of specialists established to examine the possibilities for strengthening the position of finance to agriculture in developing countries through Co-operatives and other institutions, was prepared and issued during the FAO Conference. The setting-up of this group of experts, it will be recalled, was the result of the FAO Biennial Conference in 1961, in which the Agricultural

Secretary of the International Co-operative Alliance played an important role, and subsequent discussions between the President and Director of the International Co-operative Alliance, and the Director-General of the FAO. The Government of Sweden and the Swedish Co-operative Movement pro-

vided the FAO with the necessary funds for these experts to carry out their mission, and the full report is expected early this year.

The Technical Committees on Economics and the Commission II gave their backing to a concrete follow-up action to be undertaken in this important field of international finance for agricultural development through cooperative and other banking institutions. The subject is retained within the purview of both the Rural Institutions and Services Branch, and the Freedom from Hunger Campaign of the FAO, and it is expected that consultations will start soon after the publication of the full report of the specialists.

The FAO has a project for further training centres aimed at improving cooperative management techniques. Production of printed extension material on cooperative subjects will also be continued.

The possibility of setting up a new international organisation that would deal exclusively with fisheries was discussed, but it was considered that it would be better to strengthen the present Fisheries Division of the FAO.

### **The ILO Governing Body**

The 157th Session of the ILO Governing Body met in Geneva from 12th to 15th November, 1963, and the International Co-operative Alliance was represented at this Session by Dr. M. Boson.

An important decision made at this Session was one to include as one of the main items of the agenda of the 49th Session of the International Labour Conference, which will be held in Geneva on 2nd June, 1965, the item "The Role of Cooperatives in the Economic and Social Development of Developing Countries". *(Concluded on page 48)*

# JOHN F. KENNEDY

EXTRACT FROM A STATEMENT  
BY MR. JERRY VOORHIS,  
EXECUTIVE DIRECTOR  
OF THE COOPERATIVE LEAGUE  
OF THE USA  
AND A MEMBER OF THE ICA  
EXECUTIVE COMMITTEE,  
25TH NOVEMBER, 1963.

Opposite: The late President Kennedy with Mr. Jerry Voorhis and members of the Committee during the National Conference on Cooperatives and the Future

**I**N the name of the Cooperative League of the United States and on behalf of its several million thoughtful and devoted members, this statement is made and this pledge affirmed:

We share with every true citizen of our country an overwhelming sense of grief and shame. Our President has been struck down. In the very midst of his work for peace, for equality, for freedom, and for a better life for man, the gun of a miserable assassin has murdered him.

John F. Kennedy died a martyr to the cause of the welfare of his fellow human beings.

Not since the murder of another great President, Abraham Lincoln, at a time and under circumstances all too similar to those of this hour, has our nation appeared in such a tragic light before the world.

What then shall we do?

We shall herewith resolve with all our souls that, in Lincoln's own words, "these dead shall not have died in vain". We shall begin by seeing clearly that both President Lincoln and President Kennedy were killed in the midst of their work for human reconciliation and for the equal dignity of all human beings. And we shall solemnly dedicate ourselves to working with quadrupled effort to put these principles into practice in the everyday activities of life. As it happens they lie at the very core of the objectives to serve which the Cooperative League of the USA exists. Had we worked with greater effect towards reaching them, the President might not have had to die.

We shall dedicate ourselves to helping to bring about the "real change in the



er of our times", for which the  
*Chicago Sun-Times*, in an editorial of  
 greatness, called with these words:

"Those who impugn the motives of our  
 national leaders, who defy the courts, distort  
 the operations of the United Nations, or  
 advocate a change in our form of govern-  
 ment, might not themselves do violence.  
 But they engender the kind of hate that  
 must have been in the eyes that lined up  
 President Kennedy's head in the crosshairs of a  
 rifle sight."

"The right of dissent, the exercise of free  
 speech, must not corrode into sullen rebel-  
 lion that breeds violence. All Americans,  
 those who agree with their government's  
 policies and those who disagree, must stand  
 together on this fundamental and demon-  
 strate this unity by action as well as words."

We shall go forward in a spirit which  
 perhaps prophetically—outlined in  
 an editorial in the official magazine of  
 the Cooperative League, *Coop Report*,  
 three short weeks before the trage-  
 dy of November 22. That editorial reads  
 in part as follows:

"All of us must fulfil one primary duty,  
 understanding *why* those with whom we  
 disagree think as they do."  
 If we—all of us on both sides of every

issue—do this, honestly and fairly, we shall  
 learn to respect once more the rights and  
 opinions of others, and to treat and regard  
 them as good citizens—however sharply and  
 deeply we may disagree with them."

"Our nation never needed a basic unity  
 of purpose and unity of spirit as it needs  
 them now. Those who destroy that unity by  
 hate, bitterness, false accusation and name-  
 calling, should consider whether in their  
 drive to have their own way completely, they  
 are not in the process going to make it  
 impossible for our American rights and  
 freedoms to continue to exist at all."

"It's a hard and often not very satisfying  
 role—but what our country needs now is a  
 larger and larger number of reasonable  
 middle-of-the-roaders who will work as hard  
 as the extremists do, who will hold those  
 extremists in check and blunt their unrea-  
 soning bitterness—and save our nation from  
 the tragedies of civil strife which now  
 threatens to engulf us."

If the struggle of the forces of  
 freedom and peace against tyranny and  
 violence is to be won for freedom in  
 the world today, it will be won by the  
 methods of John F. Kennedy and those  
 who carry forward the principles and  
 ideals for which he stood. We pledge  
 ourselves to carry forward that struggle  
 by those methods.



## ANDREAS HERMES — 1878-1964

THE year 1964 was only a few days old when the German Agricultural Cooperative Movement bade a last farewell to its greatest leader since Raiffeisen. On 4th January, Dr. Andreas Hermes, Hon. President of the *Deutscher Raiffeisenverband*, the apex union of agricultural cooperatives in the Federal German Republic, passed peacefully away at his country home in the Eifel Hills, and was buried at Bad Godesberg a few days later. He was in his 86th year.

Dr. Hermes was one of the outstanding figures of the Agricultural Cooperative Movement, not merely in Germany but also in Europe and the wider world. Simply to enumerate the offices he held at different periods of his life, long though the list would be, would nevertheless give a very inadequate idea of the magnitude and quality of his achievements. He first appeared on the international scene in 1911 when, after much travelling abroad to study the agrarian problems of many countries, and six years with the German Agricultural Society, he was appointed to direct the scientific and technical division of the International Institute of Agriculture at Rome, the forerunner of today's FAO. This appointment terminated with the outbreak of war in 1914.

The decade which followed the war Dr. Hermes spent in eminent services to German agriculture and the national economy in general. In 1920 he founded the Reich Ministry for Food and Agriculture, and a few years later served as Reich Minister of Finance. In 1926 he was appointed to the Commission of

Enquiry into Production and Marketing in German agriculture and directed the agricultural branch of its researches. Before this work was completed, he was elected President of the Confederation of Christian Peasant Unions, and also of the National Union of Agricultural Cooperative Societies, now known as the *Deutscher Raiffeisenverband*. Through these two offices he again became an international figure, first as a member of the German delegation to the World Economic Conference of 1927, then as Vice-President of the International Commission for Agriculture, and finally as a member of the joint committee of cooperative producers' and consumers' organisations which sat from 1931 onwards at Geneva under the chairmanship of the Director of the International Labour Office.

The year 1933 ushered in twelve years of imprisonment, exile, war, conspiracy against the Hitler regime, ending in trial for his life and a narrow escape from death at the hands of the Nazi executioners. An open and uncompromising opponent of Nazism, Hermes was compelled to lay down all his offices, besides being involved through false accusations in a long drawn out legal process and temporarily arrested. In 1936 he took up an appointment as economic adviser to the Government of Colombia where he spent three busy but fruitful years promoting agricultural Cooperation. Returning to Europe for a holiday in 1939, he was prevented from leaving Germany by the outbreak of war. As the war pursued its disastrous

e, Hermes joined with other pa-  
in the attempt to overthrow the  
e, which failed on 20th July, 1944.  
he 22nd he was arrested, not to be  
ted again until the Russian troops  
ed Berlin, and after being sentenc-  
o death by a People's Court in  
ry 1945. He was scarcely free be-  
he set to work to organise a food  
y system for Berlin, besides joining  
anding a political party, the Chris-  
Democratic Union, but these activ-  
were cut short by illness.

the summer of 1946 Hermes was  
more back with the peasants and  
ultural cooperatives. The latter  
not been dissolved like the con-  
s' cooperatives, but they had been  
l into the strait-waistcoat of the  
food and agriculture system. In a  
any and a Berlin divided between  
occupying powers, the former Na-  
l Raiffeisen Union could no longer  
te. The decision of the three  
ern Powers, however, to unite  
occupation zones in a single eco-  
region offered the opportunity of  
uting it in Western Germany, and  
s task Hermes set himself. He for-  
two Working Parties, one of rep-  
atives of the Peasant Unions, the  
of the regional unions of agricul-  
cooperatives. In mid-winter 1947  
nvened the tri-zonal cooperative  
rence at Neuenkirchen in West-  
a which foreshadowed the rebirth  
e Raiffeisen Union.

the international field, Hermes, at  
ead of both the Peasant and Ag-  
ural Cooperative Unions in W.  
any, joined in establishing the In-  
tional Federation of Agricultural  
icers and reviving the European  
ederation of Agriculture. As time  
l he devoted more time and atten-  
to the latter body. His great con-



cern was the welfare and prosperity of  
his peasants.

If Raiffeisen founded the Agricultural  
Cooperative Movement in Germany,  
it was Hermes who rebuilt it in the  
1940's, reuniting the regional unions, re-  
establishing the authority of the apex  
union, and collaborating in the re-crea-  
tion of the Credit Institute (*Deutsche  
Genossenschaftskasse*) which unites all  
branches of the German Cooperative  
Movement. He was a patriot in the best  
sense of the term, a citizen who loved  
his country and especially its rural  
people. He was none the less a good  
European and, indeed, a citizen of the  
world with an outlook such as the con-  
temporary world required. He was a  
great leader, not only in virtue of his  
talents as an administrator, but also be-  
cause of his powerful moral convictions  
and religious beliefs. While these earned  
him the respect of opponents and au-  
thority among his colleagues, his sim-  
plicity and charm of manner won him  
friends everywhere, for they were the  
sincere expression of his warm humanity.

W. P. W.



## CHIEF AKINPELU OBISESAN — 1887-1963

On 22nd October, 1963, Chief Akinpelu Obisesan, President of the Co-operative Union of Western Nigeria, died at the age of 76. After attending St. Andrew's College, Oyo, he was employed as construction clerk by the Nigerian Railway in 1908, and had reached the grade of station master when he retired six years later and became a mercantile clerk. In 1930, he retired to his farm, and, largely owing to his great success as a farmer, became leader of the Gbedun Co-operative Produce Marketing Society—the first registered cooperative society in Nigeria. Chief Obisesan was Councillor in the old Ibadan Native Administration and a member of many important institutions. Besides being President of the Cooperative Union of Western Nigeria, he served the Cooperative Movement as President of the Association of Nigerian Co-operative Exporters, the Ibadan Co-operative Produce Marketing Union, and the Cooperative Federation of Nigeria. He was awarded two medals—the King George V Jubilee Medal in 1937, and the Queen Elizabeth Coronation Medal in 1954—and the O.B.E. and the C.B.E. in 1948 and 1958 respectively.

## NEW LANARK ASSOCIATION LTD.

by **Norman Dunhill**

*Secretary, New Lanark Association, Ltd.*

BECAUSE of its association with the pioneer social experiments of Robert Owen, the small village of New Lanark occupies a place in world history almost as well known abroad as in its native Scotland. Also, a study of its early history confirms that New Lanark deserves its place in the economic history of Scotland quite irrespective of its connection with Robert Owen.

In 1783 David Dale, a Glasgow manufacturer, met Richard Arkwright, who was visiting Scotland to make known the merits of his spinning machine, the *water frame*. The result of this meeting was a partnership, with Dale providing the money and Arkwright the use of his machine, to erect mills for cotton spinning. A site was selected on the east bank of the River Clyde, a mile below Corra Linn Falls, and the mill had commenced operations by 1791. For the first time in Scotland, Arkwright's patent machine was put to use and it is thought that in 1790 the mills were the first to apply water power to spinning mules. So the village of New Lanark was born and secured its unique position in the history of the cotton industry.

Arkwright soon left the partnership as sole proprietor, Dale expanded the New Lanark Mills and built housing for a considerable number of disappoin-

ted highland emigrants. Although, in common with other manufacturers, Dale found pauper children a profitable source of child-labour, he had a reputation as a model employer and New Lanark was regarded as one of the most humanely conducted of the new factories. However, New Lanark was only one of Dale's successful ventures and in 1799 he sold the Mills for £60,000 to the New Lanark Twist Company, a new company formed by Robert Owen to acquire the village. Owen provided only a relatively small proportion of the capital of the new company, but as its manager he commenced the association with New Lanark that was to become known throughout the world.

Later in 1799 Owen married Dale's daughter, who had earlier introduced him to New Lanark, and in 1800 the couple moved to the village. Owen indicated at once that he intended to better the social conditions of the people, but he also made no secret of his intention to ensure the commercial success of his company. In spite of many difficulties he seems to have achieved both objectives. However, Owen's partners did not always agree with his progressive ideas and within ten years he had to form another company to buy the village for £84,000. Then on 31st December, 1813, we find another of Owen's companies buying the establishment at



"New Lanark as it is today... and as it was in 1825..."

a Public Auction for £114,100. These figures seem to give an indication of Owen's successful commercial management.

One of the main sources of friction with his partners was Owen's desire to improve the education facilities of the village and particularly his building of the "New Institution". Owen's ideas for the education of the young were far ahead of his time and only in recent years have children in infant schools been allowed the same freedom of expression. Also, he ceased to recruit pauper children and gradually improved working conditions of all child employees. The village store was conducted according to cooperative principles and it is now widely recognised that the present cooperative shops trace their origins to New Lanark. Also, housing and general working conditions were improved and there were beneficial changes in the whole social climate of the village.

New Lanark became a centre of

attraction throughout Europe for those interested in education and social reform. Between the years 1815 and 1825 the visitor's book records nearly 20,000 names including Grand Duke Nicholas of Russia. However, as Owen's fame spread he spent less and less time at New Lanark. Then, following further friction with his partners, Owen resigned from his position as manager in 1825 and severed his connection with New Lanark. The differences were not due to any business failures and Owen amassed a considerable fortune while at New Lanark. With his departure the social experiments came to an end, though Owen himself went on to develop the ideas that he had tried out at New Lanark.

Little is known about the village from 1825, when Robert Owen left, until 1881, when it was acquired by Henry Birkmyre and others from one Charles Walker. The Birkmyre family is still associated with the Gourock Ropework Company, the present owners, and it is



s if a piece of history has been preserved”

erally accepted that there has been a real change of ownership since 1881, though it was not until 1903 that the mills were absorbed into the main organisation of the present Company.

Perhaps the most significant fact about New Lanark is that it has changed its appearance so little since Owen opened it in 1825. The visitor's impression is of a village unspoilt by the passage of time. A comparison of a photograph of the village as it is today and a print showing it as it was in 1825 gives the same impression. It is as if a piece of history has been preserved and it is not surprising that the village still attracts the attention of distinguished visitors from all over the world.

Although the buildings are little changed, the mills have kept step with modern techniques and early in 1963 the Gourrock Rope-work Company, the present owners, completed a £250,000 modernisation and reorganisation, which should keep the mills in production for years to come. It is interesting

to note that the mills once again draw their power from the River Clyde, though now via electricity. Unfortunately it has not been possible to modernise more than a handful of the 170 houses in the village although they have been kept in a good state of repair and the Company received an award for its efforts a few years ago.

In recent years it has become increasingly obvious that the houses would have to be modernised if they were not to be condemned as unfit for human habitation. Already some twenty houses are kept empty as they lack adequate ventilation. In 1961, the Gourrock Rope-work Company, which already lets the houses at a loss to both employees and others alike, decided that it had not the resources to undertake the necessary modernisation. As the Company did not want the village to decay, it offered it, excluding the mills, to the local authority, Lanark Town Council, for the nominal sum of £250. After careful consideration, the Town Council decided by

a narrow majority, late in 1962, that the task was too great for it to tackle alone.

Following the decision of the Town Council, the Adam Housing Society was approached by Mr. Harold Campbell, Secretary of the Cooperative Party, and it agreed to investigate alternative methods of saving the village. After a meeting of all the interested parties in June 1963, it was decided to consider the formation of a Housing Association to purchase, modernise and so preserve the village. It was agreed that a Housing Association provided the best available instrument, as all the interested parties, organisations and individuals could participate directly in its work and it would have powers very similar to those of a local authority.

Such an association, the New Lanark Association Ltd., has now been formed with wide and varied support. The founder members include Mr. Kenneth Dale Owen, a great great grandson of Robert Owen, who made his first visit to Scotland specially to participate in the formation of the Association. Mr. Owen is a Texan, but is also interesting to note that he was born in New Harmony where he still maintains a house. In addition to many other distinguished individuals, the founder members include both the Lanark Town Council and the Gourock Ropework Company. Also, the Association has been particularly fortunate in attracting the support and membership of both the Cooperative Union and the Scottish Cooperative Wholesale Society.

The primary objective of the New Lanark Association is to bring the interiors of the houses up to modern standards and at the same time maintain the external appearance of the village. The village can only be preserved if it re-

mains a living community as there is little doubt that the houses would soon decay if left empty. In fact, the time is rapidly approaching when they must either be modernised or pulled down. As far as possible, the present tenants will be rehoused and it is hoped that the close link between the mills and the houses can be retained. At the present time about half the householders work in or have some connection through their families with the mills. Some of the tenants are the third or more generation of their families to live in the village and their ancestors were obviously some of the original inhabitants. Also, it is particularly interesting to note that Owen's Institute is still acting as the social centre of the village.

There are no great technical problems involved in modernising the property and the main obstacle is the cost of the project. Lanark Town Council estimated that it would cost nearly £250,000 to convert all the blocks and produce about 100 modernised dwellings. For various reasons it will not be possible to cover more than a small portion of the cost by increases in rents and success will be dependent on substantial help from external sources. Fortunately, much of the work qualifies for Central Government improvement grants and about a quarter of the cost can be covered in this way. Also, the Association has been given to understand that it can expect to receive substantial grants from the Historic Buildings Council for Scotland and other bodies. However, to complete the whole programme it will be necessary to raise about £75,000 from other sources. The New Lanark Association Ltd. is launching a world wide appeal for help and invites the support of all those interested in this historic village.

## NORDISK ANDELSFORBUND

**Mogens Eholm.**

(From a lecture given at the I.C.A. International School in Oslo, 1963.)



It is always a pleasure to have an opportunity to say something about Scandinavian Cooperation and give a brief account of the specific activity carried out by *Nordisk Andelsforbund*, which is the only international cooperative wholesale agency in existence today. The English name for *Nordisk Andelsforbund* is Scandinavian Cooperative Wholesale Society, or simply Scandinavian C.W.S.

Nine years ago another international cooperative wholesale agency was established to take care, in the first place, of Scandinavian exports. This undertaking called *Nordisk Andels-Eksport* (Scandinavian Cooperative Exports) and originated from the *Nordisk Andelsforbund*. In this article I must restrict myself to the main points of our activities—two above-mentioned organisations—as we are also the cooperative centres for the research work of the markets of E.E.C. and EFTA, those activities also included.

### What is the Nordisk Andelsforbund?

The *Nordisk Andelsforbund* is composed of the five northern countries and their six cooperative wholesale societies, respectively, K.F., in Sweden, N.K.L., in Norway, S.O.K. and O.T.K. in Finland,

S.I.S., in Iceland, and F.D.B., in Denmark, being their joint buying agency.

Factors contributing to a more extensive and durable collaboration between several nations would seem to be that their people should have a direct feeling of mutual relationship and destiny, and have roughly the same outlook on life. These conditions may be said to exist in the Scandinavian countries and are born from the desire and will to have freedom in political, social, and intellectual life. The strong cultural links between these countries: our community of language and history, and the fact that we have accustomed ourselves to considering the other Scandinavian countries as parts of a larger native country, and not as foreign territory—all these links have been of the greatest importance in preparing the soil for practical Scandinavian Cooperation.

*Nordisk Andelsforbund* was established in 1918, but long before that time Scandinavian pioneers within the Cooperative Movement had been considering the idea of establishing a joint international buying organisation. If this idea was not realised until 1918, it was because conditions were not favourable until that time. The mutual difficulties following the first World War made a





A coffee bush full of berries



The "Coffee Street" in Santos, where the deals in coffee are made

Picking oranges in Spain, and packing them under NAF's Brand name: AMIGO





Shipping raisins in California



Drying peaches in Calif



more intimate Scandinavian collaboration even more desirable. The decisive initiative came from Mr. Albin Johanson, formerly head of the Swedish Cooperative Society, K.F., and this initiative was received with great enthusiasm in the other Scandinavian countries.

The Scandinavian countries, to a certain extent—and especially in ancient times—form a homogeneous market. Swedes, Norwegians, Finns, Icelanders, and Danes use practically the same qualities of coffee, dried fruits and many other articles, or at any rate, differences in quality are so small that one man may be capable of having a thorough knowledge of all the qualities used in the Scandinavian countries.

The object of *Nordisk Andelsforbund* is to obtain advantage for its members by making purchases for them. When collaboration has come up to expectations, the operation may be extended to other fields of interest to the members (according to the statutes and, since its start 45 years ago, sundry operations have in fact been undertaken).

Only national organisations can be admitted as new members, and then only by the common consent of the old members. The two Finnish members were not admitted until 1928. It was originally intended that Finland too should join from the very beginning, but the Finnish Civil War resulted in Cooperation in Finland being split into two groups. Thirty-five years ago both groups agreed simultaneously to join *Nordisk Andelsforbund*, and it was with great pleasure that they were admitted.

In 1949, the Icelandic Cooperative Wholesale Society, S.I.S., also joined us, so that today all the cooperative wholesale societies in Scandinavia are members.

Our capital is acquired partly by sub-

scription of shares and partly by the formation of a reserve fund.

### **How the Nordisk Andelsforbund works**

The share capital is paid up on demand by the Board of Directors. At the start of *Nordisk Andelsforbund*, the three original members—Sweden, Norway and Denmark—together paid 65,000 Crowns to defray current expenses. This amount was later repaid, and the whole of the capital which is today at the disposal of *Nordisk Andelsforbund*, has thus been earned through its own efforts. Today the share capital amounts to about 1,85 million Danish Crowns and at the end of 1962, the total capital, inclusive of reserves, amounted to 8,6 million Danish Crowns. Interest on the share capital is paid at the rate of 5 per cent maximum.

Every year, when interest has been paid on the share capital and the reserve fund, when writing off, if any, has taken place, and after all expenses have been covered, the surplus—i.e., the net proceeds—is refunded to the members in proportion to their purchases.

The members are liable for the obligations of *Nordisk Andelsforbund* to the amount of their share capital and reserve fund only.

The responsibility for *Nordisk Andelsforbund* rests with a Board of nine. It is customary for one society—whether it is large or small—to have one vote. This principle, however, has not been practised in *Nordisk Andelsforbund*. Here two factors decide the number of votes held by each member on the Board and at the general meeting: its share capital, and its purchase through *Nordisk Andelsforbund*. A decision has been made, however, that no member may have a majority on the Board.

the general meeting—the supreme authority of the Society—consists of 26 delegates elected according to special

the accounts are audited by a chartered accountant appointed by the Board. In addition, each member has the right to elect an auditor to participate in the audit, so that our books can be seen by anyone at any time.

Trading cooperators of the five countries are members of the Board of *Nordisk Andelsforbund*, and as they exercise a great influence on the appointment of delegates to the general meeting, this meeting has always adopted the resolutions of the Board.

Although the number of Board meetings generally held per year is perhaps more limited than in other organisations, this does not mean that the Board of *Nordisk Andelsforbund* has been less important in the growth of our Society.

The Board of any other society whose meetings have been more frequent and lengthier. The directors of *Nordisk Andelsforbund* have really been of very great importance in the way they have conveyed to the mercantile leaders of their central organisation their own confidence in the advantage of *Nordisk Andelsforbund*. Thus they have greatly contributed towards establishing intimate and loyal collabora-

tion in order to give an impression of the results. In practice I should like to call attention to the following.

At the beginning, the consumers' societies made their purchases from the nearest wholesale dealer, and when a considerable number of consumers' societies had been established, a cooperative wholesale society was formed, and belonged to this wholesale society gained a right—on an equal footing with the

wholesale dealers of the country—to buy goods through private representatives of foreign houses. The establishment of *Nordisk Andelsforbund* must therefore be considered as a natural and direct continuation of the efforts of the Cooperative Movement, aiming at the establishment of direct connections with producer or supplier.

Many difficulties obviously had to be overcome. In the beginning it was especially difficult to establish the right contacts, but gradually, as it was realised on the world market what an important purchasing power was concentrated in *Nordisk Andelsforbund*, big and important exporters themselves frequently applied to us—and still do today—and asked for the opportunity of making offers through *Nordisk Andelsforbund* to the Scandinavian cooperative wholesale societies. In this connection I may mention that many of our foreign business relations are with big cooperative producers' associations. Here I am thinking of fruit growers in U.S.A., Australia, Turkey, etc. By purchasing from these suppliers through *Nordisk Andelsforbund*, the goods are delivered direct from the sources of production to the wholesale societies of the consumers' societies for distribution to the consumers in the shops. It could hardly be done in a more direct manner! It is obvious that *Nordisk Andelsforbund* must be careful not to spread the purchases too much. It is important to maintain a sufficiently large turnover for the individual supplier to induce him to keep us fully informed, not only about prices but also weather conditions, crop prospects, and other factors which may have a bearing upon the right time to purchase.

### Imports

Dried and fresh fruits from countries

all over the globe are among the most important goods bought through *Nordisk Andelsforbund*. Next to the English Cooperative Wholesale Society, *Nordisk Andelsforbund* was—under the less restricted import conditions before the last war—the biggest buyer of Californian dried fruits. Coffee is another import. Last year coffee, to the sum of about 180 million Danish Crowns, was sold through our mediation. *Nordisk Andelsforbund* is therefore undoubtedly the biggest coffee importer in Europe.

Among other important goods which we buy are tea, cocoa, grain, rice, spices, salt, seeds, sisal, rubber, and raw materials for the oil and margarine industries of our members.

These last mentioned goods are bought through our branch office in London, the chief task of which is to buy from British Dominions or overseas goods for which London is the commercial centre, e.g. rubber, hemp, copra, and soya beans. The operations of the London office were extended some years ago with the formation of special purchasing departments for textiles and hardware. The head office is still in Copenhagen.

### **The agencies**

Ten years ago, in 1953, *Nordisk Andelsforbund* opened an office in Valencia to watch the interests of its members as regards purchases, more especially in connection with the import of oranges to Scandinavia. In the orange season our Valencia representative is constantly on the move through the fruit districts, reporting daily to the head office in Copenhagen and likewise to the members. This is very important as prices and conditions governing delivery change from day to day and sometimes even hour to hour. Moreover, it is of the great-

est importance that the Spanish exporters should know that we have a representative on the spot who may turn up in the warehouses or on the quays at any time to check the quality and appearance of the fruit, packing, weights etc.

As the Valencia office came up to expectations, the next step was the establishment of an office in Brazil, so, at the beginning of 1956, an office was opened in the coffee town of Santos. The object of this outpost in the far-off coffee country was to obtain an increased competitiveness on the Scandinavian coffee market. It is of course a great advantage to be on the spot and in constant touch with the exporters and also to watch the sensitive coffee market hour by hour to form an objective opinion of the changing situation. The Santos office maintains daily contact with the head office in Copenhagen which receives by letter and cable, personal reports and tips of importance to *Nordisk Andelsforbund's* members.

One of the greatest events in the development of N.A.F. was the foundation in 1962 of the office in San Francisco, *Nordisk Andelsforbund California, Inc.*, which has been established as an American joint stock company and which started its activities on 15th May, 1962, as an intermediary for purchases from the West Coast of the U.S.A.

### **Trading Results**

The turnover of the commodities in question amounted, in 1962, to about 36 million Danish Crowns, or 14 million Crowns more than in 1961. The earnings amounted to approximately 605.000 Danish Crowns and a net surplus of about 145.000 Danish Crowns was to be refunded to the buyers.

Apart from this net profit, we had, however, obtained far greater indirect

ings of an economic character, which, during the operating period, had been of direct benefit to the buyers of the member organisations; for instance, realisation of lower prices than those already accepted in our market, purchases from non-exporting packers, etc.

Our total annual figures for the last year were about 400 million Danish crowns, corresponding to more than 200 million English pounds sterling.

### **The importance of Nordisk Andelsforbund**

Is it really necessary for the central cooperative organisations in Scandinavia to have a buying organisation such as *Nordisk Andelsforbund*? Could not the members make the purchases equal well themselves? For several reasons, however, this would not be expedient. Firstly, it is expensive for the individual organisations to be kept up to date on market fluctuations, if it is not a question of a very big buyer whom the seller finds it advantageous to keep well informed. Secondly, it is almost impossible to maintain satisfactory contact with the markets concerned if these are not followed from day to day. If one cooperative wholesale society covers its requirements of one article for a certain period, it very easily loses its daily contact with the market, because a relatively long time will obviously elapse before a fresh purchase will be contemplated.

A joint buying organisation like *Nordisk Andelsforbund* must—and can—be instantly and fully conversant with market information, as its main object is continuously to obtain offers for those of its members who may be in the market at any moment.

By virtue of the extensive requirements of our members we are kept fully supplied.

Roughly speaking, it is not of course simply that *Nordisk Andelsforbund* represents a number of foreign exporters, who can only sell their products to the cooperatives in the Scandinavian countries. Very often the big firms of the world have one representative in each of the Scandinavian countries for the sale of their goods to the private market, and, at the same time, side by side with these private representatives *Nordisk Andelsforbund* is represented, but exclusively for sale to its members: the cooperative market. As regards big groups of goods, the daily quotations are identical, and our members may therefore often receive offers for exactly the same commodity from the same supplier, and at exactly the same price, the only difference being that the ordinary rate of commission is included in offers through *Nordisk Andelsforbund* while the same rate of commission is reserved for private agents when corresponding offers come through them. When establishing business connections with a foreign supplier, we have always made this a condition, and further that no commission or benefit whatsoever is paid to any third party on business conducted through *Nordisk Andelsforbund*.

We are pleased to say that during the forty-five years *Nordisk Andelsforbund* has been in existence, we have experienced no friction worth mentioning with the private representatives within the different lines of business. In the performance of its functions, *Nordisk Andelsforbund* has always endeavoured to assume a fair attitude towards the private representatives. It goes without saying that unavoidable discrepancies have occurred from time to time, and a few years ago, as a preventive measure towards the association of Northern import agencies—The Federation of Nordic

Comercial Agents—*Nordisk Andelsforbund* drew up and defined precisely our fundamental lines of action as regards private trade.

The amount earned by *Nordisk Andelsforbund* over the years represents about 61 million Danish Crowns, an amount we have consequently saved for the consumers. As a substantial part of this was earned at a time when the value of the Danish Crown was considerably higher than today, the total amount, converted at the present day purchasing power of the Danish Crown, may be estimated at about 82 millions.

Our members get such a share of the surplus as they are themselves helping to create, i.e. in proportion to their purchases through *Nordisk Andelsforbund*. Thus, if a member society wishes to have a greater share of the surplus, this can only be accomplished by increasing its purchases through us. This is presumably the most essential difference between a private capitalistic undertaking and a cooperative organisation.

The extent of the operations of *Nordisk Andelsforbund* depends mainly on the advantages which we offer our members as a representative for foreign firms. As mentioned before, none of our members' buyers is in any way bound to make purchases through *Nordisk Andelsforbund*, but, for the buyer who is in full agreement with the idea underlying his work, it will be quite natural to make a special efforts to increase turnover through *Nordisk Andelsforbund*. It is often more convenient just to ring a local representative instead of telephoning, writing or teleprinting to *Nordisk Andelsforbund*. This fact is recognised, and the department of the buyer concerned is credited in advance with half the commission, and this profit consequently influences the economic result

of the department for which he is responsible. Furthermore, the net proceeds are credited to each departmental buyer after each year's close of books, so that every single penny of the profits on our transactions is refunded. We are working thus on a self-cost basis.

All day long telegrams are received, and the reports and offers they contain are passed on to the buyers of our members—most frequently by teleprinter, and by telephone and sometimes telegram.

This unique cooperation is manifested in visits from our member organisations, For instance, several of their coffee people frequently stay for days at a time in our coffee department, and likewise members of our staff visit their colleagues in the Scandinavian capitals to get acquainted with their special problems and needs. This lively exchange between leaders and buyers from the cooperative societies of the Scandinavian countries is of an importance which can never be valued in pounds, shillings and pence.

### **Nordisk Andels-Eksport**

The other organisation mentioned in my introduction is the cooperative exporting organisation, which emanated from *Nordisk Andelsforbund*, the distinction being the latter is a purchasing organisation whereas *Nordisk Andels-Eksport* (Scandinavian Cooperative Export) is primarily an exporting organisation.

*Nordisk Andels-Eksport* was established in November 1954 but did not start to function until May 1955.

This undertaking is based on the goodwill which *Nordisk Andelsforbund* has obtained as a large-scale importer. In our experience import and export businesses are very frequently and natu-

ly connected and may be advantageously combined.

In this connection it may be mentioned that many of the undertakings in the world represented by *Nordisk Andelsforbund* are big concerns, which are handling imports through their special import departments. *Nordisk Andelsforbund* has often received enquiries in the past as to whether it is possible for us to supply Scandinavian goods for such commercial purposes, but this could not be done.

### **the aim and objectives of Nordisk Andels-Eksport**

The fundamental aim of this export-organisation is to find new outlets for cooperatively manufactured Scandinavian goods, though trade may also be extended to include sales of goods manufactured by others. I should like to emphasise, however, that the net profits of the exporting organisation belong to the cooperative founders—the founders and members as those of *Nordisk Andelsforbund*—plus *Nordisk Andelsforbund* itself as a seventh mem-

I should like to say that during the comparatively short period of nine years, we have had every reason to be satisfied with the annual turnover of first years; in 1962 our sales figures amounted to about 30 million Danish crowns.

The transactions cover a wide range of goods: furniture, chemicals, seeds, tobacco, matches, fruit, coffee, soya, oil, and beans, coconut meal.

An interesting fact—not only from a business, but also, and chiefly, from a cooperative point of view—is that it also acts as though further trade interchange and other concrete business transactions with overall European

cooperative wholesales, may be advantageously increased through this society's acting as a bridge. Not only can it link the cooperative wholesales in the northern countries in the area of N.A.F. and the corresponding wholesales in the rest of Europe—Germany, Austria, Switzerland, England, Scotland and so on—but also the different cooperative partners of both market communities, those belonging to EEC and EFTA.

The result of negotiations with V.S.K. and S.C.W.S., respectively the Swiss and the Scottish Cooperative Wholesale Societies, was that, as late as 1962, both these sister cooperatives became associated members, and as such, among other things, they will make use of the office of *Nordisk Andelsforbund* in San Francisco on the same terms as the other members.

It is with pleasure that we have been able to trace, on the whole, a growing understanding of, and a widespread and friendly attitude of mind among our sister organisations outside Scandinavia to the prospects of N.A.E. for cooperative collaboration as well as for purchases and sales to the rest of Europe. And this exists not only at the top of the organisations, but also—what is perhaps of even greater importance—among a whole series of buying managers who are knowledgeable about the goods.

I mentioned a little earlier that although the primary aim of the Scandinavian Cooperative Wholesale Society is to act as an organisation for joint buying, a second aim must not be neglected, and that is to act also as a Scandinavian forum for discussing problems of joint cooperative interest to the member organisations. At this juncture the formation of a special economic secretariat comes into the picture.



Discussions were taken up by the central cooperative organisations in the four Scandinavian countries within EFTA and, quite naturally, within the framework of the Scandinavian C.W.S. In 1960, its Board decided to establish a special Economic Secretariat to promote collaboration in the cooperative fields of the production trade in the Scandinavian markets.

There are a number of important circumstances favouring the gradual implementation of this objective. There is a wide, ideologically consolidated market for cooperatively manufactured products in the large membership of cooperative societies, amounting, as a whole, to about half the populations of the Nordic countries. The cooperative-owned industrial enterprises cover a great number of consumer goods, and in many cases have already reached a considerable size. Some of them are counted among the foremost large-sized units in their special lines of production in their respective countries.

The working programme adopted by the Economic Secretariat is:

1. to work out and keep up to date a register of the various fields;
2. to establish and maintain intimate contact with the persons in question;
3. to provide statistics concerning the production of goods;
4. to make this material available;
5. to discover—by means of the materials provided—new fields where it is judged advantageous to start joint production;
6. to initiate the establishment of Working Committees;
7. to elaborate a general scheme for future collaboration.

These tasks comprise systematic planning of coordination, investigation and study of the problems connected with close collaboration.

Obviously the nature and extent of

the working programme require many experts and officials from all the Nordic cooperative wholesales.

The two operating head Committees have, in some cases, set up sub-committees for special studies on the following goods: chocolate and sweets, spices and household articles, soap and detergents, tinned fish (including deep-frozen fillets), tinned vegetables, milling and bakery, tobacco, fats and edible oils, furniture, ready-made clothing, hosiery, footwear, electronics, tools, building materials, kitchen utensils, including glass and china.

So far cooperative trade has been developed through this Economic Secretariat only for the rather modest sum of about one million English pounds—not very much, but the work is continuing.

N.A.F. also acts as headquarters for a similar Economic Secretariat, that of the EFTA Cooperative Working Group, which coordinates corresponding operations on the part of the wholesales, not only in the northern region but in the other three EFTA countries—Austria, Switzerland, and the United Kingdom.

Surveys have been made showing a total cooperative production by 344 cooperative plants with about 63,000 employees to a value of about £300 million.

The Secretariat is active in other statistical fields in order to be in a position to recommend further steps which will fulfil the intentions laid down in the long-term working programme. It is of the utmost importance that from the initial stages of preparation, attention should be focussed on possibilities for concrete business prospects. In order to succeed, it will be necessary to work systematically and to concentrate common interests efficiently so as to avoid any overlapping of work.

It is to be hoped that the present stage transition will result in an amalgamation of today's two European market blocs, EFTA and the EEC, so as to enable the cooperative wholesales to find a way of combining in an overall European working group comprising the operative working groups of both the EEC and EFTA. Today, both groups are separate parts of the Cooperative Wholesale Committee, which is an Auxiliary Committee of the International Cooperative Alliance, but an amalgamation of the two market blocs is anticipated, although it will take a little longer than expected. At this preparatory stage of an even bigger European integration, negotiations have already been initiated for a bigger overall European Economic Research Organisation with the power to bring about practical results.

Where cooperation has produced practical results, even over many years, it is true that membership and turnover figures have increased greatly, but it is a sobering thought that there may be reasons why even greater and more striking successes have not as yet been attained. Perhaps there were various trade barriers in the past and at present, which must have had the same effect on various forms of economic enterprise. No doubt another essential factor is the traditional isolation of the Cooperative Movement. Most of the cooperative organisations in question seem to have suffered from the disease of isolation, considering successes in the home countries sufficient, which they are not. Cooperation which reaches across more or less artificial frontiers is incontestably one of the most outstanding aims of our movements—not only ideologically but also in practice. Joint enterprises operating for and on wider markets must be top priority.

### **Nordisk Andelsforbund and the development countries**

Those last remarks lead easily to reflection on the extension of cooperation in the so-called development countries. The overwhelming economic problem of these countries is not only to relieve hunger and destitution among their populations. It also concerns the possibilities of exploitation of their vast natural resources, hitherto largely unused, for the benefit of both the development countries and their trade partners. The capital needs of the development countries are so enormous that it would seem completely out of the question to cover the deficiencies from outside in the reasonably near future. In the main, therefore, they have to accumulate the necessary capital themselves. Their efforts to this end can, however, be effectively supported from outside. The more appropriately this support is coordinated, the more effective it will prove to be.

The International Cooperative Movement can offer effective aid in other ways besides money. The heaviest handicap of the development countries lies in their unfavourable terms of trade. To put it as simply as possible, the primarily agricultural and raw material producing populations in these areas have been, and are still being, constantly underpaid for the enormous quantities of goods they export in the world markets. This may be explained partly by the systematic exploitation of the indigenous population by powerful commercial concerns dominating the purchasing network for their export commodities and the export trade machinery in the period of colonialism. In many widespread cases, however, the adverse conditions have survived the liberation from colonialism.

The problem of how to improve the trade balance is of crucial importance in almost all development countries. It is by no means being neglected by governments and well-informed statesmen in these countries, but they are up against considerable difficulties when it comes to creating the machinery to handle the technical sides of international trade—primarily exports but also imports. Imports through traditional channels to these countries tend to be overpaid. The concrete problem is to discover appropriate forms of cooperative organisation for collecting the export commodities and to find officials who are not only well-meaning and ideologically orientated, but capable and properly trained to handle the business of these organisations in the national interest. In the experience of the cooperative import organisation of which I am in charge, ignorance, not only of the techniques of international trade, but of organisational tasks of primary importance on the collecting side of export business, is unfortunately very prevalent in many development countries.

Cooperative importing organisations can give extremely valuable assistance here. One of the first steps should be to offer thorough training opportunities to prospective leaders and officials of organisations concerned with international trade in the development countries. They should acquire a thorough knowledge of the usage, technical methods, and patterns of behaviour in international trade.

They should also know how to organise the purchasing networks for exports in their own markets.

This is, however, only a first step. As this programme of training proceeds, it will no doubt be possible to widen the trade interchange with these organisa-

tions to a considerable extent. The ultimate objective should be to link up the cooperative business organisations of the development countries with the integrated and coordinated cooperative business organisations in Western Europe and elsewhere, to which I have just referred. The aim will be to foster and maintain business relations of a much more regular and systematic nature than has, as a rule, been the case up to now. Stray transactions with cooperative exporters in development countries, motivated by ideological sympathies only, can be detrimental to this greater aim, in that they run the risk of occasioning disappointment and disillusionment on both sides.

In spite of all the above-mentioned difficulties, there is really no reason for disillusionment, only a need for patience and a strong determination not to give up. What may help at this juncture is the fact, which must be stressed again and again, that the Cooperative Movement knows no frontiers because it aims at the economic welfare of every man. But the notion of Cooperation goes beyond economic democracy and means collaboration in the widest possible sense: not only inter-Scandinavian, not only inter-European, not even only inter-continental, not only between the yellow, the black, and the white, but between all mankind.

# COOPERATIVE FARMING IN INDIA

## ACHIEVEMENTS AND PERSPECTIVE

by **R. N. Gupta.**

*Editor of the "Indian Cooperative Review", New Delhi.*

A review of the programme of cooperative farming made recently by

the Union Ministry of Community Development and Cooperation has shown that the programme had not made any significant headway in many States and that it is facing serious difficulties in implementation. As against a target of 3,200 cooperative farming societies and 320 pilot projects envisaged by the Third Plan, only 994 societies (less than one third in half the period) had been organised up to June, 1958. This is indeed a disquieting situation for no governmental programme aiming at increased agricultural production, which is the key factor in India's economic situation today, can ignore the failure of cooperative farming, except at the peril to the whole economic basis.

### **economic Holdings**

The one central fact of the Indian economic situation is that the majority of our peasants are landless or subsistence uneconomic, sub-divided and scattered holdings. The question is how to increase agricultural production in such circumstances? While critics denounce cooperative farming as "Communism in disguise or totalitarianism in action", they fail to suggest an alternative solution to the problem.

Speaking in the Lok Sabha in 1959, Pt. Nehru said,

"I am not enamoured of joint farming or anything like that merely for the name of it. But what can I suggest to people having holdings of an acre or less, as most people have in India? Of course, such people can improve their land if they are given better seeds, water, fertilizers and tools. We must give them all these and much more. But having done all this, the peasants will still remain in a state of semi-starvation and poverty. And I am not prepared to envisage a future in which our vast agricultural population remains ever on the verge of subsistence. I would rather have a million revolutions in India."

The basic problem of India, therefore, is the problem of sub-marginal and landless peasants. If we had 8 or 10 acres of land per farmer, we could have afforded not to talk of joint or cooperative farming as a matter of national policy, though even then nothing could prevent some enterprising and far-seeing farmers from pooling their lands and gaining the advantages of large-scale farming. But the actual situation in India is not so happy. We have to contend with poor, small and famished farmers whose holdings and resources are too meagre to permit the adoption of any improved agricultural practices.

### **Tests of Success**

The question arises, if cooperative farming is inescapable in the conditions

of India, how is it that this idea is not catching on, and the peasants in India, who possess sturdy common sense, are not taking to this experiment enthusiastically.

The answer is, it is not propaganda that can convert Indian peasants in favour of this programme, but actual results. Cooperative farming societies will have to prove by example that through joint cultivation and pooling of land, agricultural production will increase substantially, thus leading to a rise in the standard of living of the members; the initiative of farmers for sustained and better work will not be killed, but will be further promoted by the offer of more rewards for better work and improved agricultural techniques; the members, by joining cooperative farming societies, will not lose their ownership rights over their pooled land and be converted into wage earners; and lastly, the cooperative farming societies will not become a means of securing governmental assistance by bigger peasants and thus exploiting a good cause for selfish ends.

### **Voluntariness in Cooperative Farming**

In so far as the voluntary character of cooperative farming societies is concerned, it has been proved beyond doubt that in none of the societies which have been organised so far have the peasants been forced, against their will to join. I have had the opportunity of visiting and seeing the working of a large number of cooperative farming societies in the country. From the two typical instances which I am quoting below, it will be seen that the movement is voluntary almost to a fault.

While on a visit to a cooperative farming society in Gujarat, I asked the ma-

nager of a Joint Farming Society in Vadawswamy, near Mehsana, if any of their members had expressed a desire to leave the society. He replied, because of interested and misguided propaganda, that one of their members had wished to leave a society formed in 1961. Though under the terms of the agreement no member could leave the society in less than a period of five years, we decided in the general meeting that we will permit any member to resign his membership even earlier. For rather than have unwilling members, we thought it is better to work with a smaller team, the members of which have full confidence in each other. We, therefore, gave this member the freedom to leave. Though, on second thoughts, the recalcitrant member decided to stay on, our willingness to let him go was a complete refutation of the charge that under cooperative farming members lose their pooled land, or once having joined the society, they became its slave labourers.

In the case of another farming society at Naraur, near Varanasi, organised in 1958, which I visited in July last year, I discovered that 24 members of the Kurmi caste had joined the society by pooling 52 acres of land scattered in 112 places. After pooling, the land was consolidated into 9 blocks. There were pieces of land measuring 5 acres in all belonging to an individual peasant, which fell in between these 9 blocks. If this peasant could be persuaded to join the society, the number of blocks could have been reduced to five, leading to greater convenience in irrigation and ploughing. Still, no pressure was brought to bear on this farmer for not joining the society either by the members or the administration. The farmer is still judging for himself if by joining

re will be any improvement in his economic lot.

### **rise in production**

The one crucial test on which the success and future of the cooperative farming programme in India will depend is: will it lead to an increase in production?

During the course of my visits to various cooperative farming societies in India in 1961 and 1962, I specifically studied this question. I examined previous estimates of production of individual farmers and their returns after joining the society. I also tried to find out if the members of the families of cooperative farms were better employed, happier and more enthusiastic about their new status.

At Vadawswamy Joint Farming Society, Gujarat, I was told that their society registered an increase in agricultural production in 1962 over 1961 as follows:

Bajra from 4 mds to 6 mds.\*  
Wheat from 17 mds to 21 mds.  
Cotton from 12 mds to 18 mds.  
Paddy from 17 mds to 12 mds. (Production fell in the case of paddy because of a bad season for this crop).

Similarly, the Cooperative Farming Society at Naraur (East U.P.) had shown an increase in agricultural production between 1961 and 1962 as follows:

Paddy from 13 mds. to 21 mds.  
Wheat from 8 mds. to 14½ mds.  
Potatoes from 60 mds. to 95 mds.

By citing the above examples, it is suggested that the increase in agricultural production has been uniform in all cases. There have been cases of a fall in production as well. The Machla Cooperative Farming Society near Indore, for example, showed a decline in

production. But by and large, given a normal agricultural season and a fair crop plan, the cooperative societies have shown better results because they enjoy larger resources (they receive from the Government Rs. 2000 as share capital, Rs. 4000 as crop loan, Rs. 5000 as go-down-cum-cattle shed loan, one fourth of which is subsidy and Rs. 1200 as managerial subsidy) and can arrange for better irrigational facilities, purchase of tractors, improved implements, processing of produce etc.

### **Rise in Living Standards**

I am often asked, how is a rise in agricultural production reflected in the living standards of members of cooperative farming societies? I visited the houses of some members of a joint farming society in Rasulabad, Dist. Baroda. I asked a Harijan Member of the society, Hirabhai, whether he had benefitted in any way by joining the society. This was his reply:

"I used to earn one rupee a day as a wage earner before I joined the Society. Now I get Rs 2/- a day as wages besides some other benefits in kind. My family members also get part-time employment on the farm. In my house there are now brass utensils in place of earthen ones. My children go to school. I have repaired my house. My wife has got better clothes and the family owns a cow."

In the matter of standards of living again, one cannot swear that there has been a universal rise. The living standards have gone up more in the case of persons who were landless or sub-marginal cultivators and who actually work on the crop farm with their family members. The rise in proportionate terms is less significant in the case of more well-to-do members. This proves that cooperative farming is more suited to marginal and sub-marginal peasants. It is, however, good that middle-class peasants are

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\* 1 maund = approx 82 lbs.

also joining cooperative farming societies for they can provide the much needed leadership to the society, provided they act in a spirit of service and dedication.

The Cooperative Farming Societies are sometimes made use of by bigger landholders to subvert tenancy laws and to obtain liberal financial assistance given by the Government to such farms. This is a real danger and it should be guarded against as such societies become family concerns and they carry on cultivation on the basis of hired labour.

### **Basic Problem**

During the course of my visits to cooperative farming societies in several States, I asked many progressive farmers why they did not join or organise cooperative farming societies. I was told that they were not scared of the propaganda against joint farming. What they were interested in was a guarantee that (i) they will be able to come out of the cooperative farm, with their land, in case they found its working unsatisfactory, (ii) their meagre income from their pooled land will increase instead of declining, (iii) their family members would be able to secure supplementary occupation on the cooperative farm, and (iv) they would be able to get financial aid from the society in times of distress, sickness, accident, crop failure, marriage and social functions, for, with their land in the possession of the society, they cannot obtain loans from any other source.

The success of cooperative farming will depend on answers to these questions. The present period is indeed most crucial for the experiment of cooperative farming. If the momentum generated in its favour, with quite some difficulty, is allowed to die out, it might

sound the death knell of the entire programme. What is therefore needed is that the work of cooperative farming is taken up by the State Government, without any mental reservations (at present some State Governments are not enthusiastic about the programme; in fact some even doubt its utility) and that the non-official cooperators, particularly politicians who have intimate contact with the masses, take up this work in a missionary spirit. Wherever such effort has come forth, the movement has become dynamic. In one district of Maharashtra, Dhulia, for example, 70 cooperative farming societies have been organised as the necessary climate for this was created by the joint efforts of officials and non-officials. These societies are working quite successfully as the block officials and agricultural experts are giving all possible help and guidance.

### **Incentives Needed**

The Government may not force people to join cooperative farms, but it can certainly provide them with incentives and create the necessary conditions in which the membership of such farms may become a matter of pride and privilege for the persons joining them. Those who join such societies could, for example be given a guarantee that their previous five yearly average return from land would be protected (with the help of a special fund which may be created by the Government but which will seldom be used, as average returns from sub-marginal lands are bound to go up under joint farming). They could also be given free insurance policies, free medical aid, free education of children, loans at reduced rates, concessions in railway freight, supply of improved seeds, insecticides and agricultural implements at concessional rates, etc. Further they

be honoured by the State through medals and rewards. It is true that these suggestions may be opposed and called imprudent, but if we have faith in the programme and are convinced of its success, we should not be moved away from our set goal. The critics forget that the private sector in industry also enjoys innumerable facilities and concessions in the form of fiscal protection, subsidies, loan assistance, government or factory accommodation, industrial estates, technical guidance etc. Unfortunately, the rural sector in India does not have its powerful advocates and spokesmen to influence the seats of authority. That is why their case for special consideration is not appreciated.

#### **Lessons on Quality not Numbers**

Another important factor that needs to be borne in mind is that the experiment of cooperative farming need not be tried on an extensive scale in all parts of the country. If even a few efficiently managed and well-run cooperative farms are organised in each State, they will serve as a guide for the expansion of the movement in all nooks and corners of the country, without the need for elaborate propaganda machinery. The habit of establishing 10 cooperative farming societies in each district should therefore, be insisted upon. On the other hand, concentrated efforts should be made to make a few societies successful in areas where there is a proper climate for the same.

#### **Employment**

Another matter that needs attention is that cooperative farms should not be expected to function merely as units of agricultural production. They should be

turned into thriving agro-industrial centres. Along with joint farming, other economic activities, closely connected with agriculture such as poultry, dairying, fisheries, processing of agricultural produce and cottage and village industries should be started in these centres. The Governments should render all possible assistance to the growth of such subsidiary occupations, so that the needy family members of cooperative farms may be fully employed in them and thus raise their earning and living standards.

#### **Reward for better Work**

Lastly, it should be ensured that absenteeism, bossism and white-collar work is not encouraged in cooperative farms. All members should be made to work in the fields and their wages should take note both of the quantity and quality of work done. A system has been devised in some cooperative farms in Gujarat and Maharashtra by which members are assigned a particular unit for a day's work by common consent, the unit taking note of the differing standards in the performance of individual members. Some more research and case studies are needed in this connection so that the actual toilers on the soil may receive due reward for their work and initiative. The Gadgil Committee, recently appointed by the Government of India to evaluate and assess the progress of cooperative farming societies in the country, is going into this question.

It is hoped as a result of the correctives suggested above and further thinking on the problem, cooperative farming in India will not remain a mere idea, but would assume a living form, pulsating with vigour and strength, and forming concentric circles on an ever expanding scale.



## COOPERATIVE STUDY GROUPS IN THE EAST

**C**OOPERATORS in the West generally know what a study circle or a cooperative study group is. Some Cooperators in the East are gradually coming to understand the study circle method and its importance for member education. The I.C.A. Regional Office and Education Centre are trying to popularise this method in South East Asia. For that, several seminars and courses have been organised in the region. To mention a few, two Regional Seminars on Study Circle Methods in the years 1961 and 1963 are important. This method was also discussed in detail in the Regional Seminar on Techniques and Methods of Cooperative Member Education held at Singapore in March 1963. Credit for these educational activities goes to the Swedish Cooperators who, through KF (Swedish Cooperative Union and Wholesale Society) and the I.C.A., helped in every possible way.

Most of the cooperators in the East have been found susceptible to the idea of having study circles for member education. They already had the experience of discussion method as used for adult education and they knew that there was some weak link in the organisation of discussion groups. When it was explained how the weakness of group discussion method could be overcome by combining it with individual study and correspondence courses, some of the Cooperative Movements decided to try this method for cooperative member education.

### **India:**

The National Cooperative Union of India and the Delhi Cooperative Institute are collaborating with the I.C.A. Education Centre in starting some study circles in Delhi, on a pilot basis. To begin with, consumer cooperatives will be the subject of study. Later on the subject of consumers' interests will be taken up. These study circles will be multiplied so as to form part and parcel of the member education system within the Cooperative Movement of India. A training course for 12 study circle leaders of Delhi has already been organised in July 1963 at the Education Centre. A manual for study circle leaders was specially prepared and used in the training course which lasted for about ten days. Six out of the twelve leaders who had voluntarily offered to start the study circles in their respective areas are being supplied with "study circle kits" containing study material and other things required for running a cooperative study group. It is believed that these leaders will start about six study circles before the end of 1963. If we succeed in our efforts these few study circles will be a sort of New Year gift to the cooperators of the West from the cooperators of the East. Three study circles have already started functioning.

### **Malaysia:**

Cooperative Movements in other countries of South East Asia are not lagging behind in adopting the study circle

hod as one of the important means member education. For example, the Malaysian Movement has already organised a training course for the Cooperative Officers who will be in charge of study circle activities in different States of the Federation. Two officers from the Malayan Cooperative Insurance Society also participated in the course. This course was organised in September 1963 in Kuala Lumpur, in collaboration with the I.C.A. Education Centre, and is now being followed up with another course for the study circle leaders who will eventually start study circles on the subjects of members' interest. Special study material is being prepared by the Education and Publicity Section in the Division of Cooperative Development of the Federation of Malaysia. The Malayan Cooperative Insurance Society is also planning to start several study circles in different parts of Malaysia. The Education Centre is trying to assist the National Movement in every possible way, and it is hoped that such an effort will succeed.

**Philippines:**

For the first time, Filipino delegates also participated in the Regional Seminar on Techniques and Methods of Cooperative Member Education held at Singapore. They followed the idea of study circles with enthusiasm. They also had sad experiences in the past, with the group discussion method which was accompanied by individual study correspondence courses. Now the Education Department of the Central Cooperative Exchange in Manila is preparing study material for use in study circles and after giving training to the study circle leaders it is hoped that some study circles will be started in Manila in the beginning of 1964.

In popularising this method we have come across several difficulties. First of all there is a dearth of suitable material and also of trained study material writers. Secondly, there is no well organised education section in most of the National Unions which could organise study circles on a large scale in different parts of the Region. Thirdly, there are hardly any trained leaders for study circles. Last but not least is the tendency of members to depend too much on experts and leaders for their education and progress. They find it hard to realise that they also have capacities for solving their own problems and they alone can find the practical solutions to their problems. We hope to overcome all these difficulties with the cooperation of the National Cooperative Unions and Departments of Cooperative Development and with the active support of the co-operators in the West.

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## CODEX ALIMENTARIUS

**A**T a time when world population is expanding and in some areas standards of living are rising it is imperative that food should be made available as cheaply, readily and in as good a condition as possible. The need to remove legislative barriers to the free flow of trade in foodstuffs has led to a revived international interest in food legislation.

### Growing International Concern

Eight factors<sup>1</sup> can be distinguished as contributing to the present concern with food legislation internationally:

- (1) Growth of regional and international integration;
- (2) Need for larger markets capable of absorbing the output of large scale manufacturing;
- (3) Growing number of independent states with legislation of varying degrees of simplicity and complexity and whose standards of enforcement vary considerably;
- (4) Expansion in world trade in agricultural produce (now accounts for a third of world exports);
- (5) Growing use of modern means of food preservation (refrigeration, dehydration, accelerated freeze drying, preservation);
- (6) Use of chemical additives such as colourings and flavourings in food;
- (7) Hazards due to the use of new manufacturing and packaging methods;
- (8) Use of pesticides and insecticides on farms as scientific methods are adopted in agriculture.

Currently international attention is directed at the question of food standards and food additives in particular. Work is being concentrated in the

Codex Alimentarius Commission, an undertaking sponsored jointly by two U.N. Agencies—the Food and Agriculture Organisation and the World Health Organisation.

The first session of the Joint FAO/WHO Codex Alimentarius Commission took place in Rome this summer. The main task of the Commission is to integrate and accelerate the work on food standards at present being undertaken throughout the world by no less than 150 international organisations.<sup>2</sup>

The need to channel the food standards efforts of these various bodies into one programme has become most pressing in recent years as the scheme for the harmonisation of legislation in the European Economic Community has grown apace. The desire for a systematisation of food legislation which would facilitate international trade is in fact of very long standing.

### A Nineteenth Century Origin

In 1894 the Brussels International Congress of Chemistry launched a project for a Codex Alimentarius Europeus, the purpose of which was "to eliminate from international trade harmful, damaged and falsified foodstuffs or those of little nutritive value or which are sold under false names." Although the project was discussed at five subsequent Congresses little was achieved. In

<sup>1</sup> An expansion of Norman Wright's five points. See "International Perspective" "Times" (London) Supplement on Pure Food, September 1960.

<sup>2</sup> F. H. Townshend, "The Work of F.A.O. in the Field of Food Regulations". Society of Chemical Industry, International Symposium on Food Regulations in International Trade, London 1962.

55 a symposium jointly sponsored by the International Commission of Agricultural Industries and the Permanent International Bureau of Analytical Chemistry revived interest in the idea and in 1958 a permanent European Council of the Codex Alimentarius was constituted. The purpose of the Codex was to establish those basic principles which would "protect the health of the consumer, guarantee the identity of the products, govern the treatment and processing of goods and prevent trading in products which are neither genuine nor marketable." A proposal to compile an appendix of definitions and standards for foodstuffs was made by Latin American chemists in 1924 but it was not until 1959 that the Codex Alimentarius Sudamericanus became a reality. The Codex resulted from drafting meetings in which delegates from 16 Latin American states participated. The document contains 800 articles and deals with general provisions, requirements of manufacture, sale, storage, conservation, treatment, packaging and labelling of food products.

So that continuity of work between the European Codex and the Codex Alimentarius can be preserved the European Council of the Codex will work as an "Advisory Group for Europe of the International FAO/WHO Codex Alimentarius Commission." Portions of the Latin American code have been adopted as draft standards by the Codex Alimentarius Commission. The work of the Economic Commission for Europe in the area of standardization for marketing and quality control of vegetables has been drawn upon to provide draft standards. The substantial work already done in FAO/WHO which led to the adoption of a Code of Principles Concerning Milk and Milk Products has

been included within the scope of the Codex Commissions work by giving the Committee of Government Experts on the Codex of Principles exclusive competence on this particular matter.

### **Purposes of the Codex**

The purposes of the Codex Alimentarius as stated in a recent FAO/WHO guidelines document are to:

- (i) Promote international trade in food;
- (ii) Facilitate food standards work in developing countries;
- (iii) Protect consumers' health;
- (iv) Ensure fair practices in the food trade.

### **Developing Standards**

The work of developing draft standards for the Codex Alimentarius will be undertaken either by existing specialist bodies or ad-hoc Expert Committees of member countries. Thus the International Standardization Organisation is to undertake work on methods of sampling for physically similar product groups, while in the case of additives an Expert Committee of the Commission is to draft a list of acceptable additives and propose maximum levels in individual foods. Expert Committees will be backed by particular national governments, in the case of additives the Host-Government is the Netherlands.

There is to be a series of steps in the adoption of standards—Draft Standard; Draft Provisional Standard; Provisional Standard; Codex Standard. At all stages governments and interested organisations will be consulted.

A key role in this work will be played by National Codex Alimentarius Committees. These bodies are expected to provide a focal point for foods standards work in each country and hence their composition will be of interest to individual cooperative movements. The Commission's wish is that National Commit-

tees should "seek representation by all interested government departments, the food industry, food trade, consumer organisations, food hygiene bodies, research institutes and national standards bodies." Where a large consultative body already exists (e.g. in Switzerland the "Communission Fédéral de l'Alimentation") the National Committee can be smaller but preserve contact with all the interests involved through members with memberships of both bodies. The European Council of the Codex Alimentarius in a Note prepared for the First Session of the Codex Commission emphasised the exacting character of the work:

"Setting up harmonized uniform standards for those foodstuffs which play a fairly large part in international trade raises particular problems, the solution of which depends upon a number of technical questions of food hygiene and public health, and on scientific advances in the relevant field. Legal matters also have to be taken into account, since these reflect commercial customs and consumer habits. This means that only qualified specialists in the various fields concerned should be invited to cooperate in formulating these standards; and these experts must be fully informed of the administrative and legal systems, and viable methods of inspection, in their own countries. It is therefore imperative that a place on every national committee should be reserved for the competent food trade authority; and in as much as the main object is to protect the health of consumers, places should also be reserved for scientists in the fields of nutrition and toxicology; while the fact that the efficacy of any measure depends upon comprehension of technological processes and current commercial practices suggests that economic experts should also have a seat on the Committees."

Clearly work of as demanding a character as this cannot be undertaken as a "sideline" by cooperative experts nor should those involved be expected to participate in this work without some adjustment in their normal duties. Unless this is made, the potential value of the cooperative expert's contribution will not be fully realised.

## Additives

The significance of the work of the Codex Commission can be seen more readily by examining one aspect in some detail. Mention has already been made of the decision to set-up a world-wide Expert Committee on the key subject of food additives. The main organisations already at work are:

- FAO/WHO Expert Committee on Food Additives;
- FAO/WHO Study Group on Toxic Hazards of Pesticides;
- International Commission of Agricultural Industries;
- European Council of the Codex Alimentarius;
- International Anti-Cancer Union;
- Eurotox;
- Council of Europe;
- European Economic Community;
- Latin-American Food Council

in addition to organisations concerned with individual food products.

A joint FAO/WHO Expert Committee on nutrition has defined food additives as "non-nutritive substances which are added *intentionally* to food, generally in small quantities to improve its appearance, flavour, texture or storage properties."<sup>2</sup> (Emphasis added).

Additives may be justifiably used to improve the nutritional quality of foods in countries where essential nutrients in diets are deficient. Anti-oxidants are added to edible fats for the purpose of preserving pro-vitamin A. Additives can enhance the keeping quality or stability of foodstuffs, thereby reducing food wastage (anti-oxidants, anti-microbial agents, inert gases, curing agents). Added appeal can be given to food by the use of colouring, emulsifiers, flavourings, stabilizers, thickening and clarifying agents. To produce foodstuffs of constant composition and quality the modern large-scale manufacture of food employs acids, alkalis, buffer salts and other processing materials.

additives should never be used to disguise faulty processing and handling, prevent putrefaction or stale and inferior materials. Nor should they substantially reduce the nutritive value of food.

Most important of all, additives should not be used when there is the least doubt concerning their safety. It can be recalled that in Holland in 1960, after two years of testing by four independent research establishments, a yellow emulsifier in margarine caused 60 cases of skin disease.

The WHO summarises the position regarding additives in this way:<sup>3</sup>

"In developed countries, the consumer demands highly attractive foods, uniform quality and a wide choice at all seasons. Many are imported from distant countries to meet this demand, and need processing on arrival. Consequently, the food additives used are many and varied. Even in the less developed countries, where processed foods in variety are not commonly found, there is an increasing use of food additives. Many of these countries are tropical or subtropical areas where the preservation of food has its own special difficulties and the means of controlling additives are limited or non-existent; the increase in their use is a matter of concern."

"The need for additives will vary considerably. For example, in underdeveloped countries, the lack of modern storage facilities and inadequacy of transport would increase the necessity of using certain food additives for purposes of preservation. This holds true for tropical countries. Therefore we would have to weigh the benefits of food additives against the danger involved in using them. In fairly well developed countries, for example Great Britain, U.S.A., Sweden, the need for additives is reduced because of better storage facilities, etc., and this is true of additives (or at least a number of them) used to enhance the attractiveness of food."

As well as the *intentional* additives (preservatives, colourings, flavourings, etc.) there can be *incidental* additives (pesticides, fungicides and bactericides) and *unintentional* additives (residues, soil residues, packag-

ing taints, etc.). Certain antibiotics, pesticides and fertilisers are known to cause allergic reactions. There are also possible detrimental effects resulting from the use of antibiotics in the treatment of animals because of acclimatisation of bacteria. Scientific knowledge in these fields is as yet limited and although there is some legislation in the field of pesticides and insecticides (controlling use, prescribing residual quantities and forbidding the use of certain chemicals) this area is as yet relatively undeveloped in comparison with that of intentional additives.

Differences in food additives regulations pose complex problems for food processors, inhibiting the free movement of foodstuffs. "In some cases, the problem may be so severe that importation of food into a country is prevented entirely because it contains prohibited additives. In other cases, alternate and perhaps less efficient additives may have to be used to meet the special requirements of the importing country, leading to higher cost, reduced availability, and even poorer quality of food."<sup>4</sup>

An example of the present chaotic situation emerges from a recent study of food colour legislation which showed that of 82 food colours permitted in 22 countries only one colour was permitted in all of them.

The progress of the Commission's work in developing standard, which will facilitate international trade in foodstuffs will be watched by cooperators with the greatest interest and sympathy, providing it reflects the intention of its promoters to ensure adequate protection of the interests of consumer and producer alike.

F.B.

<sup>4</sup> J. Mahoney "Food Additive Regulations in Relation to International Trade", Society of Chemical Industry.

## BOOK REVIEWS

### **John Malcolm Ludlow, the builder of Christian Socialism.**

*By N. C. Masterman. With portrait, notes, bibliography, and index. Pp. vii + 299. Cambridge, the University Press. £1-10s.-0d. net.*

It is remarkable, but perhaps not astonishing, that no fitting biography of J. M. Ludlow, one of the most eminent of 19th century co-operators, was written until half a century after his death. Other Christian Socialists, notably Maurice, Kingsley, and, to a lesser extent, Hughes, their ideas and work, as well as the emergence and action of the first Christian Socialists as a group, have been treated in many books. Yet Co-operators, impressed by Ludlow's key role in the Movement and wishing to study him more closely, had little to help them apart from the pamphlet by J. J. Dent published by the Co-operative Union at Manchester over forty years ago.

Mr. Dent, a member of the old Guild of Co-operators and the Board of Trade's first Labour Adviser, knew J. M. Ludlow well, but although a keen student and sedulous collector of documents throwing light on cooperative history, he was not a historian by profession. That is really what a biographer of Ludlow needs to be, and what Mr. N. C. Masterman, the writer of his first full-length biography of Ludlow, happily is. Mr. Masterman brought to his task the added advantages that his distinguished father had already written a study of Maurice, and that his mother had drawn his attention to the Ludlow papers, including an autobiography which had been bequeathed to the Cambridge University Library. The result is that readers of English interested in the history of Co-operation and aware of the part played by the Christian Socialists in paving the way for the International Co-operative Alliance, now have at their disposal a full-length portrait in which the warts, as well as the nobler features, are clearly discernible.

Ludlow requires a historian as his biographer because, at the nineteenth century crisis, he acted as a transmitter from country to country of the political, economic, and social thinking of the age. The year 1848 was in fact like a great cross-roads on which the histories of European Co-operative Movements, as they are traced backwards, all converge. Ludlow had associations through both parents with India:

he received a French education at the Collège Bourbon; he was strongly influenced by French Protestant divines (an interesting parallel with the "School" of Nimes) in taking up social work in the neighbourhood of Lincoln's Inn where he read for the Bar. He had previously emerged from his family's Whig politics and become a Socialist, also under French influence. The Socialist ideal of those days was of course embodied in the self-governing association of workers producing for the community, recognised and assisted by the State. Such an ideal of fellowship in labour was generally more acceptable to socially-minded Christians than the economics of the Manchester school. Thanks to Ludlow, the friends and associates whom he gained in Lincoln's Inn through the Chartist fiasco of 1848 at first knew more about workers' associations in France than about cooperative societies, whether productive or distributive, among British workers.

Mr. Masterman calls Ludlow, in his sub-title, the builder of Christian Socialism, and he effectively justifies his claim. To do so in no way diminishes the prophetic insight and intellectual authority of Maurice or the contributions of other members of the Society for Promoting Working Men's Associations. But it does recognise the fact that it was Ludlow, who, when the others, although deeply concerned about the conditions of the working classes, were still uncertain what to do, canalised their interest and energies into the creation of a specific type of institution and the execution of a constructive programme. Ludlow, the born administrator and politician practising the art of the possible, was the complement of Maurice the thinker and teacher of first principles.

Later, when the productive associations were one after another collapsing, and the members of the Christian Socialist group were being drawn away by other interests, Maurice consented to become the Principal of the newly-founded Working Men's College. Again it was Ludlow whose practical bent and administrative talents held the young institution together, enabling it to overcome disruptive tendencies, to become firmly established and train working men for citizenship a decade or more before they were admitted to the parliamentary suffrage.

British co-operators also owe it to Ludlow that the legislation, which was necessary in order

t their Movement should become a national institution, was designed as a development of

Friendly Societies Acts and not as an outgrowth of the legislation on joint-stock companies, as, for example, in France. It was Ludlow, whose legal training had included special studies of the Companies Acts, who wrote the draft to be considered by the Government. What was destined to become the Cooperative Movement — the famous Industrial and Provident Societies Act of 1852 with its implied recognition that Cooperation was in business but not in law. Over twenty years later, as Chief Registrar of Friendly Societies, although with an inadequate staff (like more than a few registrars of his time), he continued to guide and encourage not only cooperatives, but a host of other democratic organisations in which working people took care of their own welfare and social security.

In the interval Ludlow's function as a transfer agent came to be discharged more and more in the opposite direction to that which it had earlier taken, that is, he became an interpreter of British policy and social phenomena to other countries. The positive achievements of the British working classes through mutual aid in the form of friendly societies, cooperatives, "new model" trade unions, attracted attention and brought visits from continental students of contemporary society, such as Victor Hugo, Huber, and later, Lujo Brentano. At a time when the Industrial Revolution was advancing rapidly on the European continent, Ludlow was one of the chief of those who studied its consequences for British society to be understood and their lessons applied by those concerned with the social problems it produced in other countries.

It is perhaps paradoxical that Ludlow, whose views and sympathies were all with self-help and self-government, should have become a servant in the final phase of his career, when the State was more and more abandoning its rôle in the field of social welfare, if only in economic policy. The enfranchisement of the wage earners reinforced this tendency through their growing inclination under the influence of Fabian thinking, to press for alternative solutions rather than resort to self-help through association. Under the influence of the Fabians, many British cooperators too readily dismissed the Christian Socialists and their endeavours as without significance for our country. This reviewer, however, would agree

with Mr. Masterman that the Christian Socialists, and especially Ludlow, "have not dated out as have some other reformers", not least the original Fabians. Those who followed Sidney and Beatrice Webb will scarcely without smiling the references to them in Ludlow's autobiography as "Mr. & Mrs. Potter"!

W.P.W.

## "The cooperative movement in Tanganyika"

*"Vyama vya Ushirika Tanganyika"*

The Honourable P. Bomani, a well-known cooperator, prefaced this handsomely produced little publication by a foreword that honours greatly the idea of Cooperation. Mr. Bomani says: "The coming of independence and the birth of a nation was thought to be a most appropriate time to record the history of the Cooperative Movement in Tanganyika . . . and I would like to acknowledge the part played by the Cooperative Movement . . . in the moulding of our people into a nation . . . Already it has paved the way for our peasant farmers . . . to take their rightful place in the nation's economy. Cooperation has been a school for democracy, a spearhead in the war against poverty, ignorance, and disease, and I am sure it will be one of the principal pillars in the future of our new nation".

This appreciation of the part played by Cooperation out of Africa to Cooperation should be widely read by all our critics and by our friends. Not only is the Cooperative Movement in Tanganyika concerned with the pursuit of economic matters, its other important contribution has been in providing a practical demonstration of the democratic way of life, with a large number of the members of its National Assembly having obtained their early training in the cooperative field, with four Ministers who to date have achieved cabinet rank via the local cooperative institutions.

Tanganyika's special contribution to Cooperation has been in the field of agricultural marketing, and one quarter of its total value of exports worth more than £13 million is marketed through cooperatives, a higher proportion than anywhere in Africa.

Eighty per cent of the territory's export earnings come from agriculture, and over a third of these, mainly coffee and cotton, are now handled by cooperative societies.

Approximately 760 registered cooperative societies, with a total membership of 327,000 people, are operating; 748 are marketing societies (including four mining societies), 4 credit loan societies, 10 consumers', and 3 transporters' societies. Judged on its membership and turnover figures, the Tanganyikan Movement is now the largest marketing organisation in Africa, and the Movement is taking a growing part in the processing of their members' produce; it owns 6 cotton ginneries, 1 tobacco factory, 2 coffee curing works, 1 rice mill and several maize mills, and the Movement has a share in a wattle extract factory.

With the formation of the Cooperative Union of Tanganyika the first phase of the expansion of the Cooperative Movement — which could be called the marketing phase — was brought to a fitting close. Now more expan-



(Concluded from page 13)

### **ILO Latin-American Regional Technical Meeting on Cooperatives**

Dr. E. U. Corona Martinez attended this meeting as Observer for the International Cooperative Alliance from 25th November to 6th December, 1963, in Santiago de Chile. The Organisation of American States and the Organisation of Cooperatives of America also sent Observers, and Representatives attended from the Governments of Argentina, Chile, Cuba, Honduras, Mexico, Panama, Peru and Uruguay.

Our Observer reports that he was able to take an active part in the proceedings and that it seemed possible that the ILO may decide to establish an office in Latin-America for the promotion of cooperative development.

### **ECAFE/FAO Centre on Institutions for Agricultural Financing and Credit**

The Centre was held at Bangkok from 2nd to 13th September, 1963, and

was attended by 45 participants and advisers from 20 member and associate member countries. The International Cooperative Alliance and the International Bank for Reconstruction and Development sent observers and participated in the Centre. The desirability was once again stressed of viewing the problems of agricultural credit within the setting of overall national development plans, and a proposal was made that ECAFE and FAO might explore the possibility of establishing a permanent regional institute for agricultural credit.

The usefulness of the cooperative forms of organisation for channelling funds to the farmer was emphasised, and attention was drawn to their sources of finance, share capital, savings and deposits, which, it was felt, deserved the attention and even the protection and support of Governments. The multi-purpose approach integrating credit with supply and marketing was considered to be the most effective.

W.G.A.

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(Concluded from page 47)

sion, embracing a wider variety of Cooperation, is planned, together with a large educational training programme of cooperative students emulating in some ways their alma mater, the Loughborough College in the United Kingdom, where so many leaders of the Tanganyikan Cooperative Movement received their grounding in Cooperation.

Beginning at Mount Kilimanjaro, the Cooperative Movement in Tanganyika has spread throughout the land, enabling the peasant farmer to take his proper place in his country, and Cooperation has shown what can be done by unity allied to the efficiency and justice implicit in the principles of the Rochdale Pioneers.

J.H.O.

### *We regret*

*that certain errors occurred in the list of Central Committee members published in the November Review. Tun Win, Burma and R. Semmingsen, Norway, should be deleted. H. Rudin-Dettwyler should be replaced by Ernst Herzog. We apologise to Mr. T. Weir, Great Britain, for spelling his name incorrectly. Ed.*

## NATIONAL CONGRESSES IN 1964

<i>da</i>		
erative Union of Canada .....	Charlottetown	20th July
<i>nd</i>		
en Osuuskauppojen Liitto .....	Helsinki	13th May
en Osuuskauppojen Keskuskunta .....	Helsinki	14th May
usosuuskuntien Keskusliitto .....	Helsinki	23rd-24th May
stukkukauppa (OTK) .....	Helsinki	22nd May
<i>e</i>		
ation Nationale des Coopératives de Consommation ..	La Baule	10th-13th June
<i>any</i>		
alverband deutscher Konsungenosenschaften .....	Stuttgart	18th June
einkaufs-Gesellschaft deutscher isungenosenschaften .....	Stuttgart	19th June
<i>Britain</i>		
erative Women's Guild .....	Whitley Bay	28th-30th April
erative Union Ltd., .....	Scarborough	18th-21st May
<i>nd</i>		
P Nederland .....	Amsterdam	3rd June
<i>Pakistan</i>		
erative Union of East Pakistan .....	Comilla	23rd-25th February
<i>en</i>		
erativa Förbundet .....	Stockholm	4th-5th June
ika Riksbyggen .....	Stockholm	15-16th June
<i>erland</i>		
nd schweiz. Konsumvereine .....	Interlaken	19th-21st June

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

Affiliated societies (1962): 358; members: 504,298; turnover of societies: Fmk. 1557,15 million; total production of the affiliated societies: Fmk. 35,11 mill. Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki.*

Affiliated societies (1962): 108; members 532,638; turnover of societies Fmk. 1,153.44 mill.; production of societies 181.37 million.

Ossustukauppa (O.T.K.), *Hämeentie 19, Helsinki.*

Affiliated Societies (1962) 108; turnover Fmk. 745 mill.; own production Fmk. 218 mill.

Pellervo-Seura, *Simonkatu, 6, Helsinki.*

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

Affiliated societies (1960): 572; membership: 3,242,567; shops: 9,530; turnover: NF. 2,624,785,132.

Société Générale des Coopératives de Consommation, *61 rue Boissière, Paris XVI.*

Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, *88, rue de Courcelles, Paris VIII.*

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

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

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

Caisse Nationale de Crédit Agricole, *30, rue Las Cases, Paris VII.*

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

Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, *Foyer Cooperatif, 17, rue de Richelieu, Paris Ier.*

Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", *31, ave Pierre Ier de Serbie, Paris XVI.*

L'Association Bâticoop, *6, rue Halévy, Paris 9e.*

Confédération des Organismes de Crédit Maritime Mutuel, *18 bis, Avenue Hoche, Paris VIII.*

GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., *Besenbinderhof 43, (2000) Hamburg I.*

Affiliated societies (1962): 249; membership: 2,586,960; turnover: D.M. 3,503,6 mill.

Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof, 52, (2), Hamburg I.*

Total turnover (1961): D.M. 1,726,300,000; own production: D.M. 593,7 mill.

Gesamtverband Gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4 (22a), Cologne.*

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

Deutsche Sachversicherung "Eigenhilfe", *Steinstrasse 27, (2) Hamburg 1.*

GREAT BRITAIN: The Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester 4.* Affiliated Societies (1962): 801. Membership: 13,140,188. Retail Societies' share capital: £ 254,292,875. Retail sales: £ 1,053,940,921.

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

Affiliated societies (1961): 895; sales: £ 465,170,491; Bank turnover: £ 6,048,004,673; reserve and insurance funds: £ 32,381,925; total assets: £ 291,916,424.

Co-operative Insurance Society, Ltd., *Miller Street, Manchester 4.* Assets exceed £ 187 mill.

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

Affiliated societies (1961): 171; sales: £ 88,824,880; reserves and insurance funds: £ 6,877,629; total resources: £ 19,608,126.

The Co-operative Productive Federation, Ltd., *138, Charles Street, Leicester.*

Sales: £ 4,645,717; employees: 3,021; societies: 23.

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

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

HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikcoöperaties, "CO-OP Nederland", *Vierhavensstraat 40, Rotterdam 7.*

ICELAND: Samband Isl. Samvinnufjelaga, *Reykjavik.*

INDIA: National Cooperative Union of India, *72, Jorbagh Nursery, New Delhi-3.*

All Bombay Consumers Cooperative Societies, Federation, Ltd., *3rd Floor, Military Square Lane, Fort, Bombay I.*

National Agricultural Cooperative Marketing Federation, Ltd., *34, South Patel Nagar, New Delhi, 12.*

IRAN: Cherkate Taavoni Masrafe Artèche (Army Consumers' Co-operative Society), *Avenue Sevvom Esfand, Rue Artèche, Teheran.*

ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv.*

Affiliated societies (1962): 1,679, including 660 agricultural, 465 producers' and services, 69 consumers', 232 housing, and 253 pension and provident funds.

"Merkaz" Audit Union of the Cooperative Societies or Loans and Savings, *P. O. Box 75, Tel-Aviv.*

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

ITALY: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome,*

Associazione Cooperativa Italiana, Borgo Spirito, 78, Rome.

Associazione Generale delle Cooperative Italiane, Milano 42, Rome.

JICA: The Jamaica Cooperative Union, Ltd., Hanover Street, Kingston, W.I.

N: Nippon Seikatsu Kyodokumiai Rengokai, (Japanese Consumers' Cooperative Union), In-Kaikun, 5, 2-chome, Shiba-Tamuracho, Matokujima, Tokyo.

Nihon Nogyokyodokumiai Chuokai, (Central Union of Agricultural Cooperatives), Yutakucho, 1-chome, Chiyoda-ku, Tokyo.

Nihon Gyogyo Kyodokumiai Rengokai, (National Federation of Fishery Cooperative Associations), Sankaido Building, Akasaka-3-chome, Minato-ku, Tokyo.

SEA: National Agricultural Cooperative Federation, 75, 1st street, Chung-jong-Ro, Sodaemun-ku, Seoul.

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

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

Federation of Cooperative Housing Societies, 10, Holland Road, Kuala Lumpur.

MA: Farmers' Central Cooperative Society, New Building, Middleman Street, Marsa.

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

MEXICO: Confederación Nacional Cooperativa de Republica Mexicana, C.C.L., Lic. Verdad 3, D.F.

NEW ZEALAND: Hutt Valley Consumers' Cooperative Society, Ltd., P.O. Box 41, Lower Hutt.

NIGERIA: Cooperative Union of Eastern Nigeria, Cooperative Bank Buildings, Milverton Ave, Aba.

Cooperative Union of Western Nigeria, Ltd., c/o Cooperative Buildings, New Court Rd., Ibadan.

NORWAY: Norges Kooperative Landsforening, Organisasjonsavdelingen, Kirkegaten 4, Oslo.

Affiliated societies (1962): 1,112; membership: 320,000; turnover of local societies: Kr. 1,600 mill.; of N.K.L.: 458 mill.

A/L Norske Boligbyggelags Landsforbund, Adheidsveien 84-86, Oslo.

Pakistan: East Pakistan Co-operative Union, P.O. Box 37, Purana Paltan, Dacca, 2.

West Pakistan Co-operative Union, 31, Lower Bazaar, Lahore.

KARACHI: Central Cooperative Bank, Ltd., 14, Milli Building, Bunder Road, Karachi, 2.

KARACHI: Central Cooperative Consumers' Union, P.O. Box No. 53, Pakistan Secretariat, Karachi, 3.

KARACHI: Cooperative Housing Societies Union, Seed-e Millat Road, Karachi, 5.

KARACHI: Cooperative Institute Ltd., Pir Illahi Cooperative Housing Society, Karachi, 5.

KARACHI: Karachi Fishermen's Cooperative Purchase and Sales Society Ltd., West Wharf Road, Karachi.

KARACHI: Sind Provincial Cooperative Bank Ltd., Provincial Cooperative Bank Building, Serai Road, P.O. Box 4705, Karachi 2.

ROMANIA: Uniunea Centrale a Cooperativelor de Consum „Centrocoop”, Calea Victoriei 29, Bucharest.

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

SCANDINAVIA: Nordisk Andelsforbund (Scandinavian Co-operative Wholesale Society), Njalsgade 15, Copenhagen S.

SINGAPORE: Singapore Cooperative Union, Ltd., Post Box 366, Singapore.

SWEDEN: Kooperativa Förbundet, Stockholm, 15.

Affiliated retail societies (1962): 467; membership: 1,240,000; total turnover of distributive societies: Kr. 4,000 mill.; total turnover of K.F.: Kr. 2,874 mill. (Kr. 1,829 mill. sales to affiliated societies); own production: Kr. 1,451 mill.; total capital (shares and reserves) of K.F. and affiliated societies Kr. 958 million, surplus included.

Kooperativa Kvinnoförbundet, Stockholm, 15.

Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund (H.S.B.), Flemminggatan, 41, Stockholm, 18.

Affiliated Building Societies: 187; with individual members: 182,000; number of flats administered by local societies: 173,000; value of real estate: 5,696 mill. Kr.

Svenska Riksbyggen, Box 14031, Stockholm, 14.

Folksam, Folksam Building, Stockholm, 20.

Sveriges Lantbruksförbund, Klara Ostra Kyrkogata, 12, Stockholm, 1.

SWITZERLAND: Verband schweiz. Konsumvereine (V.S.K.), Thiersteinerallee 14, Basle.

Affiliated societies (1961): 540; shops: 3,300; membership: 723,000; retail turnover of affiliated societies: Frs. 1,346; wholesale turnover: Frs. 853 mill.

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

Schweiz. Verband Sozialer Baubetriebe, SBHV., Postfach Sihlpost, Zurich, 1.

Genossenschaftliche Zentralbank, Aeschenvorstadt 71, Basle.

COOP Lebensversicherungs-Genossenschaft Basle, Aeschenvorstadt 67, Basle.

TANGANYIKA: Cooperative Union of Tanganyika, Ltd., Avalon House, P.O. Box 2567, Dar es Salaam.

U.S.A.: The Co-operative League of the U.S.A., 59, East Van Buren, Chicago 5, and 1012, 14th Street, N.W., Washington 5, D.C.

U.S.S.R.: Central Union of Consumers' Cooperative Societies of the U.S.S.R. „Centrosoyus”, Ilyinka Tcherkassy pereulok 15, Moscow.

Consumers' societies (1961): 17,500; members: 43,1 mill.; stores: 321,000.

YUGOSLAVIA: Glavni Zadruzni Savez FNRJ., Ulica I Maja 15/111, Belgrade.

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baskets are  
carried . . .



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**INTERNATIONAL COOPERATIVE ALLIANCE**

# **REVIEW OF INTERNATIONAL COOPERATION**

ICA  
EDUCATION  
L.H.  
MARCH 1961



**VOL. 57 No. 2 . . . MARCH 1961**

# THE INTERNATIONAL COOPERATIVE ALLIANCE

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

It comprises organisations in every continent, and its total affiliated membership through national organisations exceeds 174,000,000. The consumers' movement accounts for about half the membership, the other half consisting of agricultural, credit, workers' productive, artisanal and fishery societies.

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

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

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

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

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

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

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

## AFFILIATED ORGANISATIONS

- ALGERIA:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 8, rue du Cercle Militaire, Oran; 21, rue Edgar Quinet, Algiers, and 9, rue thurin Régnier, Paris, 15.
- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, Avda. Suarez, 2034, Buenos Aires. *Coop. Editora Cooperativa Limitada, Avenida 32. Oficina 42, Buenos Aires.*
- AUSTRALIA:** Cooperative Federation of Australia, Mandolong Road, Mosman, Sydney, N.S.W.
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, Obaldgasse 19, Vienna VI. Membership (1962): 415,717; turnover: consumers' societies: Sch. 2,758 mill.; wholesale (G.Ö.C.): Sch. 6 mill.; department stores: Sch. 424 mill.; own production: consumer societies: Sch. 335 mill.; G.Ö.C. subsidiaries: Sch. 401 mill. *Arbeitsrat für Arbeit und Wirtschaft, A/G, Seitzergasse Vienna I.*
- AUSTRIA:** Konsumgenossenschaft, Theodorstrasse 19, Vienna VI.
- AUSTRIA:** Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Sankt-Andorferstrasse 6/11, Vienna I. Membership (1961): Member Societies: 218, Assocs. 108; No. of members: 89,000; Dwellings administered: (socs.) 48; Assocs. 100,851; Total Balance: (Socs.) Sch. 7,096,800; (Assocs.) Sch. 8,409,217,600.
- AUSTRIA:** Österreichischer Genossenschaftsverband, Seitzergasse, 4, Vienna 9.
- AUSTRIA:** Österreichischer Raiffeisenverband, Seilerergasse Vienna I.
- BELGIUM:** Société Générale Coopérative, 17-21, rue Emile Vandervelde, Brussels. *Cooperatives: 27; membership: 1,000; turnover (1961): Frs. 3,400 mill.; shops: 1,400; wholesale society turnover (1961): Frs. 827 mill.*
- BELGIUM:** Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151, rue Royale, Brussels. *Members: 1,800; reserves: Frs. 4,000; insurance funds, life: Frs. 12,000 mill.; fire: Frs. 500 mill.*
- BELGIUM:** Fédération Nationale des Coopératives Chrétiennes, rue de la Loi, 141, Brussels. *Members: 1,320 shops; turnover Frs. 1,251 million; dividends: Frs. 60 million; Savings Bank: 1,800 members; 320,000 members; deposits: Frs. 5,500 mill. Insurance Society: 160,000 policy holders; premiums: 193 mill.; reserves Frs. 500 mill.*
- BELGIUM:** Economie Populaire, 30, rue des Champs, Namur. *Members (1961): 445; membership: 74,956; turnover: 687 mill.; savings deposits: Frs. 404 mill.; capital and reserves: Frs. 77 mill.*
- BELGIUM:** Institut Provincial de Coopération Agricole, rue des Augustins, Liège.
- BELGIUM:** IACO (Office des Pharmacies Coopératives de Belgique), 602, chaussée de Mons, Brussels. *Members: 330; turnover: 28 cooperative societies owning 330 pharmacies, 50 optical departments and counters, 7 drug stores, 15 wholesale depots. Turnover (1961): Frs. 2,000 mill. Surplus distributed to 400,000 members: 82 mill.*
- BELGIUM:** Société Coopérative Fédérale de Belgique, 83-85, rue Vanderschrick, Brussels.
- BRAZIL:** Centro Nacional de Estudos Cooperativos, Av. Franklin Roosevelt 39, 12<sup>o</sup>, Sala 1216 Rio de Janeiro.
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., Ministry of Education and Social Development, 41, High and Cowen Streets, Kingston, Georgetown.
- BULGARIA:** Union Coopérative Centrale, 103, Rakovski, Sofia.
- BURMA:** National Cooperative Council, 290-300, Lewis Street, (2nd. Floor), Rangoon.
- CANADA:** Co-operative Union of Canada, 202, Queen Street, Ottawa 4, Ont. *A national association of English-language cooperatives, the principal members of which are provincial cooperative unions and inter-provincial cooperatives; organised in 1909.*
- CANADA:** Conseil Canadien de la Coopération, 2030, Bd. Hamel, Quebec 8.
- CEYLON:** The Co-operative Federation of Ceylon, Co-operative House, 455, Galle Road, Colombo 3.
- CHILE:** Federación Chilena de Cooperativas de Ahorro, Ltda., Huerfanos 1639, Clasificador 760, Santiago de Chile.
- COLOMBIA:** Cooperativa Familiar de Medellin, Ltda., Calle 49, No. 52-49, Medellin.
- CYPRUS:** Cooperative Central Bank Ltd., P.O. Box 411, Nicosia. *Cyprus Turkish Cooperative Central Bank Ltd., P.O. Box 791, Nicosia.*
- CYPRUS:** Vine Products Cooperative Marketing Union Ltd., P.O. Box 315, Limassol.
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, Tesnov 5, Prague II.
- DENMARK:** De samvirkende danske Andelskaber (Andelsudvalget), H. C. Andersens Boulevard 42, Copenhagen V. *Representing 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1961): D.Kr. 11,300 mill.*
- DENMARK:** Det kooperative Faellesforbund i Danmark, Frederiksborggade 60, Copenhagen K. *Affiliated societies (1960): 626; total sales: D.Kr. 1,050 mill.; employees: 11,000; comprises: consumers' workers', artisans', productive and housing societies etc.*
- DOMINICA:** Dominica Cooperative Credit Union League, Ltd., 14, Turkey Lane, Roseau.
- EGYPT:** Société Coopérative des Pétroles, 94, Kasr el Eini Street, Cairo.
- IRELAND:** The Co-operative Development Society, Ltd., 35, Lower Gardiner Street, Dublin.
- FINLAND:** Suomen Osuuskauppojen Keskuskunta (S.O.K.), Vilhonkatu 7, Helsinki.



# Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

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## I.C.A. EXECUTIVE AT GENEVA

THE Executive Committee of the ICA met at Geneva on the 5th, and 7th February, 1964, under the chairmanship of the President, Dr. Fritz Bonow. The Executive and Technical Assistance Sub-Committees met on the 4th February.

### **Resolutions of the 22nd Congress Bournemouth 1963**

Resolutions on the following subjects were considered by the Executive:

- i. *Promotion of Consumer and Processing Industries in Developing Countries;*
- ii. *Distribution of Cooperative Literature;*
- iii. *The Duties of the Cooperative Movement towards Young People;*
- iv. *Strengthening Unity and Collaboration in the International Cooperative Movement;*
- v. *Reformulation of the Fundamental Principles of the Cooperative Movement;*
- vi. *Establishment of an Investigation Committee for Membership Eligibility in the Central Committee;*
- vii. *Protection of the Consumer against Monopolies;*

- viii. *Disarmament and Peace;*
- ix. *The Promotion of Cooperation in Developing Countries;*
- x. *Economic Integration and Co-operative Development;*
- xi. *The World Housing Situation and the Role of Cooperation.*

The course of the action to be recommended to the Central Committee on each of these Resolutions was decided upon and instructions were given for certain preparations and enquiries to be made by the ICA secretariat. The affiliated organisations will be asked to suggest names of persons who should be considered for membership of the Commission to be constituted by the Central Committee under Resolution (v), and a draft will be prepared of terms of reference for the Commission.

### **Other Matters arising from the Bournemouth Congress**

The Executive will recommend to the Central Committee that the ICA secretariat should assist member organisations with an exchange of information on taxation of cooperatives, but will not at this stage carry out any research on the subject.

In view of suggestions made that the Rules of the ICA should be amended—

(a) to provide for a different constitution of the Executive Committee to achieve better geographical representation, and

(b) to review the method of assessing subscriptions in the light of amalgamations and other changes in national cooperative movements—the Executive Committee will invite the Central Committee to consider whether a sub-committee of the Executive should undertake this task.

#### **Auxiliary Conferences at Bournemouth**

The Executive reviewed the Auxiliary Conferences and noted following action:

In publications; in the approach of the Banking Committee to the International Cooperative Bank; and to the appointment from 1st January, 1964, of Mr. Mogens Efholt as Secretary to the Cooperative Wholesale Committee, which assumed responsibility from that date for the Economic Research Secretariat of the Scandinavian Cooperative Wholesale Society in Copenhagen. In readiness for the forthcoming discussions with the Management Committee of the Retail Distribution Committee, a Sub-Committee of the Executive was specially appointed to carry out the preliminary stage of discussion. The composition of the Sub-Committee is the President; Mr. W. Quincey; Mr. C. Schumacher; and Mr. P. Sjøiland. The Sub-Committee will be assisted by the Director.

#### **Report of the ICA Mission to Poland**

The Mission appointed by the ICA "to establish facts concerning the position of the Cooperative Movement in Poland" submitted its report to the Executive Committee for transmission to the

Central Committee. The report was discussed first with the Chairman and members of the Mission, and then in the Executive Committee. It was decided that the report should be sent out at once to the members of the Central Committee, and that the Executive, at its next meeting in the first week of July, will make a recommendation to the Central Committee as to the action which should now be taken on the membership application on appeal from the Polish Central Agricultural Union of "Peasant Self-Aid" Cooperatives. A letter has been sent to the Polish Union in the meantime, thanking them for cooperating with the ICA Mission.

#### **Applications for Membership of the ICA**

An application from the Uganda Cooperative Alliance Ltd., of Kampala, Uganda, was accepted in principle, subject to clarification of the type of membership desired by the applicant. The Sind Regional Cooperative Bank Ltd., of Hyderabad, Pakistan, and the Fölk-sam Insurance Group of Stockholm, Sweden, were accepted as individual members. The Intercoop, Editora Cooperativa Limitada, of Buenos Aires, was accepted for membership under Article 8k as an organisation having the promotion of Cooperation as its aim. The Executive confirmed the eligibility of the Puerto Rican Cooperative Insurance Society for membership of the ICA International Cooperative Assurance Committee. This Insurance Society is affiliated to the ICA through the Cooperative League of Puerto Rico and the Cooperative League of the USA. Other applications for membership were deferred to the next meeting of the Executive Committee in July.

## **ance**

The estimated expenditure for 1963 noted and approval was given to the budget for 1964. A special meeting of Executive Sub-Committee was arranged for 10th March in London, to review the financial position and make recommendations on future revenue.

## **International Cooperative School**

It was decided that the International School should take place in 1964 only if arrangements can be made for the fees the participants to cover the actual costs of the School. An invitation has been received from the three affiliated cooperative organisations in Italy to hold the 1964 School at the Villa Falieri, Frascati, near Rome, possibly in the second half of September.

## **Research**

### *Consumer Working Party*

An outline programme of activity in consumers' interest was received and approved by the Executive. The secretariat has been instructed to get in touch with the International Standards Organisation and press for the adoption of ISO recommendation on care labelling, collaborating in any appropriate way with the International Office of Consumers' Unions.

### *Programme for 1964*

A report on the Capital Budgeting Seminar was received and the research programme for 1964 was approved.

## **Women Cooperators' Advisory Council and the Secretary for Women Cooperators**

Terms of reference for the Advisory Council and the Woman Secretary were approved. Member organisations will

shortly be invited to nominate members for appointment to the Council.

## **The ICA and the United Nations**

A draft statement for the UN Trade and Development Conference was studied and approved. Reports were received of ICA participation in various UN meetings. For the conferences of FAO, Freedom from Hunger Campaign, and World Food Programme, the representatives were Dr. Malfettani, Mr. M. Appierto, and the Director, and a joint ICA/IFAP statement was submitted. Mr. S. Katayanagi was ICA observer at the FAO/IFAP Seminar-cum-Study Tour on Farmers' Organisations in Tokyo, Japan. Dr. Boson attended the 157th Session of the ILO Governing Body in Geneva, at which it was decided to include as a main item on the agenda of the International Labour Conference of June 1965, the subject "The Role of Cooperatives in the Economic and Social Development of Developing Countries". The Latin American Regional Technical Meeting of Cooperatives, in Santiago de Chile, was attended by Dr. E. U. Corona Martinez, who reported on the possibility of the establishment in Latin America of an institute for the promotion of cooperative development. Arrangements for representation at forthcoming UN meetings were noted.

## **The ICA and other International Organisations**

An ICA/IFAP Joint Working Party to study the problem of world food surpluses is expected to hold its first meeting in Stockholm on 27th February. The ICA is cooperating with the World University Service for their Asian Regional Cooperative Training Workshop in Bombay from 15th April to 15th May. An

ICA representative will attend the 1st General Session of the Afro-Asian Rural Reconstruction Organisation in Kuala Lumpur from 17th February to 2nd March. The Japanese Central Committee has been approached with a request to provide an ICA representative for the World Recreation Congress in Japan from 2nd to 7th October. The ICA representative for the 3rd Biennial World Conference of the International Office of Consumers' Unions in Oslo from 22nd to 24th June will be either the Chairman or Secretary of the ICA Consumer Working Party. The ICA and the World Assembly of Youth have just held a joint seminar in Kuala Lumpur during January 1964.

#### **Technical Assistance Projects**

The programme of the S.E. Asia Regional Office was approved, and a report was received on the preparations made for the Conference in Tokyo, Japan, from 19th to 26th April on The Role of Cooperation in Social and Economic Development. Ministers of Coop-

eration, Cooperative Commissioners, Presidents and Secretaries of national cooperative organisations in S.E. Asia, have been invited to attend this Conference, which will be preceded by a two day meeting of the Advisory Council of the ICA Education Centre.

An arabic translation of Mr. Cheesman's "Handbook for Cooperative Personnel" is being printed. A projector and generator have been ordered for Northern Rhodesia. Printing presses and equipment have been purchased for Uganda and Kenya. A Malayan student is attending the KF/SL 1964 seminar in Sweden on an ICA grant, and another student attending the Afro-Asian Institute has been awarded a grant of 50 per cent of his air fare. A number of other projects are under consideration.

#### **Meetings of ICA Authorities**

The ICA Central Committee is expected to meet in Yugoslavia at the beginning of October. The next meeting of the Executive Committee will be held in London from 1st to 3rd July, 1964.

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# **22 CONGRESS CONGRÈS KONGRESS**

**BOURNEMOUTH  
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**IN BRIEF  
ABRÉGÉ  
KURZBERICHT**

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**INTERNATIONAL CO-OPERATIVE ALLIANCE**

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## COOPERATIVE LIBRARIANS' WORKING PARTY

*Report on the result of an enquiry into the number of existing cooperative libraries, their organisation and work, carried out in 1962 and 1963 in cooperation with the ICA.*

**By Walter Sjölin,**

*Librarian, KF, Stockholm.*

At the Meeting of the Working Party held in Cologne in 1961 the Working Committee was given the task of conducting an enquiry, in cooperation with the ICA, into the number of existing cooperative libraries, their organisation, size, work, certain technical problems etc. The enquiry was carried out through the medium of a special questionnaire sent to all the organisations belonging to the ICA. The Working Committee carried out a similar enquiry in 1955, but since this enquiry was primarily to ascertain what interest there was in cooperating with the Working Party of Cooperative Librarians, only certain parts of it can be used for purposes of comparison.

During the course of the present enquiry replies were received from 55 organisations, mainly in Europe, but also in Canada and certain less-developed countries. A study of these replies has given the following result:

### **Number of Libraries and Staff**

According to the answers received the number of libraries is 41 (in 1954); while 6 organisations are planning to have 10 libraries and 6 are working together locally with other cooperative organisations or university libraries at the time being. The actual number

of libraries in the Alliance is, however, probably 49; the eight which did not reply presumably considered they were of insufficient importance to take part in the enquiry. The results are therefore based on the replies of the 41.

The number of full-time librarians is 16 (compared with 14 in 1954) and the number of part-time librarians is 22 (compared with 6 in 1954). This means that not only the number of libraries reported has increased considerably since 1954, but also that several of these are relatively new in their present form. But even the older libraries have grown in recent years. The total number of junior library personnel amounts in fact to no less than 65, of whom 46 are employed full-time, and the number of assistants at each library varies between one and ten, spread over 32 libraries.

On a closer examination of the material one sees that at least 8 librarians work alone and also that only 4 libraries have more than 4 assistants. Again those libraries which work with more than three assistants have, almost without exception, been given tasks other than those that belong traditionally to the sphere of a library, for example postal work, statistical work, tasks connected with research and similar matters. The last mentioned fact applies particularly

to the CWS library "Manchester" which is directly attached to its Market Research Department.

### Size of Libraries

Variations in the size of the libraries are to be seen most clearly when the information in respect of the number of books, including pamphlets and other printed matter but excluding periodicals, is examined:

100	—	5,000	=	24
5,001	—	10,000	=	8
10,001	—	15,000	=	3
15,001	—	20,000	=	1
20,001	—	30,000	=	3
30,001	—	35,000	=	1
95,000	—	100,000	=	1
				—
				41

In round figures the total number of books and pamphlets amounts to 366,000. The majority of the libraries, namely 32, are in the groups between 100 and 10,000, while 3 are between 10,000 and 15,000 and a further 4 are in the groups between 20,000 and 30,000. The two biggest libraries are those of *Kooperativ Förbundet*, Stockholm, with over 95,000 (excluding an extensive archives department), and the CWS library, Manchester. Next come KK and SOK, Finland; NKL, Norway, and VSK, Switzerland; the group between 10,000 and 15,000 includes *Pellervo*, Finland, the Cooperative College, Stanford Hall, Great Britain, and the Central Co-operative Council, Czechoslovakia. In the 10,000 bracket are to be found the Co-operative Union, Manchester; *Gesamtverband Gemeinnütziger Wohnungsunternehmen*, Cologne; *Institut für Genossenschaftswesen*, Münster (both in Germany) and the Plunkett Foundation, Great Britain.

The acquisition of books in 1962 amounted to a total 8,600 and gifts to 4,600. So the total number acquired by

the libraries is 13,000 or thereabouts each year, excluding periodicals.

### Periodicals

The number of periodicals in the libraries varies considerably and may be most suitably divided into two groups, those received during the current year and those retained for permanent filing. Included in the first group are about 5,000 periodicals, 1,900 of which qualify for permanent filing. Certain libraries deal with 400–600 periodicals and one library deals exclusively with material of this kind. The maximum number for permanent filing is 200, the minimum is 2.

### Press cuttings

Only 15 libraries report collections of press cuttings and only 5 mention the number of these cuttings, all told a little over 200,000. The reason for the incomplete information is probably that press cuttings are not normally catalogued in such a way that they can be conveniently counted or the number even estimated, but they certainly total at least half a million. Opinions regarding the long-term value of press cuttings vary very much. However, experience has shown that almost all literature, including press cuttings, has three so-called periods of value—a relatively short period when it is topical, an often very long period when it is of little or limited interest, and finally a third period when either its importance increases or it becomes valueless. For this reason the long-term value should be taken into account when assessing the worth of press cuttings.

### Selection of literature

Naturally the composition of the book collection is decided to a large extent by

e types and needs of the organisations, it nevertheless signs of some basic poli- or basic aims are discernible; for ample, the collection of literature aling with some definite kind of ac- /ity in the field of Cooperation, some ecial subject etc. However, the needs the organisations are probably in ost cases the guiding principle, espe- lly in new libraries which only later can specialise in specific subjects, and a marked degree in those libraries at deal with research and extensive cumentation. This is in fact confirm- by an examination of the lists of ac- isitions. Cooperative literature, how- er, predominates and this is natural ough. Second in importance is litera- re concerning the background of the ooperative Movement.

#### **Classification**

Regarding the systems of classifica- on used, it can be said quite briefly at apparently these are almost as nu- erous as the libraries. The greatest mbling block appears to be the sub- ct catalogue and it is clear that a cer- in amount of confusion exists. Only 7 raries use UDC and two Dewey (mo- fied), while the remaining 32 use sys- ms more or less designed for their n particular needs. In many cases, wever, there is probably some connec- on between these private systems and ose prevalent in the respective coun- es, for example those used in univer- y libraries, while the small libraries e simple alphabetical systems and do t used a subject catalogue at all. To dge from the reports, there are only o libraries that use UDC 334 in the ised form. A word of warning to li- aries might not be out of place in this nnection—at the beginning a small li- ary can, of course, be satisfied with a

simple system, but it must always be borne in mind that the problems grow at the same rate as the library and that the day may come when the library in question is faced with the necessity of introducing a proper system. This is after all a fundamental requirement if the library is to function as it should.

#### **Extramural activities**

The extramural activities of the libra- ries are difficult to evaluate since “ex- tramural” can be interpreted in diffe- rent ways and the answer may depend on whether the organisation is a central one or not and, naturally, on the exis- tence of special rules in respect of the work of the library. A preliminary ana- lysis in respect of policy shows the fol- lowing result:

Reference only = 6  
 Exclusively internal lending = 12  
 Internal and external lending = 23

The enquiry shows that the trend to- wards giving access to outsiders and to- wards cooperation with other than co- operative organisations and with per- sons not directly connected with the Co- operative Movement is considerably greater than one would think. Cooper- ation appears to be primarily with other libraries (for example, school libraries, university libraries, etc.); also with stu- dents and those engaged in research. In addition there is also cooperation with a lot of more or less public institutions.

#### **Documentation, abstracting**

Nine libraries have a documentation service or an abstracting service. These activities are, or can be, very closely re- lated to each other in that one can lead to or merge with the other, even if they may appear different when considered separately. The expansion of this work



depends chiefly on the availability of suitable personnel.

### **Reproduction**

The only comment on reproduction is that 15 libraries have photostatic or similar reproduction facilities, while only three use microfilm.

### **Publications**

Lists of acquisitions of books are published by 16 libraries while 6 publish, in addition, supplementary material. The latter class include the Co-operative Union, Manchester, with "Co-operative Information Bulletin for the British Commonwealth", CWS Manchester, with "Weekly Digest" (abstracts), VSK, Basle, with "List of Special Literature", FNCC, Paris with "Press Abstracts", *Forschungsinstitut für Genossenschaftswesen*, with "*Bibliographie der Genossenschaftswesen*", and *Co-op Nederland*, Rotterdam, with "*Documentatie Bulletin*" (abstracts).

### **Noteworthy collections**

The older libraries often have valuable collections of books and manuscripts, and a couple of libraries have concentrated on the subject of trade. The following special collections can be mentioned:

Co-operative Union, Manchester; Robert Owen, E. O. Greening and G. J. Holyoake collections. British Commonwealth literature.

FNCC, Paris: Ch. Gide collection. SCMA, Oran and Paris: Algerian legislation.

CWS, Manchester: Marketing, retailing, advertising.

VSK Basle: Marketing, retailing.

Pellervo, Helsingfors: H. Gebhard library.

Plunkett Foundation, London: H. Plunkett collection.

KF, Stockholm: Robert Owen and Ch. Fourier collections, Utopias, cartels, monopoly.

### **Summary**

The enquiry shows that the number of cooperative libraries is larger than originally supposed, and this suggests that the Cooperative Movement even in respect of national information adjusts itself to the demands of the times. The geographical distribution shows that Europe holds a central position. A major explanation of European supremacy is that the Movement has been established in this part of the world for some time and that certain central organisations started libraries at an early stage. It is also clear that the newer libraries are formed from a need to collect and take care of the ever increasing wealth of periodicals within the organisations and this generally results in the accumulation in one place of books scattered about in the different departments.

The small collections of books and periodicals in the charge of part-time staffs can be counted as libraries proper, in the process of being formed, even if this entails a certain amount of flexibility regarding the definition of a library. We find everywhere that requirements decide the policy, which means that endeavours are made to meet immediate needs first, but the larger libraries differ on this point from the smaller. The larger libraries often have a wider range of tasks, for example the collection and keeping of books and works dealing with the earlier history and ideology of the Cooperative Movement (all new material eventually becomes historical), the

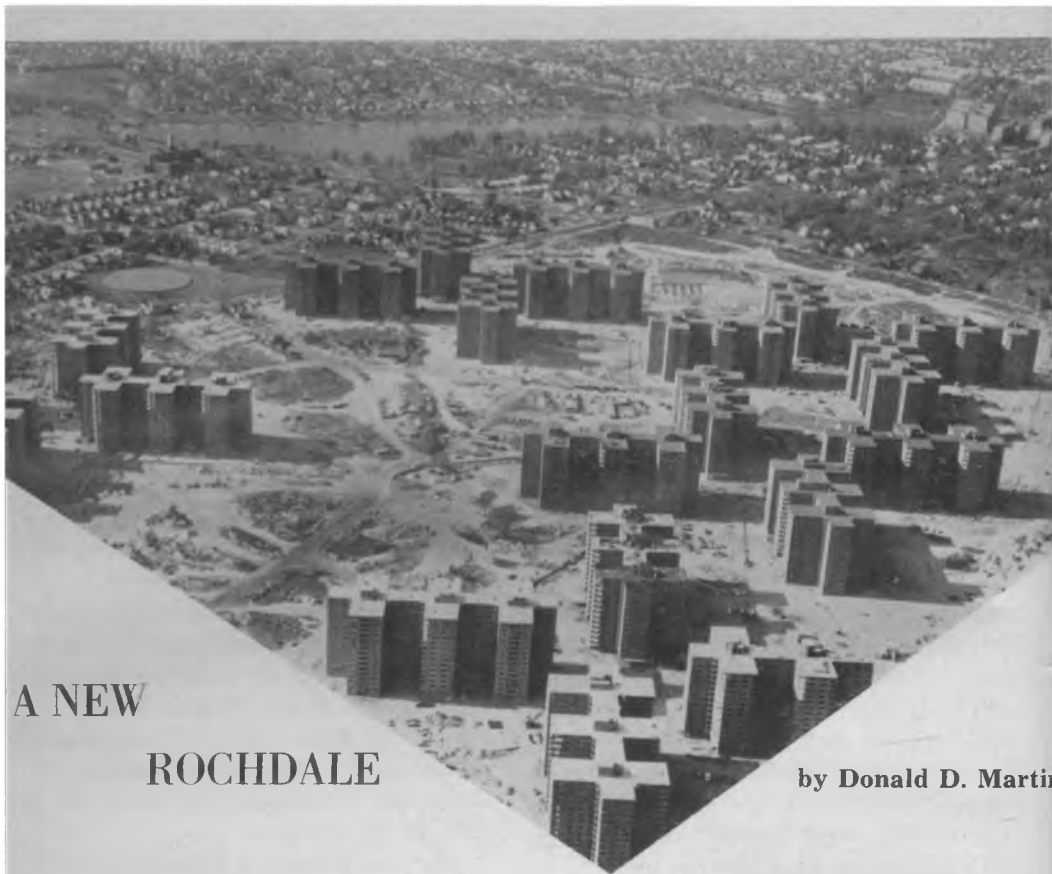
ormation of specialised collections not only for information about contemporary matters but also future research, the implementing of background material etc.

It is, of course, in the very nature of things that most of the libraries specialise in the types of cooperative work that the respective central organisations represent, and that this state of affairs is reflected clearly in the stocks of books.

Slightly more than half of the libraries are still relatively small, but this may be due to a variety of reasons; the comparatively short time they have been active, a limitation in the selection of literature, the special aims and needs of the organisation which they serve; all these decide the course of development. As to the moderate size of the libraries is not unexpected or particularly remarkable. On the other hand, other points are more worthy of attention. These include classification which, as far as can be judged, varies exceedingly, or in many cases is completely non-existent. In less than 34 libraries out of 40 use their own systems or modified forms of other systems. This is very likely due to many causes, mostly of an internal nature; also to the fact that the majority of libraries came into existence independently of one another, and finally to the desire to avoid too much trouble. But there are no shortcuts in the art of running libraries not even by using the most complicated of modern machines; over-simplification at the beginning often presages difficulties for the future. Many are aware that the Working Party has completed the revision of UDC 334 and compiled special handbooks for cooperative libraries, all of which are aimed at assisting the organisations that wish to modernise and rationalise their cataloguing.

Another noteworthy fact is the very limited use made of microfilm or archive films. The time will probably soon come when those libraries that have many periodicals permanently filed will have to make up their minds whether to use films or meet the cost of extending their premises. A periodicals library always needs a lot of room and often contains a good deal of dead material. Technical periodicals, for example, become out of date very rapidly (2-3 years), a fact which also applies to periodicals covering a whole lot of economic-technical fields, but the periodicals constantly need larger premises. Films, on the other hand, need extremely little space and nowadays with the help of modern and simple methods can produce copies of any article in an illustrated periodical quickly and at a modest cost; not only short-lived so-called working copies, but also very durable archive copies. The needs of the libraries as regards premises and incidental costs can thus be reduced appreciably.

The willingness of the organisations to place their libraries at the disposal of not only other cooperative organisations, but also of public libraries, students, persons engaged on research work and others is very gratifying and is of the greatest importance for the dissemination of factual and objective information about the Cooperative Movement, its nature, ideas, resources, and aims.



## A NEW ROCHDALE

by Donald D. Martin

**T**HE original Rochdale Pioneers opened their historic shop in Toad Lane on 21 December 1844. One hundred and nineteen years later, almost to the day, on 10 December 1963, a new Rochdale—Rochdale Village in New York City—opened its doors to the first of 5,860 families who will occupy this huge cooperative housing community. By the end of 1964, approximately twenty-five thousand persons will be living in this cooperative society on the outskirts of New York City.

Five years ago the 170 acre site of the Rochdale Village was an unused race track. It was acquired for \$6,500,000 by the United Housing Foundation, the

sponsor and builder of the development. The Foundation, under the leadership of Abraham E. Kazan, the pioneer organizer of housing cooperatives in the United States, has an impressive record of developing many large cooperative communities in the City of New York. The large expanse of vacant land was ideal for creating badly needed shelter for moderate-income working people. The size of the area made it possible to plan a comprehensive cooperative community.

Mr. Kazan disdains being called a builder. Although he has organized and supervised the construction of 17,500 cooperative homes since 1927, his primary

concern and interest is for the development of all kinds of cooperative enterprises.

With housing as the foundation for the community, Rochdale Village, for example, will include cooperative markets, a cooperative pharmacy, a cooperative medical centre, a cooperative credit union, and as many other cooperatively-owned enterprises as the members of the community will organise. All cooperative enterprises, except the housing cooperative, will be operated through a second corporation—the Rochdale Village Consumers' Cooperative Society. This Society is at present distributing co-op milk, and is operating a temporary co-op market, which will serve the community until the modern shopping centres now under construction are completed later this year.

The social and cultural life of the community will centre around a \$1,800,000 community building. Included in the centre is a two thousand seat auditorium, numerous community rooms, the medical centre and the administrative offices. The cultural life at Rochdale Village should be a richly rewarding experience for the inhabitants of the community, for, like all cooperatives sponsored by the United Housing Foundation, Rochdale Village maintains an open membership policy. No one is excluded because of his race, colour or religion. Eighty per cent of the population at Rochdale will be white and twenty per cent Negro.

#### **Centrally Air Conditioned Housing \$21.00 a Room.**

One of the unique features at Rochdale Village is a \$10,500,000 power plant which will provide the entire community not only with central heating and hot water, but also with its own

electric power and central air conditioning during the summer months. The air cooling installation is the largest in the world.

The entire development will cost about \$96,000,000. The cooperators' equity, based on \$400,000 per room, will amount to about ten million dollars. The mortgage financing is being provided by the Housing Division of the State of New York. The monthly carrying charges will average \$21.00 a room. Apartments range in size from three rooms (with one bedroom) to six and a half rooms (with three bedrooms, two baths and a balcony).

The development, designed by Architect Herman J. Jessor, consists of twenty fourteen-storey residential buildings, the power plant, the shopping centres, community buildings, parking facilities for four thousand automobiles, playgrounds, parks and sitting areas. The cooperative donated thirty-three acres of the site back to the City for the development of three new schools, a park which will include a swimming pool, four tennis courts and a new library. These facilities are now under construction.

It is particularly appropriate that each of the buildings at Rochdale Village will be dedicated to one of the pioneers of the original Rochdale Society. For the objectives of the new housing community are similar to those of the Society organised in 1844—that is the building of a better society through self-help and mutual aid. The United Housing Foundation hopes that the new Rochdale, like the original, will encourage others to establish housing cooperatives to meet the world-wide need for adequate shelter, and that such communities will advance the cause of the consumer cooperative movement.

## RAIFFEISEN IN THE WORLD TODAY

by Franz Braumann

**F**RIEDRICH Wilhelm Raiffeisen lived to see his ideas on Cooperative Self-Help spread far beyond the confines of his native land. In the foreword to the 5th edition of his book, which appeared in 1887, seven months before his death, he said: "The beneficial effects of the Credit Unions brought them more and more recognition, not only throughout Germany, but in other European countries where, with few exceptions, their benefits continued to increase. The proof of this lies in the many articles published and in the correspondence exchanged between the founders, and other friends of the people in Russia, Holland, Belgium, Spain and especially France. Furthermore, delegates from Denmark, Switzerland, Sweden and England came to study our Unions at close quarters. In Berne the government had even offered rewards for the foundation of Credit Unions. In Italy also a large number of such Unions have sprung into being, but the majority are in Austria-Hungary..."

### **A quickening Breath**

The period of almost eight decades which has elapsed since that time has been one of stormy Cooperative development round the world. Wherever men are free, Raiffeisen's ideas and the principle of Cooperative Self-Help have taken root and become the foundation on which to build and maintain a liberal rural culture and economy. Their quickening breath revived a peasantry

overwhelmingly in debt and bogged down in the most primitive existence, while at the same time bringing new life to the artisans and the working classes as a whole.

The original type of Cooperative Self-Help which Raiffeisen established in his own country was, of course, greatly modified to suit conditions of Cooperative development in other European countries, although such was the flexibility of the system that it could be satisfactorily adapted to different environments. Indeed, Raiffeisen's original scheme began to come more and more into the limelight, as was evident from the title of the second edition of his book: "*Credit Unions, hand in hand with consumers, Marketing and Auctions Cooperatives as a remedy for the poverty of both rural and urban workers*".

From the original Purchase and Consumers' Association there developed, especially in Sweden, Denmark and North America, the powerful Processing Societies which now control almost the whole of the trade. Although these gigantic organisations evolved their own legal framework, the driving force behind them was the same as that which inspired the unknown country mayor—the principle of self-help, self-government and individual responsibility.

It is, however, in agricultural credit societies throughout the world that Raiffeisen's ideas are most truly expressed; for in addition to being economic organisations for the purpose of recip-

cal aid and development, they offer way of life.

### World Membership

How was it that Raiffeisen was able, of his own volition, to see beyond his own needs and to carry through his ideas in stages by stage, formulating them in such a way as would ensure their viability? What was the inner stimulus which has resulted in a world membership of over 50 millions in Cooperative societies on the Raiffeisen pattern? The answer lies in the fact that the system combines a purely economic organization with a fundamental type of social community. Raiffeisen introduced order to the rural social and economic life at a time when the lack of guidance from within was as great as the pressure from outside.

In many countries today, the rural societies and above all the Credit Unions reveal their origin in their names: "Raiffeisen System" or simply "Raiffeisen Banks". The German Raiffeisen Union comprises more than 28,000 societies with a total membership of over 4 million. In Austria there are over 4,000 societies with more than a million members. The 1,750 Raiffeisen Banks with their eight Regional Central Banks and the Central Cooperative Bank operate over one-fifth of the total capital turnover of all the Banks in Austria together.

From Alsace-Lorraine Raiffeisen's ideas spread into France where similar ideas had been current from the time of Fourrier and Blanc. In Switzerland, a Catholic Professor, Traber from the Bichelsee in Thurgau, had started an analogous movement for the formation of Raiffeisen Banks in many of the smaller towns and villages. The Raiffeisen system provided the basis for the establish-

ment of a Swiss Union of Credit Banks which today administers over 700 Raiffeisen Banks.

As is always the case with really creative ideas which refuse to be confined within narrow limits, language proved no barrier to the spread of Raiffeisen's ideas. In the last decades of the 19th century, the peasantry in Belgium and Holland also were living in a state of debt-ridden penury induced by rising competition from overseas grain producing countries. Inevitably, in such times, the usurer—whether a dealer in money or cattle—battered "like a dog on the baited and exhausted animal".

There appeared to be no way out of this situation, although year in year out those responsible for economic administration argued as to the best solution. On the one hand, some suggested loans for the peasantry in the form of trading credit, while others put forward all-embracing state credit. Yet a third group rejected any form of credit as unworkable, regarding loans in the hands of uneducated peasants as a dangerous toy in the hands of a child.

Mellaert, the Belgian Catholic country priest, in an effort to alleviate the poverty of his flock, had studied the loan and savings societies in Germany, and in 1960 collaborated with two politicians, Schollaert, a Minister, and Professor Helleputte, to found the "*Boerenbond*", a union of Belgian farmers in Louvain. Two years later, his book, "*Agricultural Loan and Savings Societies on the Raiffeisen System*", was published. Year by year, the number of "*Spaar-en-Leengilden*" which grew out of the "*Boerenbond*" increased, until in 1895 a Central Bank was formed which today bears the name of "*Centrale Kas voor Landbouwkrediet van de Belgische Boerenbond*", Since 1935 all

Credit Societies which are members are known as "Raiffeisen Banks" and are based on the Raiffeisen system.

At the close of the 19th century, the country folk in Holland were stagnating in a similar state of dependence on the private wholesalers and suppliers as their neighbours. In the Catholic districts of South Holland the first Cooperative gathering took place under clerical guidance, since here likewise, the Catholic church recognised in the Cooperative idea a means of raising the social and moral well-being of the rural population. A few years later their example was followed in the Protestant north. In scarcely any other country is the Raiffeisen system so strongly entrenched as in Holland. Today, the two denominational sections of the country are each served by a Central Bank, the "*Coöperatieve Centrale Raiffeisen-Bank*" in Utrecht in the Protestant north, and the "*Centrale Boerenleenbank*" in Endhoven in the Catholic south. The 1,300 Raiffeisen Banks are evidence of the close integration existing in the movement, since their number exceeds the total number of Communes. Furthermore, in many of the larger Communes there are two Banks.

In France in 1891 a book appeared by Louis Durand: "*Le Crédit Agricole en France et à l'étranger*", in which he said: "We have tried several systems, but have found none which so completely meets the credit requirement of the rural economy while at same the time raising the social and moral welfare of the community as the Raiffeisen system".

Durand founded the Union of Agricultural and Industrial Workers in Nantes, which is today managed by his sons and has moved its headquarters to Paris. The Union has 1,200 member credit societies affiliated on a denominational

basis mainly in Western France. Both customers and members are still, as in the early days, labourers, artisans and peasants. Side by side with the Durand system there developed all over France a network of Cooperative Credit Societies, initiated and supported by the State. This has since spread to all the former French colonial territories where it has borne the most excellent fruit. Thus in West European countries especially care for moral welfare brought in its train improvement in economic conditions likewise, both of which aspects of community life are combined in the Raiffeisen system as in no other.

In other countries also men came to the fore as founders of Cooperation whose inspiration emanated from Friedrich Wilhelm Raiffeisen; men like Don Cerutti and Leone Wollenberg in Italy, and Johannes Gebhard, the great Finnish Pioneer of Cooperation in Scandinavia.

Soon the system had spread overseas where, in Canada, Alphonse Desjardins introduced Raiffeisen's work into the American scene through the "*Caisses Populaires Desjardins*" which soon penetrated into the U.S.A. Today, Desjardins is still known as the Canadian Raiffeisen. In 1900, in Levis, a small town in the neighbourhood of Quebec, he founded the first Credit Union on the Raiffeisen pattern, and such was his energy and ability that, on his death in 1921, there were 150 Credit Unions in French Canada.

In 1909, in a small Catholic community of New Hampshire, Desjardins laid the foundations of the great Cooperative Movement in the U.S.A. His work was consolidated by Edward A. Filene, a Boston merchant, who built it up into a strong and viable organisation. In the

course of a tour through India, Filene had come to realise the inestimable value of Village Credit Banks as a means of relieving the poverty of the poorest peasants, and subsequently the British Cooperators introduced the idea of corporative self-help. After his return home, Edward Filene devoted his whole fortune to the Cooperative Movement in the United States, which has today grown into a very powerful organisation penetrating into every part of the country. Its nerve-centre and headquarters is the "Credit Union National Association" known in short as CUNA, whose offices are in Madison, Wisconsin. The only difference between the American-type Credit Unions such as the "*Caisses Populaires Desjardins*", and the European Credit Banks, is that the American organisations serve not only the rural population, but also to a large extent the urban and industrial workers as well. By means of a system of cheap loans and insurance the population is being helped to improve its housekeeping and to save.

The first Raiffeisen societies in Brazil were founded at the beginning of this century among German-speaking emigrants in Porto Allegre, Rio Grande do Sul, by Theodor Amstad, a Swiss Jesuit priest known as the "Apostle of Cooperation". Even today, these Banks which now number more than fifty, are still run on the original Raiffeisen principles of unlimited liability, small trading ones, honorary management and the allocation of a fund for the spiritual and moral improvement of the rural population. The Cooperative idea has since spread over the whole South American continent, although with the difference that the members' liability is limited.

Today, the countries which offer the

greatest scope for Cooperation are India and Pakistan, where in 1904 Lord Curzon (then Viceroy of India) laid the foundations for Indian societies. The thousands of small credit societies in India are still run almost entirely according to the Raiffeisen principle of limited liability, something which occurs in scarcely any other country in the world. In moral and spiritual spheres, equally with economic, the Indian subcontinent offers a vast and fruitful field for Raiffeisen's theories.

Japan also is fast becoming receptive to Raiffeisen's ideas. How greatly honoured his name is in the Far East is proved by the fact that the Japanese Cooperative publishers have issued a short biography of Raiffeisen in Japanese.

Today, Raiffeisen is appreciated throughout the world. On "Raiffeisen Day" last year a telegram of good wishes was received from Trinidad saying: "... This great man's life has brought untold blessings to us!" Year after year delegations from all five continents come to lay a wreath on the Raiffeisen monument in Neuwied on Rhine, and Raiffeisen has now become a world citizen. In bringing greetings to the International Commission for Agriculture (C.I.A.) from all countries where Raiffeisen's work had taken root, Professor Dr. Laur said:

"The name of Raiffeisen is known to millions of peasants in all parts of the world. Millions of men today are grateful to him for his work on behalf of mankind, for the help which they have received through the Cooperative Credit organisation and Purchase, Marketing and Producer Societies connected with them. In expressing the respect of the whole

*(Concluded on page 95)*



## THE COMILLA COOPERATIVE EXPERIMENT



*From a paper given at a recent experts' conference organised by the International Cooperative Alliance Regional Office & Education Centre for South-East Asia, New Delhi, and by the Central Cooperative Exchange of Manila.*

**by Professor A. F. Atwar Hussain**  
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The Cooperative Movement in East Pakistan has been reorganised in years and much effort is currently made to improve its organisation and expand its operations, as the Movement is still far from being on a sound footing. Although superficially the reorganised set-up is supposed to place an emphasis on supervised credit, in reality very little is being done in this direction. A significant development, however, has been taking place in a village of East Pakistan, Comilla, over the last three years which is still considered a pilot and therefore not integrated into the regular Cooperative Movement sponsored by the East Pakistan Government. This experiment in spite of its brief period it has been in operation appears to be a development with various possibilities. In the remaining part of the paper an attempt will be made to describe the main functions of the project, make a tentative evaluation of the result achieved so far and point out how far the lessons derived from the experiment provide guidelines for a further development of the Cooperative Movement in East Pakistan.

The Comilla cooperative experiment was undertaken by the Pakistan Academy of Village Development, Comilla, under the dynamic leadership of its Director, Mr. Akhter Hameed Khan. It is detailed in three annual reports on the experiment issued so far, and also discussed in the Academy's monthly and quarterly reports. These sources have been used freely in the following description and analysis. It appears that the difference between the Comilla experiment and that of the Provincial Go-

vernment was that while the Government took the cooperatives for granted and sought to improve their operations by a drastic policy of reorganisation, the organisers of the Comilla experiment made a deep study of the problem of rural development in general and arrived at the cooperative solution as a result of careful analysis.

### Basic Problem and Solution

A study of the rural economic situation at Comilla revealed that the peasants were struggling with small holdings and that all the land which could be farmed was being farmed. Nevertheless, half the time the land remained uncultivated because of the very small winter rainfall. However, in East Pakistan water was plentiful even in winter either in the rivers or in the subsoil. Low lift pumps could raise the water from the rivers or large bore tube-wells could secure the water and provide irrigation to the fields in winter, enabling farmers to raise an additional crop. However, if water were to be led to each plot it was obvious that only a cooperative effort by all the farmers of a village could do it. The technical solution of the problem viz: consolidation of holdings which could be effected on a compulsory basis was ruled out. Instead it was decided to leave the fields alone and get people to cooperate which eventually was expected to achieve the same objective. A close study of other agricultural problems led to the conclusion that a cooperative system could increase production and income in the Thana. For successful cooperation it was felt that it was not necessary to pool

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The views expressed in this paper are strictly those of the author and do not necessarily represent those of the East Pakistan Government which he is serving at present.

unds in the sense of the collectives, but all other factors of production, such as planning, capital, machinery, irrigation and human skill could be pooled. The cooperative would make it possible to provide the big tools of production to even the small producer. It would enhance both his ability and his incentive to produce.

### **Central Organisation needed**

However, the problem was to decide what type of cooperative system would be really suitable. Village cooperatives had failed because they had very little business ability and the principles of democratic operation were virtually unknown. The higher cooperatives had failed because they could not secure the cooperation of the village people. The solution it was felt was to form a central cooperative organisation with efficient management and sound groups. A village primary interest group might operate informally in the beginning but would be formed into a cooperative society before long. This Comilla type of cooperation is, however, completely different from the traditional type of primary cooperative society in this part of the country, which has failed so dismally. First, the business affairs of the village cooperatives are to be handled by the central organisation. Secondly, the village society will have an organiser from the village selected by the group who will regularly undergo a course of training provided by the central organisation so that after he has learned he returns to the group and teaches. Thus two institutions were set up in the Comilla experiment. One was the Central Cooperative Association and the other was the Thana Training Centre where the organisers of the village groups attend adult school once a week.

The Thana Training Centre has become a highly effective means of imparting training in skills lacking in the villages without which cooperatives cannot succeed. It provides training to selected members of the village cooperative, such as the organiser, who deals with management and planning, the accountant, the progressive farmer, and the machine operator. These persons attend classes only once a week but they are required to attend week after week, month after month, year after year. The Thana Training Centre also provides demonstrations of improved practices both at the centre and also by supervision over a large number of villages. During the last year and a half the scope of its work has been greatly enlarged.

### **Role of the Supervisor**

A central figure in the Comilla project is the organiser, who is the democratically elected manager of the village society, who teaches his village neighbour new social and economic modes, tasks of combined planning, pooling of capital, joint marketing and shared use of machines. He has a twofold duty to be a faithful servant of the group, honest and industrious, and a loyal agent of the Central Association, guarding it from the blind cupidity of shifty members. It is an arduous job which requires strength of character and a broad view; also, if properly performed, it consumes most of his time. Originally it was hoped that the organisers would be paid by the societies. As this did not materialise, the Central Association has now decided to pay a small remuneration to the organisers plus a commission of 1 per cent on loans collected by them. As the volume of work of the organisers grows they would probably have to be specialised

hole-time employees fully remunerated for their work.

A striking point of difference between the Comilla type of cooperative and the ones which we had known previously is that before a cooperative could be accepted as an Academy pilot cooperative has to fulfil a set of ten fairly stringent conditions:

1. To organise itself and later become of registered cooperative society.
2. To hold regular weekly meetings of members.
3. To select an organiser and send him to the Academy once a week for training.
4. To keep proper and complete accounts.
5. To do joint production planning.
6. To use supervised village production credit.
7. To adopt improved agricultural practices and skills.
8. To make regular cash and in-kind savings deposits.
9. To join the Central Cooperative Association.
10. To hold regular member education discussion.

In spite of these conditions and in spite of the fact that a society has to pass through a trial period before it is accepted, a few societies were organised and included in the pilot project. In the first year and half, 46 primary village cooperatives were organised with a total membership of more than two thousand. Presently, the number of cooperatives has increased to 131 with a total membership of nearly 4,500. Of these 131 societies, 112 are agricultural societies and 19 are non-agricultural societies.

#### **The Central Cooperative Association**

The Central Cooperative Association Comilla is headed by a Project Director assisted by Deputy Director. There are four sections under the over-all control of the Project Director. These are:

- i The Administration Section
- ii The Field Supervision Section
- iii The Storage and Merchandising Section
- iv The Machinery Repair and Movement Section.

The Field Supervision Section is the liaison unit between the Association and the member cooperatives. The line of command from the Central Association to the primary cooperatives consists of:

1. The Project Director.
2. The Deputy Project Director.
3. The Inspectors.
4. The Supervisors.
5. The Organisers.

The first four of these are employees of the Central Association; the fifth, the organiser, is the employee of the village cooperative; the supervisors and organisers are villagers. The overall policies of the Association are determined by its Managing Committee, headed by the Chairman who is the Director of the Academy. Only two cooperative societies are represented in the Managing Committee of nine members. This is probably realistic as management skills are still to be developed in the villages and it is most important that the Central Association be able to operate a large business successfully rather than be managed on a democratic basis. As time goes on, there will be a case for more representation in the Managing Committee of the primary societies.

Supervision and control of the member cooperatives is effected chiefly through the Field Supervision Section. The actual supervision is done by persons designated as "Inspectors", who are trained government servants with experience as workers in the Village AID programme which has now been discontinued. It is the task of the Inspector to assist in the training programme by taking classes for the organisers and

Supervisors, discuss practical problems with them and help them perform well in the villages. The Supervisor is a particularly successful organiser and is paid by the Central Association to help the organisers in his area. Usually, he supervises four village societies in addition to his own, as well as continuing to serve as organiser of his own village cooperative. The supervisor tends to become more of a specialist and spends more of his time on cooperative business than the organiser.

One of the important achievements of the Central Association in Comilla has been the maintenance of proper records both for itself and for the member cooperatives. Attempts to maintain proper records and accounts at the village level have proved unsuccessful because of a lack of trained accountants in the villages who could be paid adequately out of the societies' resources. These accountants are also trained by the Association in weekly classes. The organiser of the primary cooperative keeps simple records of receipts and expenditures. Each week the accountant visits the village and brings the society's books up-to-date. The services of the accountant are ultimately paid for by the village by having a 3 per cent service charge added to each loan. The Cooperative Department of East Pakistan maintains auditors with the Association to check the books of the primary member cooperatives and the Central Association.

#### **The Agricultural Extension Worker**

Another key individual in the Comilla Cooperative programme is the model farmer. It is obvious that cooperation and agricultural extension must go hand in hand. The model farmer is drawn from the village cooperative and is a person of intelligence, with ability

to learn and practise new methods. He attends classes once a week at the Thana Training Centre where, under the expanded programme of training he is instructed in agronomy, plant protection, fisheries and animal husbandry. An important part of the training consists of practical demonstration. Over 100 model farmers took their training last year and what they learned was conveyed to nearly 5,000 cooperative members through the weekly meeting in the villages. It is no wonder that after the harvest of the Amon crop in 1962, a survey revealed that more than 1,500 cooperative members had adopted the improved methods and increased their yields by more than 50 per cent as compared with the previous year.

In the current year the scope of the Comilla project has been expanded by including two categories of trainees: Imams (persons in charge of mosques), teachers and women. It has now been accepted as a matter of policy in the cooperatives that every child of a member must go to school and every member must learn to read and write. A natural and economical solution to the problem was found by bringing the Imams within the purview of the programme by recruiting them as teachers in the village school and the adult education centre. The school and the adult centre are often housed in the mosque and their maintenance is now the responsibility of the cooperatives. The children attend school in the morning, and the adults in the evening. Altogether 120 Imams were selected and received training as teachers of literacy at the Thana Centre which also helped them to improve their theological and general knowledge. By June of 1963 schools with an enrolment of 5,000 children and 1,000 adults had been started. It appears that



The women are steadfast learners

is programme offers hope of achieving universal literacy within a foreseeable period, whereas the ambitious programme sponsored by the Department of Education to achieve the same objective could not be fully implemented far owing to financial difficulties.

Last to be brought into the picture are the women who, because of the conservative outlook of the people, had to be considered very cautiously. Even now the programme is confined to 14 villages only. However, the response has been most encouraging. To quote the report on the experiment: "Unexpectedly, the women are not only willing to come out of the village to the training centre, they are very punctual and loyal. They are steadfast learners whether it be literacy or hygiene; cookery, gardening or care of children, cattle or poultry. Most unexpected is their deep interest in economic activities, like cooperative societies or savings, trading in rice, or spinning or sewing for profit." Here is

development which has immense possibilities for releasing human energy which is at present lying dormant and is being wasted.

#### **The Keynote of the Experiment**

In the original scheme it was contemplated that the credit needs of the primary cooperatives would be met by the existing cooperative central banks. However, it was found that many of them had poor financial resources and were merely acting as the agents of the State Bank and were not equipped to administer a system of supervised credit. This was the keynote of the Comilla experiment. In 1961-62 the Central Association decided to undertake banking functions and act as banker to the cooperative societies which in turn became the bankers of the members. During last year the Central Association was able to persuade an important scheduled bank to establish a branch at the Association Headquarters, to act



The organiser promotes the understanding and practice of thrift. The member brings his savings to the weekly meeting and deposits them with the organiser.

as its bankers and also give it a line of credit. The involvement of a commercial bank in rural credit is something unprecedented in East Pakistan. The decision of the bank to do so was largely influenced by the sound business practices which the Central Association had been able to inculcate in the cooperatives and as a result the exceptionally good recovery record for the cooperatives was established.

The cooperatives in the past were never able to promote thrift. The members never made any deposits. It is obvious that without deposits there cannot be any viable cooperative society or a proper credit system. The Comilla project makes a sharp and welcome break with this dismal tradition. To quote the 1963 report: "The Comilla cooperative project tried to build a sound system of rural credit based on principles of regular thrift deposits, group planning, adoption of improved methods and productive investments." Continuous training helped in inculcating the principles and their practice was ensured by effective supervision. The organiser working through the weekly village meetings became an effective agent for promoting

understanding as well as practices of thrift. He collected the thrift deposits regularly and helped in preparing the production plan which was examined, together with the growth of the society's deposits, by the Central Association who fixed a loan ceiling. The main criteria of creditworthiness were considered to be regularity of deposits, adoption of improved methods, good investment plans and punctual repayments. Deposits of the member were held as a collateral for the loan given to the society.

#### **Emphasis on Savings:**

So great is the emphasis on regular savings in the Comilla Project that before a society is registered and becomes eligible for a loan from the Central Association it is kept on probation for a period of four to six months, during which period it must show the growth of a satisfactory volume of deposits. Due to this requirement every member saves a little cash every week and also in kind after harvest. Each society has fixed a minimum limit of savings for its members. If a member does not save anything for four consecutive weeks without a valid reason, he is generally removed

Each member has a passbook in which each transaction is recorded. The supervisor deposits the total amount in the Bank of the Central Association.



from membership. The member brings his savings to the weekly meeting and deposits them with the organiser. Each member has a passbook in which each transaction is recorded. When the supervisor has collected the savings of the members he deposits the amount in the Bank of the Central Association when he comes to attend the weekly meeting. Each society has also a passbook in which all transactions are recorded. As an additional safeguard the society's account is operated jointly by the organiser and the deputy project director. The accounts of the societies are written up and checked weekly by the accountants of the Central Association, each of whom has charge of five societies. The primary records of receipts, payments and vouchers are maintained by the organiser who passes them on to the accountant. The closing balance of each member is also announced in the weekly meeting. The inspector who visits the societies from time to time also checks the accounts. These checks are quite effective and the possibility of misappropriation is slight.

Three per cent interest rate on deposits is allowed. Although withdrawal

is permissible, this must be justified in a weekly meeting.

#### **In-kind savings:**

The members are also encouraged to save in kind. Traditionally the peasants had to sell their crop immediately after the harvest in order to pay landlords and money lenders. This led to a steep fall in prices after the harvest. The purpose of in-kind savings is to prevent this fall in prices and also to accumulate capital for investment. For in-kind saving a storage system is essential. The Comilla project encouraged the village cooperatives to set up the traditional grain storage sheds (known as *gola*) for their own use. The villagers were at first reluctant to deposit their paddy in the cooperative *gola*, but when they realised the value of storage the idea caught on. Paddy deposits, against which 60 per cent of the value is given as a loan, generally bring a good margin of profit. The difference in price at harvest time of the principal crop—December-January and at about the middle of the year—often exceeds 40 per cent.

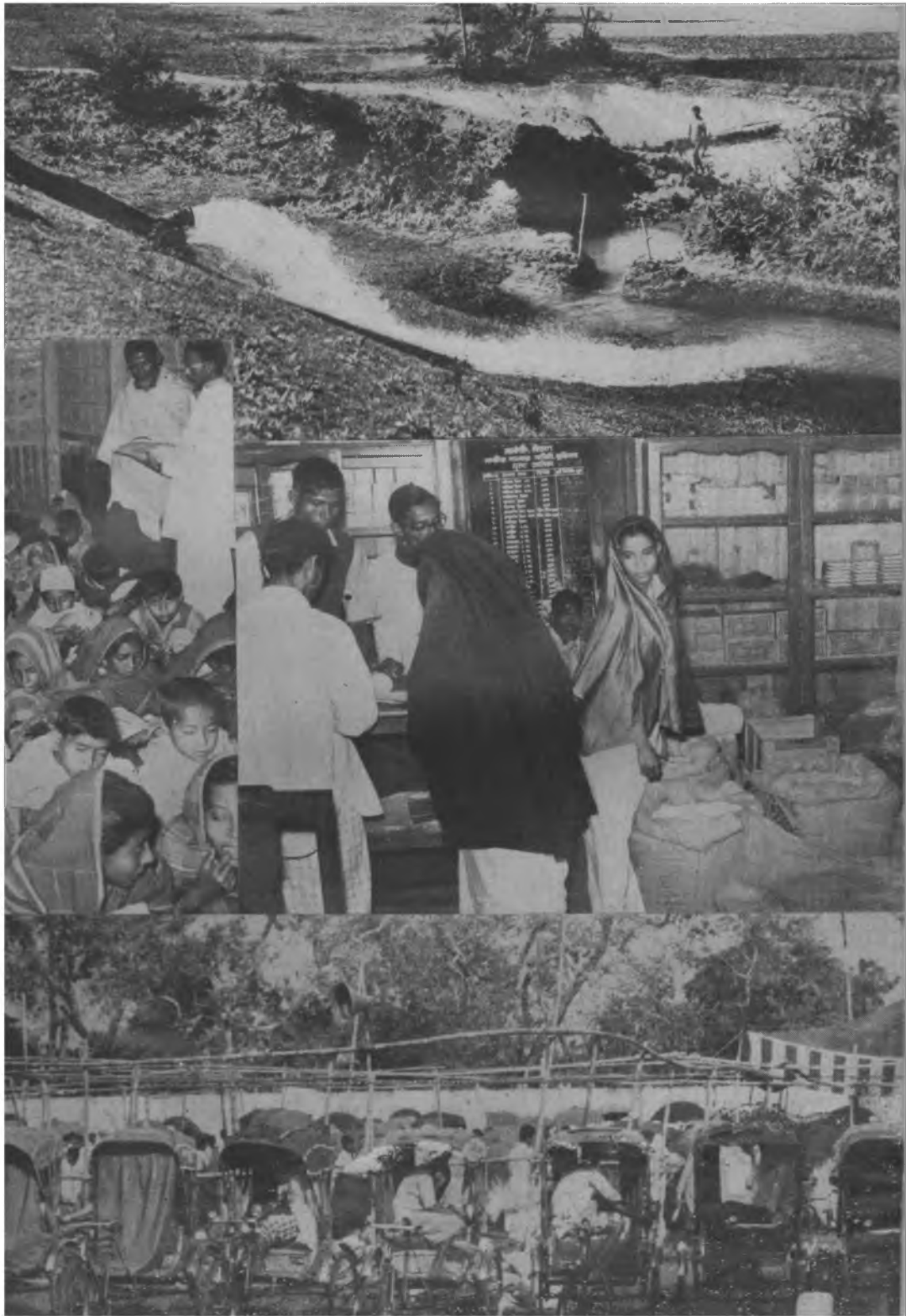
The importance of the *gola* is not primarily to even out fluctuations in





Through the Comilla Project, cooperative action has made possible irrigation of the fields, the use of tractors, better service through the provision of warehouses and stores, better transport, and above all, education for adults and children.





rice and provide a better return to the cultivator, but to promote savings which permits under the control and guidance of the cooperative itself. The money from the individual sales of grain used to be spent mostly for consumption items. The sale of grain from cooperative *golas*, in contrast, goes in large parts into productive investment. The *gola* is the guidance system which puts investment into orbit within the village. In the year 1961-62 a total of 28 *maunds* of paddy and 542 *maunds* of rice was stored in *golas* by 28 societies which previously stored hardly anything on a cooperative basis. The total value of this grain was Rs. 70,000.

#### Capital Stock and Reserve Fund

The Comilla Central Association has built up a capital stock in a number of ways which are laid down in the by-laws of the Association. First, each member cooperative pays its first membership fee by purchasing Rs. 50 in capital stock. Second, each member society renounces its membership by purchasing Rs. 50 in capital stock annually thereafter. Third, a member society is paid dividend on its capital stock in the form of additional capital stock. Fourth, capital stock equal to 5 per cent of any loan applied for must be purchased before the loan can be given. And fifth a capital stock purchase service charge of 5 per cent of the loan principal is made on all loans collected.

In a rural economy like that in Comilla Thana where there are various types of production risks including risks from natural disasters, it was felt quite early that the village societies must build up sufficient reserve funds as a hedge against these risks. An adequate reserve fund might make it possible to reduce interest charges which normally

must cover all risks. The rules for the cooperatives therefore laid down that "each loan given shall be secured by the reserve fund in the member cooperative invested separately outside the business of the member cooperative. If a cooperative has no reserve fund or one less than 25 per cent of the loan being applied for, one must be created at the time of giving a loan from the Association. This will be done by subtracting 5 per cent of the principal of the loan when the loan is given and depositing it in the Association in the name of the member cooperative—this practice shall be continued until the member cooperative shall have accumulated a sum in the reserve fund account equal to 25 per cent of the value of the outstanding loans plus loans currently being applied for from the Association."

These measures have led to a steady accumulation of capital and deposit although not as much as was anticipated. The cumulative deposit of cooperative members in the accounts of the societies with the Central Association in 1962-63 came to Rs. 147,341 for agricultural and Rs. 83,262 for non-agricultural societies. After withdrawals the balance was Rs. 69,525 and Rs. 14,653 respectively. The share capital of the Central Association is now Rs. 32,150. Besides, the village societies have accumulated share capital and reserve funds.

There are several reasons for the slow increase of deposits in cash as well as in kind. First, most of the farmers are still indebted to the money-lenders and they are trying to pay off these debts or redeem their lands which they mortgaged with their surplus instead of putting it in deposits. Secondly, some find the 3 per cent rate given on the saving account unattractive and the rules for withdrawal cumbersome, and prefer to

directly in more attractive channels. A development which has surprised many is the very large expansion in personal account of the villagers which has taken place in the commercial bank which was established at the quarters of the Association. This shows that the banking habit is growing among the villagers although the money is all being placed with the cooperative. There is no doubt that the rate of capital formation will increase as the primary societies become solvent, pay off old debts and increase product-

### Supervised Loans

The provision of loans to cooperative members under expert guidance is probably the most important feature of the Comilla programme. In order that loan operations really contribute to the objective aimed at—modernisation of the rural economy—and are not dissipated on useless purposes as was the rule with cooperatives in the past, an elaborate system of application, approval and disbursement of loans has been worked

The first step in the administration of supervised loans in Comilla is the fixing of a maximum loan limit for the society. This is a most vital decision, it is decided by the Managing Committee of the Central Association. In fixing the limit a number of factors are taken into account; deposits of the society, productive capacity, previous loan repayment record and such intangibles as the "cooperative spirit" or ability of members to work together. The Managing Committee has on the whole been conservative in the matter of fixing the loan limit.

The second important step in supervised credit is the preparation of a joint

production plan by the society. The production plan must show the purposes for which the loan is required and the returns which are anticipated from the production plan and the use of the loan. No standard form is prescribed for submitting the production plan, as the idea is to stress the planning process itself as a valuable training for the members. The idea of planning is well stated in the words "Finding out what you *have*, finding out what you *want*, and then figuring out *how* to get where you are trying to go".

### Group Planning

The stress is laid on group planning. In other words, farmers who are to participate in the plan meet together, discuss things and work out the details under the leadership of the organiser. A group planning session is often a lively and prolonged meeting. All necessary data are marshalled, objectives clarified, the means to be adopted in achieving the objectives thoroughly discussed and a decision taken after removing the errors and inconsistencies. Before the session ends, the plan is written up in the finalised form, signed and stamped and is ready for transmission to the Central Association. The plans drawn up by the primary cooperative societies may not be particularly sophisticated, but they contain simple, practical ideas and accomplish the purpose which they are supposed to achieve. They lead the farmers to consider their farms as business enterprises and make decisions as businessmen. There is no doubt that, as time goes on and more technical as well as planning ability is acquired, the cooperatives will be able to put forward more sophisticated plans.

A thorough scrutiny is made of the

by the Supervisor and the Inspector who examine all the details. When they are satisfied, they help the Organiser in drawing up a loan application in proper form. After it is drawn up it is submitted together with the production plan to the Central Association.

After the loan application is received by the Association, it is formally examined by the Inspector and the Thana Agriculture Officer and passed on to a high official in the Field Supervision Section for further review. After it is finally approved by the Project Director, he issues out a cheque to the Organiser of the cooperative in question.

However, the story does not end there.

It is only the beginning in the process of supervised credit. The society does not get its loan in cash, but by cheque deposited with its account which is operated jointly by the Organiser and the Deputy Project Director. Each time the society needs money to carry out its production plan, it has to prove to the Inspector and the Organiser that the previous withdrawal was used in accordance with the plan and the proposed withdrawal would also be used to complete another item in the plan. The constant communication between the Inspector and the Organiser of the Society makes it possible to impose the plan discipline on the society, improve the plan, resolve difficulties, etc. This procedure ensures continuous planning.

As far as possible the Central Association does not pay ready cash, but makes purchases of fertilisers, seed etc., and arranges direct payment from the account of the society. Apart from making available the requisites at low cost to the society, this provides a check on expenditure. The Supervisors and Inspectors also check the implementation of the plan from time to time.



Stress is laid on group planning and discussion under the leadership of the organiser

#### **Repayment:**

Efficient collection of loans is one of the most fundamental factors in the success of a cooperative. What distinguishes the Comilla system of supervised credit from that of the older type of societies is the exceptionally high repayment record for the Comilla societies. Collection of loans is the major responsibility of the Supervisors and the Inspectors. They generally collect loans at harvest time and ensure that grain sufficient to repay loan and interest is deposited in the cooperative *gola*. When grain is deposited it is valued at the current market rate. In the past year more than 50 per cent of the repayments were made by depositing crops. The deposited crops are sold only when the market price rises reasonably high and that is generally six months after harvest. The Central Association realises its loan with interest, and the balance of profit, if any, goes to the society which credits the members in proportion to their crop deposits.

In the year ended June 1963, loans totalling Rs. 177.875 had been issued to the societies. Of this Rs. 160.275 had



organisers and farmers attend adult school once a week, year in year out

been realised by June. Against the total value, there was crop deposit, the market value of which came to Rs. 28,200.

Although the interest rates charged were generally 12 per cent per annum, this was a small price to pay considering that returns in the form of higher yields averaged 30-50 per cent (less certain costs) and the moneylender would in any case have charged 60-100 per cent as interest.

The Bylaws of the Association contain strict provisions for the security of loans, which if followed, virtually guarantee loan collection. Each loan must be backed by four forms of collateral. First, the loan is guaranteed by a mortgage on land, a lien on valuable property, or a marketing agreement on future production. Second, each borrower must get three endorsements to his note. Third, the reserve fund of the member cooperative is held as collateral. Fourth, each loan is guaranteed, finally, by the reserve fund of the Central Association. Although these are stringent conditions, in view of the dismal record of repayment of loans by the cooperatives in the past, they seem to be fully justified.

### Loans other than for production

The Comilla programme of supervised credit not only covers production loans but also loans for a number of other purposes. These include in-kind grain loan, loans for purchase of milk cows; for release of mortgaged land; for construction of godowns and *golas*; for installation of tubewells for drinking water; loans against pledged paddy and rice and loans for marketing operations and purchase of machinery.

In the lean period starting a few months before harvest many farm families have to borrow or buy foodstuffs. Previously, they used to go the trader or moneylender who lent grain to them with the stipulation that they return  $1\frac{1}{2}$  *maunds* of paddy at harvest time for each *maund* borrowed. Now the Central Association advances the grain during the critical period, the amount to be returned is  $1\frac{1}{8}$  *maund* of paddy for each *maund* borrowed. Not only does this confer an enormous benefit on the farmers, it also enables the Association to build up a stock for future loans. Grain loans totalling 1060 *maunds* of paddy, 404 *maunds* of rice and 86 *maunds* of wheat have been made to 39 cooperatives so far which become due for repayment after the *Amon* (winter) harvest. Repayments have been 100 per cent. Loans are also given to cooperatives for buying milk cows for dairying by members. Repayment is made in monthly instalments over a year to 18 months. In the year March 1962 to February 1963, a total of Rs. 12,1000 was issued in loans to 5 societies. Out of these nearly Rs. 7,200 had already been repaid by June 1963, the balance being realised in regular instalments.

Initially, the Comilla project confined itself to short-term loans only, mainly for productive purposes. Many society

members who have had land mortgaged to moneylenders were anxious to borrow from the Association to redeem their lands. As they have had to pay an extortionate rate of interest (often in kind) on their old loans, it often took up a large part of their surplus. At first the Association did not consider it safe to invest money for liquidation of old debts and no loans were issued for this purpose. However, as the societies persisted in their request for this type of loan, and as the Association gained an intimate knowledge of the old societies, it was decided this year to give loans to registered societies to the extent of 50 per cent of their loan limit for the lease of land. This is a medium-term loan to be repaid in 3 years, usually in annual instalments after each harvest. So far an amount of Rs. 60,270 has been given as loan to 26 societies.

A cooperative society must have a *gola* or a grain storehouse as an aid in the collection of loans in kind. Members also want to build up a stock to serve as collateral for loan. People also want to deposit their savings in grain in the society's *gola* for sale when the prices are high. In the absence of the cooperatives many of small means were unable to afford their own storage. Now the society's godown meets this essential need. The society, however, needs funds for the construction of the godown. This is provided by the Central Association which gives five year loans for this purpose. The society is able to repay this loan by charging storage fees to members. So far loans totalling Rs. 6,325 have been advanced to three societies for this purpose. The societies remain responsible for the care and custody of the godowns and loss due to pilferage in handling has been negligible.

Loans for installation of tubewells

made by the Central Association to the cooperatives have also fulfilled a need. These are mainly drinking water tubewells for which the Association gives medium-term loans to be repaid in 3 years. Much more ambitious is the Comilla Programme for the installation of widebore tubewells for irrigation purposes. Although marked success has been achieved by installing these tubewells, they have not yet passed the experimental stage. Besides, they are much more expensive than the drinking water tubewells. So the ones which are being installed now are being installed with a Government grant as the project is still considered unsuitable by the cooperatives. However, where irrigation is being provided, the cooperatives are charging fees to members for the use of the water.

The farmer meets his farm expenses out of his income. Workers are paid in grain or in cash after selling the grain. The farmer waits till harvest time to buy clothes and other necessaries. The land revenue agent also collects the dues at harvest time. This brings down the prices precipitately, as there is pressure to sell grain at harvest time. However, the farmer who is a member of the cooperative in Comilla can deposit his grain in the cooperative *gola* and get 60 per cent of the value as loan to meet his liabilities. The society borrows from the Central Association by pledging the stock and gives him the loan. When the grain is sold in more favourable conditions, he is able to pay back the loan and interest only by selling a part of his stock. He may take back the surplus for his own consumption, or by selling the entire stock, derive a good profit on the operation.

#### **Marketing:**

Marketing has been considered an in-

part of the Comilla cooperative scheme. It is obvious that while cooperative credit and improved methods help the farmer to increase production substantially as has been the case in Comilla, he will have little incentive to produce if he cannot get a good price for his produce. Further, when he buys consumer goods he often has to pay too high a price and the product is of poor quality.

The Central Association aims at helping the members of the cooperative to get the best price for their produce and to procure the goods they need at the lowest possible cost. A marketing section of the Central Association has been set up whose functions are: (a) to study market prices and provide marketing information to the cooperatives; (b) to find out the best possible market and to secure the best sale of members' produce at the best available prices; (c) to arrange for the purchase of consumer goods and to sell them to the member cooperatives at wholesale prices; and (d) to attempt to link marketing with credit.

#### **Steps for purchase of machinery:**

The collection of market information enabled the Central Association to secure the best possible returns by transporting goods to markets at some distance instead of disposing of them locally. This has also helped in raising prices locally. The consumers' stores set up in the villages have also greatly extended their business and have on the whole been quite successful. These stores also function on the basis of loans granted by the Central Association which are guaranteed by the cooperatives. The loans are also mostly repaid in kind in the form of goods supplied to the stores by the Central Association.

The Central Association maintains a pool of agricultural machinery: tractors, power pumps, rice hullers, threshers, etc. The machines have been rented to the village cooperative societies at rates fixed for hourly, daily or seasonal use, and each society is furnished with a list of the hire charge rates which are paid in advance.

Although tractors and power pumps have been in use for some time, their adoption has not grown to the extent anticipated, due to technical, economic and psychological factors. The right type of tractor which is suitable for monsoon cultivation as well as cultivation in winter has not yet been introduced. When peasants have been able to raise two crops there has been reluctance on their part to grow a third crop in the fear that this would reduce the fertility of the soil. This has prevented the optimum utilisation of tractors and pumps. Surface irrigation proved inadequate because of insufficient supply of surface water, and wide-bore tubewells which may solve the problem are at present being installed. Although the Central Association maintains a machine repair shop, the facilities need to be considerably improved. It is the policy now to encourage the societies to buy pumps, and loans will be made available for this purpose. There is no doubt that with better roads, the programme of rural electrification which is being taken up, tube-wells and irrigation canals which are being planned for the next two years, the use of machinery is likely to increase rapidly.

#### **The works programme:**

The above description of the Comilla project tells only part of the story. Our major concern here has been with the cooperative aspect of the experiment.



The developments in Comilla will be imperfectly appreciated, however, if no mention is made of the Rural Works Programme which has been in hand for the last two years. Rapid rural development like any other development requires the building of infra-structure. Large areas of the Comilla Thana have been subject to floods in the previous year. The Thana Council, i.e. the Thana unit of local self-government set up under the present constitution, through the union councils, prepared a three year plan to control the floods by deepening *khals*, building dykes and regulators-stands, and to link villages with main roads and markets. The Government made a grant of Rs. 387,000/- for the year 1962-63. The first phase of the programme was successfully completed and was a triumph of the ability of the civil administration to mobilise villagers through the union councils on a massive scale to carry out the work. The system of roads, crude though it was, linked many isolated villages and opened them to traffic of trucks and rickshaws. The deeper drainage channels and embankments saved large areas from inundation. It may be mentioned here that this achievement was due, in no small measure, to the effective system of training which is now provided at the academy to officials of all levels connected with rural development.

It has been rightly pointed out that the impact of the works programme was twofold: it protected agriculture and it provided employment to labourers. The cooperative reaped the benefits of the investment in the shape of large deposits of paddy, timely repayment of loan and the accumulation of savings.

However, the scope of the works programme in future is enormous. The system of roads and drainage needs to

be greatly strengthened. Every village needs a continuing source of irrigation water and cheap power. Already agencies like the Water and Power Development Authority are planning projects which will bring irrigation water and electricity to several hundred villages. Two million rupees have been allocated to the Comilla project area for the 1963-64 programme which will make it possible to execute a far larger programme than last year.

#### **Conclusion:**

The experiment in Comilla is nearly three years old. The experience of this brief period makes it impossible to predict the future course of development of this project with complete confidence, but enough results are visible to adopt an attitude of guarded optimism with regard to the experiment. We can venture certain broad conclusions.

The progress achieved by the cooperative has been uneven. There are many societies in Comilla which could be improved. But judged by the background of the thoroughly disreputable performance of cooperatives in the past, the least successful of the cooperatives at Comilla should be considered successful. The Comilla Central Cooperative Association and its member cooperatives are now self-supporting institutions. They do not cost the taxpayers any money. The Thana Training Centre is, however, financed by government aid. But the benefits of the training provided by the Centre for overall rural development cannot possibly be estimated in monetary terms.

The cooperative project in Comilla has been successful not merely because a major emphasis has been placed on supervised credit, but because it is part

f a comprehensive programme of rural development. This programme, as the Director of the Pakistan Academy for Rural Development points out "includes not only modernisation of agriculture but improvement of local administration, of the educational system and of the position of women. The Academy has undertaken experimental work with village councils, schools, youth clubs and groups of women. A team of Japanese experts is working with extraordinary success to introduce improved paddy culture by means of supervised field demonstrations. The cooperative experiment is supported by, and in its turn applies a strong basis for, the other development projects. In isolation its success might not only be more limited but more doubtful".

The concepts underlying the integrated approach in Comilla are as follows:

- "(a) Rural administration ensures roads and drainage;
- (b) This encourages village cooperatives and agricultural improvement;
- (c) Village cooperatives ensure effective service and training;
- (d) The Central Association provides credit, both short-term and long-term, and helps in planning aid to the village cooperatives;
- (e) The Central Association assists in generating capital and increasing production through credit based on production plans, and through training and servicing, and so opens up new avenues for investment in improved methods of farming;
- (f) The Thana Council's Training and Development Centre ensures dissemination of new skills and
- (g) Village cooperatives become good media for diffusion of new ideas and methods".

The Comilla experiment will in the near future be tried in three other Thanas. The results of the experiment in these areas will demonstrate conclusively how far the progress achieved in

Comilla is due to some peculiar factors present only in Comilla such as the personality of the present Director of the Academy, or to the soundness and practicability of the underlying concepts.

If it is the latter we may expect a general expansion of the programme to cover the whole of East Pakistan and possibly the whole of the country. The effect of such a programme would be inestimable from the standpoint of the rural as well as the general social and economic development of the country.

## FIFTY YEARS OF MUTUAL BENEFIT INSURANCE

by **Hans Weisshaar**,  
"Alte Volksfürsorge", Hamburg

ON 16th December 1962 the "Alte Volksfürsorge" looked back over half a century of activity. We welcome the opportunity to report again in the "Review" on the initiation, growth and activities of this great undertaking of the German Trade Union and Cooperative Movements.

Among the members of the Insurance Committee of the ICA, the "Alte Volksfürsorge" takes third place on the basis of its premium income of DM. 228,6 million for the year 1961; among the European members it ranks second in importance, the two larger organisations being nationwide in the USA and the English Cooperative Insurance Society. In this connection it must be born in mind that the "Alte Volksfürsorge" deals solely in life assurance, whereas almost all the members operate commodity insurance of all kinds. There is another organisation for general insurance, also run by the Trade Union and Cooperative Movements, namely the "Eigenhilfe" (Self-Help), founded in 1925, which works in close collaboration with the "Alte Volksfürsorge". Contrary to all the other members of the ICA Insurance Committee, which are mainly mutual societies, these two organisations are legally constituted shareholding companies, a form of undertaking chosen as being the most suitable. In relation to other Cooperative Insurance Societies throughout the world, however, this fact of minor importance, since, accord-

ing to the statutes, the shares of the "Alte Volksfürsorge" cannot be quoted on the Stock Exchange and the Trade Union and Cooperative shareholders receive no more than 4 per cent per annum by way of dividend.

The foundation over fifty years ago of the "Alte Volksfürsorge" was the starting point of the collaboration between the Trade Union and Cooperative Movements with the object of bringing about reforms in German Social Insurance through mutual self-help. Social Insurance, known today as Industrial Life Insurance, originated in England and only made its appearance in Germany towards the end of the last century. It differs from the so-called ordinary life insurance mainly in the limitation of the sums insured to a low figure—today between 2,000 and 5,000 DM—and it is thus intended to provide insurance protection for the lower income groups.

There were three important elements in social insurance, or rather, to put it more exactly, in the companies which dealt in this type of insurance, which brought it into disrepute, namely, the high cost of administration, the fact that no proportionate refund was allowed on lapsed policies, and the high rate of dividend paid out to the company's organisations; circumstances which naturally operated to the detriment of the workers and consumers who made up the majority of the policy holders.

Among the German public there was an ever increasing demand to put an end to these abuses in the privately run social insurance industry, a demand which became vocal among officials, social workers and even insurance experts, to say nothing of the organised workers and consumers. The German Trade Unions, who had demanded that these shortcomings should be remedied, began to look into the problem, and the Trade Union Congress of 1905 pressed for some action on these questions to be included on the agenda for the succeeding congress. The motion was, however, rejected. The German Trade Union Commission—the forerunner of the General German Trade Union—then took the matter up and a working party was set up jointly with the Central Union of Consumers' Cooperatives to study the possibilities of founding a life insurance organisation of their own. Among the trade union members of this committee was Theodor Leipart, subsequently chairman of the Board of the General German Trade Union, and Gustav Bauer, second chairman of the General Commission of the German Trade Unions and later Chancellor of the Reich. The Cooperative members were Adolf von Elm, member of the Executive of the Central Union of German Consumers' Cooperatives and founder of the "Produktion" Cooperative Society, and Heinrich Kaufmann, chairman of the Board of German Consumers' Cooperatives.

The task of this Working Party was to prepare a draft scheme for the foundation of a social insurance organisation, to be run jointly by the Trade Union and Cooperative Movements. The proposal, which was the outcome of the Commission's deliberations, met with the approval of the Boards of both the

Trade Union and the Central Union of German Consumers' Cooperatives. The Congresses of both organisations, held in 1911, expressed themselves in agreement with the formation of a joint life insurance undertaking, in the management of which both organisations would have an equal share. A unanimous resolution was passed to this effect.

On the 16th December, 1912, the inaugural meeting of the "*Volksfürsorge*" took place in Hamburg. At the same time, its competitors in the "national" camp opened a campaign against it in no uncertain terms, even resorting to political defamation and accusations of every kind which could give rise to difficulties for the young organisation. Nevertheless, the "*Volksfürsorge*" could not be deflected from the way laid down for it by its founders.

Although world war and inflation, with their attendant economic crises, naturally affected the young organisation, they could not hinder its development. In the early years, the Trade Unions and the Cooperatives willingly put their premises and administration at the service of the "*Volksfürsorge*", until such time as the latter could establish its own branches in all parts of Germany. In the meetings of these two great Labour and Consumers' Organisations, the voice of the "*Volksfürsorge*" began to be heard with increasing frequency, and the Labour press in particular acted as its mouthpiece and, when necessary, came to its defence. Not only did the Trade Unions again and again pass unanimous resolutions in support of their own life insurance organisation, but also on Cooperative Days spoke up clearly and unambiguously on behalf of "*Volksfürsorge*". Furthermore, the training of future personnel was entrusted to the College run by the General German Trade

nion organisation and the Cooperative School in Hamburg.

After the introduction of the Rentenmark in November, 1923, the "*Volksfürsorge*" was able, thanks to its basically simple procedure as the only Life Insurance undertaking in Germany, to transfer a large part of its insurance assets to the new currency; a transaction only possible because even in the worst period of inflation in 1923, the "*Volksfürsorge*" was able, by means of its outside services, to keep in touch with policy holders.

By the close of the 1920's the "*Volksfürsorge*" had become the largest life insurance undertaking in Germany whose activities were being reported in the important daily papers and which was described in the trade press as "an exceptionally well managed insurance organization".

On the 2nd May 1933, the "*Volksfürsorge*" suffered its most severe blow.

As a result of the destruction of the Trade Unions by the Nazis, the organization was forcibly deprived of its support, and as an appendage of "The German Workers' Front", gradually lost its original character. Nevertheless, its foundations were so strong that even throughout the Nazi era it proved indestructible.

After the surrender of Germany, the necessary reconstruction of the Trade Union and Cooperative Movements was entrusted to responsible men who had been leading members of these organizations before 1933. Under Control Directive No. 57, the *Volksfürsorge Lebensversicherungs A.G.* of the German Workers' Front was liquidated and within a few days on 13th September 1947, the "*Volksfürsorge*" was founded anew, the word "*Alte*" being expressly used in the title to imply the resurgence of the

original organisation. Trade Unions and Cooperatives alike have maintained the cherished tradition and have an equal share in the management.

The extraordinary business expansion which has taken place in the fifteen years since the foundation of the "*Alte Volksfürsorge*" is evident from the following figures:

Year 1962	Assets DM	Sum Insured DM
Total assets at 31.12.62	4.2 million	4.4 milliard
Increase for 1962	340,000	703 million
Premium Income		261.8 million
Capital appreciation		79.2 million
Policies paid out		55.4 million
Balance at 31.12.62		1,484 milliard

The number of employees at the moment is about 2,400, of which over 800 are employed in the head office and some 1,500 both in and outside the 87 branches in the Federal Republic and in West Berlin.

Since the currency reform of 1948 the "*Alte Volksfürsorge*" has financed mortgages for some 65,000 dwellings, thus providing new homes for about 200,000 people.

In addition, the granting of loans to cities and communes for the opening up of new building lands and other projects of a communal nature has given a further indirect incentive to the home building programme. Consumers' Cooperative Societies also have benefitted from the large sums placed at their disposal to enable them to expand their network of branches.

Convinced of the beneficial effects of its work, tens of thousands of trade unionists and cooperators are giving valuable moral support by word and deed to the "*Alte Volksfürsorge*" and helping to promote its ideals among all classes of working people.

## I V. T. KRISHNAMACHARI

WITH the sudden death of V. T. Krishnamachari, the Cooperative Movement of India has lost a great friend, philosopher and guide. During his all too brief term of office as President of the National Cooperative Union of India, cooperation in India made a great stride forward, and Shri Krishnamachari emerged as a great leader and thinker of Indian cooperation.

Only a few days before his untimely death he was engaged in writing a paper to be presented at the I.C.A. meeting in Tokyo which also makes his loss felt internationally. Shri Krishnamachari's great interests were cooperation, community development and agriculture, and he was most anxious to spend the remaining part of his long life in the service of cooperation for India.

Shri Krishnamachari had a most distinguished career as a statesman, entering the Madras provincial service in 1903, and for 61 years he remained in the public service of his country, representing India at the League of Nations in 1934 and 1936, and in 1937 he was a member of the Reserve Bank of India Committee and acted as advisor to the Imperial Conference.

As chairman of the Committee of Ministers, he played a key role in the affairs of Princely India from 1940-44, and in 1945 he represented India at the San Francisco Conference and was a member of the Preparatory Commission on the first session of United Nations General Assembly in 1945 and 1946. From 1946 to 49 Shri Krishnamachari was at the helm of affairs at Jaipur as Prime Minister and in 1950 he became a member of the National Planning Commission.

Essentially a man of the people and a product of the old administrative tradition, Shri Krishnamachari was of the breed of men who do not greatly care for the limelight of the world. He was made Rai Bahadur in 1921, a CIE in 1923 and knighted in 1933. He was given a KCIE in 1936 and a KCSI in 1946. He did not, however, use titles after independence in deference to the government's suggestion that Indian nationals should not use foreign titles.

With the General Secretary of the National Cooperative Union of India, Brahm Perkash, M.P., national and international cooperation feels that "a great old man has passed away". We shall always miss this untiring and beloved man who has filled with glory everyone of the distinguished offices he has held and he will be remembered as a great fighter for the cause of cooperation.

## THIRD PLAN MID-TERM APPRAISAL—COOPERATION

*Report by the Review and Planning Unit of the National Cooperative Union of India, New Delhi.*

THE Government of India, in the Planning Commission have recently published The Third Plan Mid-term appraisal, which was discussed by the National Development Council and the Parliament in November and December, 1963 respectively. It will be of interest to the Cooperators to know about the progress made in the cooperative sector. The following review is based on the information contained in the above report.

### **Cooperative Credit**

At the end of the 2nd Plan, there were 212,000 primary agricultural credit and multi-purpose societies with a total membership of 17 millions. At the end of 1962-63, about 26,000 societies had been taken up for revitalization and about 16,000 new societies had been established against the Third Plan target of 53,000 and 31,000 societies respectively. Membership of primary societies is estimated to have risen to 3.0 million. The portion of the agricultural population served by cooperative societies rose during the first two years of the 3rd Plan from 33 to over 36 per cent. There is considerable variation between states, the proportions of the agricultural population served by cooperatives in states like Assam, Bihar, Orissa and West Bengal being around 15 per cent or less.

The total volume of short and medium term credit advanced by cooperatives in 1962-63 amounted to Rs. 267 crores against the 3rd Plan target of Rs 530 crores. About three-quarters of the credit is accounted for by six states, namely, Maharashtra, Uttar Pradesh, Madras, Gujarat, Andhra Pradesh and Punjab. In the remaining states, despite increased coverage in terms of villages and population, the overall impact of the cooperative movement is still relatively small.

As compared to short term credit, there has been less progress in making medium term and long term credit available. Long term credit (loans outstanding) rose to Rs 60 crores in 1962-63 as compared to Rs 38 crores two years earlier. The Third Plan target is Rs 150 crores. An important recent development in relation to long term credit is the setting up of the Agricultural Refinance Corporation with an authorised capital of Rs 25 crores for granting medium and long term credit for the development of agriculture.

### **Marketing and Processing**

The Third Plan envisaged establishment of 544 new primary marketing societies. Of these 210 were set up during the first two years of the Plan. During 1961-62, agricultural produce to the value of Rs 180 crores was

marketed through cooperatives. Problems relating to cooperative marketing of plantation crops, for jute in West Bengal, for paddy in Andhra Pradesh and for wheat in Rajasthan have been investigated by special study teams. The State Bank of India has arranged for marketing cooperatives to draw funds from the Bank either directly or through the cooperative banking structure. Cooperatives are also being increasingly associated with price support operations in respect of agricultural commodities. About three-quarters of the sale and distribution of fertilizers is now being undertaken through cooperatives.

The Third Plan provided for the construction of about 600 godowns at mandis and over 9,000 godowns in rural areas. During the first two years of the Plan 330 mandi godowns and 3,100 rural godowns have been assisted.

At the end of the Second Plan, 55 cooperative sugar factories had been licensed and 30 were in production, accounting for about 15 per cent of the total output. In 1962-63 against 57 licensed units, 41 were in production and accounted for 21.6 per cent of the total output.

Cooperative processing of agricultural products other than sugarcane has made comparatively less progress. In the 2nd Plan 260 such processing units had come up. The 3rd Plan envisaged the setting up of 680 more cooperative processing units for rice milling, cotton ginning and pressing, oil crushing, jute baling etc. The programme for the first three years of the Plan envisaged establishment of about 300 units. Of these, about 100 units were taken up in the first two years. In 1961-62 cooperative cotton ginning units accounted for about 11 per cent of the total quantity of the cotton ginned in the country. A significant re-

cent development is the processing of coffee by cooperatives, which now account for nearly 15 per cent of the total quantity of coffee processed. About half the cooperative processing units proposed to be installed in the Third Plan were for rice milling. Some legal difficulties are being faced with the issue of licenses under the Rice Milling Industry (Regulation) Act, 1958. Model blueprints for different types of processing were prepared by the National Cooperative Development and Warehousing Board, now the National Cooperative Development Corporation. Arrangements have also been made with the State Bank of India, State Finance Corporation to facilitate the provision of block capital requirements of cooperative processing units.

### **Cooperative Farming**

The Third Plan provides for the organisation of 318 pilot projects, one in each district, comprising in all 3180 cooperative farming societies and for support and encouragement for cooperative farming societies which might come up voluntarily through local initiative. In the first two years of the Third Plan, 160 pilot projects were organised. These included 994 cooperative farming societies with a membership of 19,800 and a total area of 119,000 acres. In addition 949 new cooperative farming societies came up outside the project areas. These had a membership of 19,462 and a total area of 121,000 acres. By the end of 1963-64, it is hoped that there will be 1,600 cooperative farming societies in pilot areas and 1,450 outside these areas. Advisory Boards for farming societies have been constituted in all states. Arrangements for training secretaries of cooperative farming societies and for orientation



courses for non-official workers have been completed in 12 states. The programme has received encouraging response, notably in Maharashtra, Uttar Pradesh, Punjab, Madhya Pradesh, Rajasthan and Kerala.

A committee has been recently constituted by the Ministry of Community Development and Cooperation to evaluate the working of pilot projects so as to direct attention to existing weaknesses in the execution of the programme and to suggest further measures.

### **Consumer Cooperatives**

In November, 1962, the Government of India sponsored a new programme for organising a net-work of consumer cooperative stores in all important towns and cities, the entire cost during the Third Plan being met by the Centre. It was envisaged that over a period of two years, 200 wholesale stores and 4,000 primary stores/branches would be established in cities and towns with a population of 50,000 or more. By August 1963, 113 wholesale stores and 1,740 primary stores were organised. Steps are being taken for supplies of textiles and woollen goods directly from mills, recognition of wholesale stores as dealers for purchase of sugar from factories and declaration of primary stores as retail distributing agencies and fair price shops. Training courses for executives of wholesale stores and for junior personnel have also been organised.

### **Training and Education**

Since July, 1962, the National Cooperative Union of India and State Cooperative Unions have undertaken responsibility for cooperative training and education. There are 13 training centres for intermediate personnel of which 4

are run by State Cooperative Unions who are also running most of the existing 67 training centres for junior personnel. For Membership education the number of peripatetic units has increased from 371 at the end of the Second Plan to 583 at the end of 1962-63. As the role of the cooperative movement in different activities becomes larger, greater attention is being given to specialised courses, for instance, in cooperative marketing, land mortgage banking, management of enterprises, banking, consumer cooperation, etc.

### **Labour and Construction Cooperatives**

At the end of 1961-62, there were 2,872 societies with over 200,000 members. In rural works programme special emphasis is being given to the organisation of labour cooperatives on a permanent basis. For this purpose suitable patterns of assistance have been prescribed. A National Advisory Board for Labour Contract and Construction Cooperatives was constituted in November, 1962.

Problems relating to industrial cooperatives have been recently studied by a special working group. Possibilities of extending the role of cooperatives in spheres like dairying, animal husbandry, fisheries, housing and transport are also being investigated.

## LEADERSHIP IN THE COOPERATIVE ORGANISATION

By T. E. Stephenson, B.A.

One of the problems that faces the cooperative organization is that leadership, for many questions have examined when leadership is discussed in the context of a democratic organization. Points which arise include questions as: is leadership necessary? if it is where should it be centred? what type of leadership should be used?

From the outset it can be admitted that leadership is sometimes regarded with suspicion in the democratic organization and there is even a dislike of the "leader"<sup>1</sup>. There is the fear that leadership may lead to democratic control being usurped and that an authoritarian situation may develop, and this is undoubtedly strengthened by the edge of the general apathy that tends to exist in the established democratic organization.

In spite of the suspicion of leadership, it is claimed that it is necessary in the cooperative organization on at least two grounds. In the first place it can be said that leadership is essential in a competitive situation, here characterized as a personality matter. The authors of "Business Enterprise"<sup>2</sup> point out "If firms are brought to outstanding success it is usually due to a handful of people and sometimes to one exceptional person. Any firm that is really well managed is likely to make headway if the market conditions are favourable; but the firms that forge

ahead are driven on by men who are more than administrators". The highly competitive conditions that face many Cooperative organizations would seem to call for more than administrators. It is true that the type of leadership required in the organization may vary, depending upon the stage of development reached. It is possible to distinguish between the leadership of "arrival" and that of "survival"; in other words, there may be differences in leadership behaviour when a firm is being built up and when it is well established. In the highly competitive environment surrounding many Cooperative organizations, the resilience and boldness associated with new enterprises is likely to be required even though the organizations have been in existence for many years, the leadership of "arrival" and not simply of "survival" is required.

The second reason why leadership is necessary in the Cooperative organization, particularly on the retail side, is that the decisions to be made in it are not so subject to technical considerations as in many of the non-retail industries. It is here being suggested that manufacturing and industrial techniques limit the role of creative leadership which must operate within the bounds laid down by them. Where operating techniques are less in evidence, as in retail distribution, then the need for and scope for creative leadership is apparent. Thus both the competitive situation and

the relative absence of technical limitations apply to many sections of the Cooperative Movement, especially the retail society, and taken together they underline the need for leadership.

It can be accepted that leadership is necessary in the Cooperative organization. It may, however, be contended that cooperative principles provide the required leadership. It may be argued that members, managers and staff can be motivated by the principles alone, and that all that is required is that everyone concerned should have a full knowledge of the principles and that they will feel in consequence a zeal for the Cooperative organization of which they are a part. This line of argument may have its attraction as it avoids the dangers, real or imagined, of personal leadership in a democratic organization. Against this, however, it can be contended that knowledge of the principles in itself is no guarantee of enthusiasm for them. It would seem that more than knowledge is required, there is a need to personalise the principles, there is the need for someone or other to bring the principles to life. The need for this may be less when the Cooperative organization is new and small, when all its members are enthusiastic and when its staff is few in number. Once the organization begins to grow and has many members, large numbers of whom are apathetic, and when its staff is numerous and willing to work for whoever will pay them, the problem of personalised leadership becomes important. This does not mean that democratic control must be abandoned in the large Cooperative organization, but it does mean that its nature must be reviewed in view of the need for leadership.

In the Cooperative organization the

next important question is, who is to provide the required leadership? It may be thought that the Board of Directors should provide this, as it is representative of the members. This notion may be democratically attractive as it suggests that a Board rather than an individual is exercising leadership. Here again it may be felt that the dangers of personalised leadership are being avoided. Board leadership appears to preserve democratic control. But this raises the whole question of the effectiveness of collective leadership. Because of the differing personalities and characters represented on the Board its decisions are liable to be compromises and its leadership to be diffuse. There is also a lack of clear personal responsibility and there is also likely to be an element of instability, in that the attitudes of its members may move it in different directions on different occasions. This instability can arise in part from the lack of clear personal responsibility. In addition the Board is discontinuous in existence and its decisions tend to be communicated in an impersonal form, usually in writing.

In essence the real problem is that to a large extent the Board is impersonal, and no sub-committee system or Board meetings with management can completely overcome the weaknesses that are liable to exist when Board leadership is attempted.

Very often where a Board appears to provide effective leadership, it is not the Board but a dominant personality who is exercising leadership through the Board. This can be dangerous in that the Board comes to be recognised as the tool of the dominant individual and in consequence loses its value, further, the dominant personality is not individually responsible. He provides lea-

leadership but does not carry responsibility for it.

In view of the apparent weaknesses of collective leadership, it seems that leadership must devolve on some individual within the Cooperative organization. That individual may be the President, the Chairman or the chief official. The ability of the first two to provide leadership will depend not only upon personality and character but also upon the organizational arrangements in the society. In particular it will depend upon the amount of contact that they have with management and the degree to which their leadership role is recognised to be a legitimate function of their office. It means in fact they are more than simply members of the Board of Directors; it means that they have a special function to fulfil. If either the President or the Chairman is to exercise the leadership function he must be in close touch with the management, and this raises important issues concerning his relationship with the chief official. It means in essence that he becomes the managing director, and whether he can perform his function in a voluntary lay capacity is open to question.

In many Cooperative organizations it would seem that the leadership function must be performed by the chief official, because only he has the necessary contact with the rest of the management. If this function is to be performed satisfactorily by the chief official, not only must he have the necessary personality and character but it must be understood by both Board and management that he must perform this function. The Board must not seek to curtail his exercise of this function, except where he clearly is establishing a purely personal control of the organization with little

consideration for the membership.

The main point at this stage is that leadership must be exercised within the Cooperative organization, and that for the reasons outlined this must be an individual leadership as such and accepted as necessary to the life of the organization.

The leadership that is contemplated here is more than management. According to Field Marshal Lord Slim: "Leadership is of the spirit, compounded of personality and vision; its practice is an art. Management is of the mind, more a matter of accurate calculation, of statistics, of methods, timetables and routine; its practice is a science. Managers are necessary; leaders are essential."<sup>3</sup> If leadership is more than management, neither must it be equated to office holding, prestige and formal authority.

Considered from another point of view, management is concerned with problems of efficiency while leadership is that which creates the objectives, the values and the character of the organization<sup>4</sup>. In this sense it is prior to management in that it provides the organizational character within which management operates. Now it may be held that the objectives, values and character of the Cooperative organization have been laid down by the historical development of the Cooperative Movement, but this is to take too static a view of the nature of these elements of the organization. They need constant interpretation and reformulation in the changing environment within which the Movement operates, it is not simply a question of new techniques but of constantly remoulding the character of the organization to meet the new conditions.

Let us now consider the key elements of creative leadership. The first element is to define the aims and role of the

organization and constantly to examine them in the light of the changing external situation and to ensure that they are not taken for granted by the members of the organization. The second element is to ensure that these aims are embodied in the organization by means of policy. In the Cooperative organization this means that the leader must assist the Board to develop policy in line with the objectives, values and character of the organization, he must ensure that policy is in line with these. The third element of leadership is to defend the integrity of the organization, maintaining its values against the wrong type of internal change and against external attacks. Finally the leader is concerned to maintain order and control over internal conflicts. Here again he is concerned to prevent the wrong interpretation of the objectives and values of the organization by different sections of it.

The leader is concerned with making critical decisions which shape the character of the organization, this is the activity which lies behind the elements of leadership. His is a creative role, and while this may seem far removed from the day-to-day activities of the chief official, this is the type of activity which he performs whenever he exercises the leadership function. The degree to which he recognises this creative activity is the degree to which he is conscious of his role of leadership.

But this creative leadership is not exercised in a vacuum for there are four major variables involved in it. First there are the characteristics of the leader, these include his sensitivity to the changing environment; his willingness and ability to innovate—not simply to react to the environment but to seek as far as he can to influence it; the ability consciously to make critical decisions

and recognise their impact on the character of the organization and the ability to inspire enthusiasm for organizational values in the staff—to build up a homogeneous staff which understands and accepts the values of the organization. This is not meant to be an exhaustive list of characteristics, but only an indication of those aspects of leadership<sup>5</sup>.

The second variable in the situation is made up of the attitudes, needs and characteristics of the subordinates. Creative leadership must be aware of these and critical decisions must be influenced by them. The objectives, values and character of the organization are influenced by the members of the organization and the leader must seek to devise an organizational character which is in keeping with the needs of its members. The third variable consists of the characteristics of the organization, such as its purpose, structure and the tasks it has to perform. Here again the creative leader must influence all these and yet he cannot at the same time avoid being influenced by them. He must work to some extent within the historical development of the organization. The final variable consists of the social, economic and political environment in which the organization works. Creative leadership aiming to adapt the organization, aiming to keep it in being, cannot but take account of the general environment. Indeed one of the highlights of creative leadership must be an awareness of the general situation in which the organization operates.

From this it will be seen that creative leadership is not simply the property of the individual, but is a mixture of the variables just discussed. The relationship between the leader and the situation is circular, each reacts upon the other<sup>6</sup>.

The implications of this for the leader of the Cooperative organization are that he is concerned with the development of a particular interpretation of Cooperative principles and objectives. He is concerned to develop policies which will ensure the growth of the Cooperative organization and which he will attempt to protect its integrity. In all these activities he is influenced by the characteristics of the members of his staff, by their attitudes and needs. At the same time the existing structure of the Cooperative organization and its objectives must set some limits within which he makes his critical decisions. Usually these character-forming decisions must be made in the face of the changing pattern of the outside environment. From all this there develops within the Cooperative organization a particular "style" which is the product of the leader's creativity.

While the need for efficiency is not to be under-estimated, for indeed without it an organization will flounder, it must also be recognised that creative leadership is also a necessity. Both efficient management and creative leadership are required, and without the latter the organization is likely to stagnate and die its way. How to fit this type of leadership into the Cooperative organization with its emphasis on democratic control may not always be easy, but to protect such leadership within the democratic context could prevent effective development.

Groombridge, B. "Report on the Cooperative Auxiliaries", Cooperative College Papers, Number Seven, p.62. Education Department, Cooperative Union, October 1960.

Edwards, R. S. & Townsend H. "Business Enterprise" p.33. MacMillan and Co. Ltd., 1958. Papermac. 10. 1961.

Times Review of Industry & Technology. p.71. July, 1963.

- (4) Selznick, P. "Leadership in Administration." Row, Peterson, 1957, for an extended review of this aspects of leadership and critical decision-making.
- (5) No list qualities of leadership in isolation can give the full picture of leadership which must be seen in relation to subordinates, organization and environment.
- (6) McGregor, D. "The Human Side of Enterprise" Chap. 13. McGraw-Hill, 1960.

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(Concluded from page 65)

world for Friedrich Wilhelm Raiffeisen, I have no doubt that I am but putting into words the thoughts and feelings of millions of the earth's inhabitants."

Wherever Raiffeisen's ideas have come to fruition, there today people enjoy the right to live unmolested in their own homes, a right for which they have to thank the wisdom and energy of the simple country mayor, Friedrich Wilhelm Raiffeisen.

## ICA AND THE UNITED NATIONS

### ECOSOC COMMITTEE ON HOUSING, BUILDING AND PLANNING

THE Second Sessions of this Committee was held in New York from 2nd January to 4th February, 1964 and the ICA was represented by Messrs. Dwight D. Townsend and L. Woodcock, both of the Cooperative League of the U.S.A.

A verbal Statement expressing the views of the ICA relating to the urgent problem of housing was made to the Committee by Mr. D. Townsend, who quoted from the resolution passed unanimously at the 22nd Congress of the ICA at Bournemouth in October, 1963.

"The Congress welcomes, as a measure helpful to the achievement of this basic task, the establishment by the United Nations of the Standing Committee on Housing, Building and Planning together with its counterparts under the Regional Economic Commissions, but reiterates the belief of the International Cooperative Alliance that only the creation of a Special Agency of the United Nations for Housing will ensure that the world's housing problems are grappled with on an adequate scale and that the non-profit, non-governmental organisations have an essential role in their solution".

He expressed his belief that this reiteration served to re-emphasise the ICA's keenness to adopt means for a speedy solution of this urgent world problem. He admitted that the ICA fully realised the financial difficulties in establishing such an Agency when the UN was short of funds, but requested additional staff and

other supporting aid to the Bureau of Social Affairs and the Secretariat of its Housing, Building and Planning Branch.

Our representative conveyed to the Committee that the representative of the ICFTU fully supported our view and therefore requested the Committee to place these views on record of the proceedings.

Mr. Townsend reported that our proposal for a Specialised Agency to deal fully with the important role of housing which had received very little attention only two years ago, at the first meeting of the Committee, was a major subject at this Session. Ways to establish and finance such an agency were also fully discussed. According to Mr. Townsend, everyone was greatly concerned that such an agency might not be possible until the most important question of finance at the UN was solved. Of twenty-one countries that were represented, only about a third were in a financial position to make additional contributions towards a specialised agency or additional contributions to the UN. The developing countries with their limited resources were in no position to contribute.

The USA was the only country to make an official declaration of willingness to provide additional funds for this purpose, and its representative announced his Government's decision to pay 40 per cent of the combined amounts of all the rest for this particular purpose.

R.K.

## GOVERNING BODY

THE 158th session of the Governing Body was held in Geneva from 13th to 17th February, 1964, the ICA representative being Dr. M. Boson.

Workers' Education is of very great importance to the ICA and a proposed meeting on this subject was one of the agenda items of the session.

The proposal made for a Meeting of Consultants on Workers' Education would constitute a first step in the establishment of the Panel of Consultants on Workers' Education and Recreation, implementation of the decision taken by the Governing Body at its 140th Session. In reaching that decision, the Governing Body approved the recommendations of the Committee to review the programme of ILO Conferences and meetings that the Panel of Consultants

Workers' Education and Recreation could be so constituted that the number of consultants competent in the field of workers' education as compared with those competent in the field of recreation would be in the approximate proportion of 12 to 8 and should include consultants coming from countries with substantial experience in workers' education and Recreation activities, as well as persons with an intimate knowledge of the needs and problems in these fields in the developing countries:

It is therefore proposed that the Panel could comprise 48 consultants, including 30 specialists in workers' education and 18 in various aspects of recreation and that the term of office of these consultants should be 5 years. Their basic function would be to keep the ILO informed of major developments in workers' education and recreation and to reply to specific questions of the ILO. Their work would be purely advisory,

consisting mainly of giving information and advice on questions submitted to them for examination by the ILO.

It is proposed that the meeting be held in Geneva in the latter part of 1964. A credit of \$23,500 has been provided in the 1964 budget to finance this meeting.

The three main items on the proposed agenda are:

- 1) Review of ILO activities in workers' education and suggestions for future action, with particular reference to advisory assistance to developing countries;
- 2) Educational materials for workers' education, with particular reference to the utilisation of audio-visual aids and
- 3) Measures to encourage young trade unionists to take a more active part in the work of their unions, and methods of training them for this purpose, particularly in countries where trade unions are in the process of developing.

The last review of the ILO's workers' education activities took place in 1957, when the ILO Meeting of Experts on Workers' Education recommended the guiding lines of the Workers' Education Programme to be developed by the ILO. At the 154th Session of the Governing Body, the Workers' Education members urged the necessity of bringing together a number of experts to review the experience of the ILO in this field for the past seven years and to make suggestions for future action.

R.K.



## FAO — FREEDOM FROM HUNGER CAMPAIGN

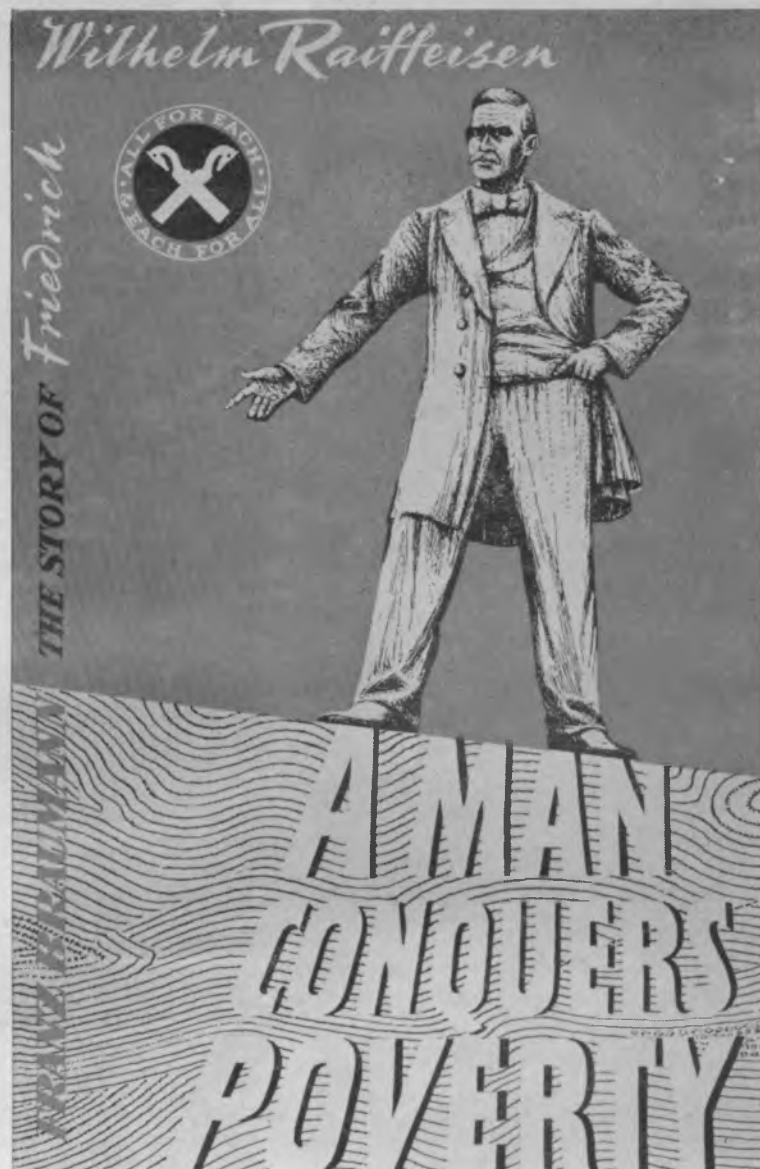
THE Freedom from Hunger Campaign, which is the biggest contribution made by the FAO to the Development Decade, has made remarkable progress during a short period of three years. Great appreciation of its achievements was expressed at the 12th Session of the FAO Conference. It has now become the most widely supported movement in international relations to raise the living standards of the underprivileged peoples of the world. It has spread hope among the peoples of developing countries and knowledge among the more prosperous ones that the world problem of underdevelopment can in fact be solved. It has promoted international concern about the world problem of hunger, population and food production, which was more or less non-existent before its inception only three years ago, and has drawn the attention of governments, international organisations and non-governmental organisations to the primary role which agricultural development should play in the general economic and social development of the less prosperous regions of the world.

During the last two years FAO has been trying to prepare the ground for the joint mobilisation of economic, social and technical resources and the active coordinated support of all peoples with a view to banishing hunger and malnutrition from the face of the earth. The Campaign message has reached nearly 160 states, and of the 162 countries that have taken special action in support of the Campaign, 104 are members of the FAO and the remainder of other organisations of the UN family.

Of the various fields of Campaign activity, tremendous progress has been made in at least eight, such as:

1. Formation and reinforcement of National Campaign Committees.
2. Freedom from Hunger Campaign in educational curricula.
3. People's participation in action programmes.
4. Religious Support.
5. Introduction of "Freedom from Hunger" theme into cultural activities.
6. Fund Raising.
7. Freedom from Hunger field projects.
8. Information activities.

R.K.



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16 sh.

Affiliated societies (1962): 358; members: 504,298; wholesale turnover: Fmk. 887,98 million; own production of SOK: Fmk. 216,09 million.

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

Affiliated societies (1962): 358; members: 504,298; turnover of societies: Fmk. 1,557,15 million; total production of the affiliated societies: Fmk. 35,11 mill. Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki.*

Affiliated societies (1962): 108; members 532,638; turnover of societies Fmk. 1,153,44 mill.; production of societies 181,37 million.

Ossustukauppa (O.T.K.), *Hämeentie 19, Helsinki.* Affiliated Societies (1962) 108; turnover Fmk. 745 mill.; own production Fmk. 218 mill.

Pellervo-Seura, *Simonkatu, 6, Helsinki.*

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

Affiliated societies (1960): 572; membership: 3,242,567; shops: 9,530; turnover: NF. 2,624,785,132.

Société Générale des Coopératives de Consommation, 61 *rue Boissière, Paris XVI.*

Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88, *rue de Courcelles, Paris VIII.*

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

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

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

Caisse Nationale de Crédit Agricole, 30, *rue Las Cases, Paris VII.*

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

Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, *Foyer Cooperatif, 17, rue de Richelieu, Paris Ier.*

Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 31, *ave Pierre Ier de Serbie, Paris XVI.*

L'Association BâtiCoop, 6, *rue Halévy, Paris 9e.*

Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, *Avenue Hoche, Paris VIII.*

GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., *Besenbinderhof 43, (2000) Hamburg I.*

Affiliated societies (1962): 249; membership: 2,586,960; turnover: D.M. 3,503,6 mill.

Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof, 52, (2), Hamburg I.*

Total turnover (1961): D.M. 1,726,300,000; own production: D.M. 593,7 mill.

Gesamtverband Gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4 (22a), Cologne.*

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

Deutsche Sachversicherung "Eigenhilfe", *Steinstrasse 27, (2) Hamburg 1.*

GREAT BRITAIN: The Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester 4.* Affiliated Societies (1962): 801. Membership: 13,140,188. Retail Societies' share capital: £ 254,292,875. Retail sales: £ 1,053,940,921.

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

Affiliated societies (1961): 895; sales: £ 465,170,491; Bank turnover: £ 6,048,004,673; reserve and insurance funds: £ 32,381,925; total assets: £ 291,916,424.

Co-operative Insurance Society, Ltd., *Miller Street, Manchester 4.* Assets exceed £ 187 mill.

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

Affiliated societies (1962): 166; sales: £ 89,140,610; reserves and insurance funds: £ 7,771,522; total resources: £ 18,977,972.

The Co-operative Productive Federation, Ltd., 138, *Charles Street, Leicester.*

Sales: £ 4,645,717; employees: 3,021; societies: 23.

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

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

HOLLAND: Coöperatieve Vereniging U.A., *Centrale der Nederlandse Verbruikscoöperaties, "CO-OP Nederland", Vierhavensstraat 40, Rotterdam 7.*

ICELAND: Samband Isl. Samvinnufjelaga, *Reykjavik.*

INDIA: National Cooperative Union of India, 72, *Jorbagh Nursery, New Delhi-3.*

All Bombay Consumers Cooperative Societies, Federation, Ltd., 3rd Floor, *Military Square Lane, Fort, Bombay I.*

National Agricultural Cooperative Marketing Federation, Ltd., 34, *South Patel Nagar, New Delhi, 12.*

IRAN: Cherkate Taavoni Masrafe Artèche (Army Consumers' Co-operative Society), *Avenue Sevvom Esfand, Rue Artèche, Teheran.*

ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Heyrat Ovdim", Ltd., P.O.B. 303, *Tel-Aviv.*

Affiliated societies (1962): 1,679, including 660 agricultural, 465 producers' and services, 69 consumers', 232 housing, and 253 pension and provident funds.

"Merkaz" Audit Union of the Cooperative Societies or Loans and Savings, P. O. Box 75, *Tel-Aviv.*

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

ITALY: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome.*

Confederazione Cooperativa Italiana, *Borgo Santo Spirito, 78, Rome.*

Istituto Generale delle Cooperative Italiane,  
Viale del Corso 42, Rome.

JAMAICA: The Jamaica Cooperative Union, Ltd.,  
Cromwell Street, Kingston, W.I.

JAPAN: Nippon Seikatsu Kyodokumiai Rengokai,  
(Japanese Consumers' Cooperative Union),  
Nishi-Kaikan, 5, 2-chome, Shiba-Tamuracho,  
Shinjuku-ku, Tokyo.

JAPAN: Nogyokyodokumiai Chuokai,  
(National Union of Agricultural Cooperatives)  
Nishi-Shinjuku, 1-chome, Chiyoda-ku, Tokyo.

JAPAN: Nogyo Gyogyo Kyodokumiai Rengokai, (Na-  
tional Federation of Fishery Cooperative Asso-  
ciations), Sankaido Building, Akasaka-ta meiko,  
Minato-ku, Tokyo.

KOREA: National Agricultural Cooperative Fede-  
ration, 75, 1st street, Chung-Jong-Ro, Sodaemun-ku,

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

MALAYSIA: Cooperative Union of Malaya,  
Jalan Duta, Kuala Lumpur.

MALAYSIA: Federation of Cooperative Housing Societies,  
Jalan Duta, Kuala Lumpur.

MALAYSIA: Malayan Co-operative Central Bank Ltd.,  
Jalan Sarawak.

MALAYSIA: Malayan Cooperative Union, Ltd., Post Box 366,  
Kuala Lumpur.

MALAYSIA: Farmers' Central Cooperative Society  
New Building, Middleman Street, Marsa.

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

MEXICO: Confederación Nacional Cooperativa de  
Producción Mexicana, C.C.L., Lic. Verdad 3,  
Calle 1, D.F.

NEPAL: Hutt Valley Consumers' Coope-  
rative Society, Ltd., P.O.B. 5006, Lower Hutt.

NIGERIA: Cooperative Union of Eastern Nigeria  
Cooperative Bank Buildings, Milverton Ave, Aba.  
Cooperative Union of Western Nigeria, Ltd., c/o  
Cooperative Buildings, New Court Rd., Ibadan.

NORWAY: Norges Kooperative Landsforening,  
Kjøpesjansavdelingen, Kirkegaten 4, Oslo.  
Number of societies (1962): 1,112; membership: 320,000;  
turnover of local societies: Kr. 1,600 mill.; of N.K.L.:  
8 mill.

NORWAY: Norske Boligbyggelags Landsforbund,  
Kjøpesveien 84-86, Oslo.

PAKISTAN: East Pakistan Co-operative Union,  
9/D-Motijheel Commercial Area, Third Floor,  
Dhaka, 2.

PAKISTAN: Pakistan Co-operative Union, 31, Lower  
Lahore.

PAKISTAN: Karachi Central Cooperative Bank, Ltd., 14,  
Building, Bunder Road, Karachi, 2.

PAKISTAN: Karachi Central Cooperative Consumers' Union,  
No. 53, Pakistan Secretariat, Karachi, 3.

PAKISTAN: Karachi Cooperative Housing Societies Union,

Shaheed-e Millat Road, Karachi, 5.

KARACHI: Karachi Cooperative Institute Ltd., 4, Bandukwala  
Building, McLeod Road, Karachi, 2.

KARACHI: Karachi Fishermen's Cooperative Purchase and  
Sales Society Ltd., West Wharf Road, Karachi.

KARACHI: Sind Regional Cooperative Bank Ltd., Provincial  
Cooperative Bank Building, Serai Road; P.O. Box  
4705, Karachi 2.

ROUMANIA: Uniunea Centrale a Cooperativelor  
de Consum „Centrocop”, Calea Victoriei 29,  
Bucharest.

SCANDINAVIA: Nordisk Andelsforbund (Scan-  
dianavian Co-operative Wholesale Society),  
Njalsgade 15, Copenhagen 5.

SWEDEN: Kooperativa Förbundet, Stockholm, 15.  
Affiliated retail societies (1962): 467; membership:  
1,240,000; total turnover of distributive societies:  
Kr. 4,000 mill.; total turnover of K.F.: Kr. 2,874 mill.  
(Kr. 1,829 mill. sales to affiliated societies); own produc-  
tion: Kr. 1,451 mill.; total capital (shares and reserves)  
of K.F. and affiliated societies Kr. 958 million, surplus  
included

Kooperativa Kvinnogillesförbundet, Stockholm, 15.

Hyresgästernas Sparkasse- och Byggnadsförenin-  
gars Riksförbund (H.S.B.), Flemminggatan, 41,  
Stockholm, 18.

Affiliated Building Societies: 187; with individual mem-  
bers: 182,000; number of flats administered by local  
societies: 173,000; value of real estate: 5,696 mill. Kr.

Svenska Riksbyggen, Box 19028, Stockholm, 19.

Folksam Insurance Group, Folksam Building,  
Stockholm, 20.

Sveriges Lantbruksförbund, Klara Ostra-  
Kyrkogata, 12, Stockholm, 1.

SWITZERLAND: Verband schweiz. Konsum-  
vereine (V.S.K.), Thiersteinallee 14, Basle.  
Affiliated societies (1961): 540; shops: 3,300; member-  
ship: 723,000; retail turnover of affiliated societies:  
Fr. 1,346; wholesale turnover: Fr. 853 mill.

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

Schweiz. Verband Sozialer Baubetriebe, SBHV,  
Postfach Sihlpost, Zurich, 1.

Genossenschaftliche Zentralbank, Aeschenvor-  
stadt 71, Basle.

COOP Lebensversicherungs-Genossenschaft  
Basle, Aeschenvorstadt 67, Basle.

TANGANYIKA: Cooperative Union of Tanganyika,  
Ltd., Avalon House, P.O. Box 2567, Dar es Salaam.

UGANDA: Uganda Co-operative Alliance, Ltd.,  
P.O.B. 2212, Kampala.

U.S.A.: The Co-operative League of the U.S.A.,  
59, East Van Buren, Chicago Ill. (60605), and 1012,  
14th Street, N.W., Washington 5, D.C.

U.S.S.R.: Central Union of Consumers' Cooper-  
ative Societies of the U.S.S.R. „Centrosoyus”,  
Ilyinka Tcherkassy pereulok 15, Moscow.  
Consumers' societies (1961): 17,500; members: 43,1  
mill.; stores: 321,000.

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



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**INTERNATIONAL COOPERATIVE ALLIANCE**

**REVIEW OF  
INTERNATIONAL  
COOPERATION**

# THE INTERNATIONAL COOPERATIVE ALLIANCE

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

It comprises organisations in every continent, and its total affiliated membership through national organisations exceeds 174,000,000. The consumers' movement accounts for about half the membership, the other half consisting of agricultural, credit, workers' productive, artisanal and fishery societies.

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

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

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

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

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

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

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

## AFFILIATED ORGANISATIONS

- ALGERIA:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 8, rue du Cercle Militaire, Oran; at - 21, rue Edgar Quinet, Algiers, and 9, rue Hurin Régnier, Paris, 15.
- ARGENTINA:** Federación Argentina de Cooperación de Consumo, Avda. Suarez, 2034, Buenos Aires. Arcoop, Editora Cooperativa Limitada, da 32. Oficina 42, Buenos Aires.
- AUSTRALIA:** Cooperative Federation of Australia, Mandolong Road, Mosman, Sydney, N.S.W.
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, Wobaldgasse 19, Vienna VI.  
Membership (1962): 415,717; turnover: consumers' societies: Sch. 2,758 mill.; wholesale (G.Ö.C.): Sch. 5 mill.; department stores: Sch. 424 mill.; own production: consumer societies: Sch. 335 mill.; G.Ö.C. subsidiaries: Sch. 401 mill.  
Klub für Arbeit und Wirtschaft, A/G; Seitzergasse Vienna I.  
Vertragskasse der Konsumgenossenschaft, Theodorstrasse 19, Vienna VI.  
österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Sandorferstrasse 6/11, Vienna I.  
Members: 89,000; Dwellings administered: (socs.) 48; Assocs. 100,851; Total Balance: (Socs.) Sch. 7,096,800; (Assocs.) Sch. 8,409,217,600.  
österreichischer Genossenschaftsverband, Ringgasse, 4, Vienna 9.  
österreichischer Raiffeisenverband, Seilergasse Vienna I.
- BELGIUM:** Société Générale Coopérative, 17-21, rue Emile Vandervelde, Brussels.  
Registered consumers' societies: 27; membership: 300; turnover (1961): Frs. 3,400 mill.; shops: 1,400; wholesale society turnover (1961): Frs. 827 mill.  
Caisse Coopérative d'Assurances "La Prévoyance sociale", P.S. Building, 151, rue Royale, Brussels.  
Premiums (1961): Frs. 922 mill.; reserves: Frs. 4,000; insurance funds, life: Frs. 12,000 mill.; fire: Frs. 300 mill.  
Coopération Nationale des Coopératives Chrétiennes, rue de la Loi, 141, Brussels.  
Caisse "Bien-Etre": 1,320 shops; turnover Frs. 1,251 million; dividends: Frs. 60 million; Savings Bank: 1,800 shops; 320,000 members; deposits: Frs. 5,500 mill. Insurance Society: 160,000 policy holders; premiums: 193 mill.; reserves Frs. 500 mill.  
Economie Populaire, 30, rue des Champs, Namur (Namur).  
Members (1961): 445; membership: 74,956; turnover: 587 mill.; savings deposits: Frs. 404 mill.; capital and reserves: Frs. 77 mill.
- BRAZIL:** Centro Nacional de Estudos Cooperativos, Av. Franklin Roosevelt 39, 12<sup>o</sup>, Sala 1216 Rio de Janeiro.
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., Ministry of Education and Social Development, 41, High and Cowen Streets, Kingston, Georgetown.
- BULGARIA:** Union Coopérative Centrale, 103, Rakovski, Sofia.
- BURMA:** National Cooperative Council, 290-300, Lewis Street, (2nd. Floor), Rangoon.
- CANADA:** Co-operative Union of Canada, 202, Queen Street, Ottawa 4, Ont.  
A national association of English-language cooperatives, the principal members of which are provincial cooperative unions and inter-provincial cooperatives; organised in 1909.  
Conseil Canadien de la Coopération, 2030, Bd. Hamel, Quebec 8.
- CEYLON:** The Co-operative Federation of Ceylon, Co-operative House, 455, Galle Road, Colombo 3.
- CHILE:** Federación Chilena de Cooperativas de Ahorro, Ltda., Huerfanos 1639, Clasificador 760, Santiago de Chile.
- COLOMBIA:** Cooperativa Familiar de Medellin, Ltda., Calle 49, No. 52-49, Medellin.
- CYPRUS:** Cooperative Central Bank Ltd., P.O. Box 411, Nicosia.  
Cyprus Turkish Cooperative Central Bank Ltd., P.O. Box 791, Nicosia.  
Vine Products Cooperative Marketing Union Ltd., P.O. Box 315, Limassol.
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, Tesnov 5, Prague II.
- DENMARK:** De samvirkende danske Andelskaber (Andelsudvalget), H. C. Andersens Boulevard 42, Copenhagen V.  
Representing 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1961): D.Kr. 11,300 mill.  
Det kooperative Faellesforbund i Danmark, Frederiksborggade 60, Copenhagen K.  
Affiliated societies (1960): 626; total sales: D.Kr. 1,050 mill.; employees: 11,000; comprises: consumers' workers', artisans', productive and housing societies etc.
- DOMINICA:** Dominica Cooperative Credit Union League, Ltd., 14, Turkey Lane, Roseau.
- EGYPT:** Société Coopérative des Pétroles, 94, Kasr el Eini Street, Cairo.
- IRELAND:** The Co-operative Development Society, Ltd., 35, Lower Gardiner Street, Dublin.
- FINLAND:** Suomen Osuuskappojen Keskuskunta (S.O.K.), Vilhonkatu 7, Helsinki.



# Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

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## A PERIOD OF TRIAL

by Mauritz Bonow, President, I.C.A.

*Kooperativa Förbundet* (the Cooperative Union and Wholesale Society) shall have for its purpose the promotion of economy among its members by procuring foodstuffs and other necessities.

In order to fulfil this purpose the Union shall:

- (1) spread knowledge as to why and how the consumers should organise themselves;
- (2) protect the consumer interest within the community especially in the sphere of legislation.

(Extract from the rules of *Kooperativa Förbundet*).

Developments within the Cooperative Movement in Sweden, as in the case of the cooperative movements in the whole of Western Europe during the post war years, have been marked by rapid structural changes. The most important reasons for this are all well known: a long series of technical advances which are sometimes called "the second industrial revolution"; rising incomes and the consequences these have had on demand; the growth of motor transport; the movement of population from sparsely populated rural areas to the towns; and full employment.

It would be presumptuous of me to describe in detail the concrete results of the advances which we are experiencing today within our own Movement. We often describe these changes by saying that the structure of both the shop and the cooperative society is, so to speak, in the melting pot. Today shop units are fewer but larger. As far as the

societies are concerned the aim of a hundred retail societies is no longer discussed seriously; instead the aim is the eventual creation of 30 or 40 regional societies to serve Sweden's cooperatively organised consumers.

### Important measures of coordination on the way

As far as can be judged the changes mentioned above are only a part of what must be expected in the relatively near future, having regard to increased competition. In meeting competition, especially that of the multiple private trade, in both foodstuffs and dry goods, we have to come to a decision regarding new and important problems of rationalisation. In the first place, we must consider how far far-reaching measures of coordination—and perhaps in certain fields even direct integration—will be necessary for the various sections of the consumers' cooperative movement, that

is to say, the coordination and/or integration of our retail trade, wholesale trade, and that part of our production which is primarily geared to serving the needs of the local societies and their members.

In certain sections the machinery for this coordination or integration has already been created. The most important examples are our system of regional warehouses, our department chain store DOMUS, the collaboration which takes place within KVO (*Kooperationens Varuhusorganisation*—The Cooperative Movement's Department Store Organisation, an organisation distinct from DOMUS), and the taking over by KF of a large part of the local and regional bakery and meat processing functions.

Despite the degree of coordination and integration already achieved, the opinion is spreading throughout the Swedish Movement that in the near future further efforts at coordination must be made, particularly in the relationship between KF as wholesaler and the societies as retailers. Many examples exist to show the need for more intimate collaboration. As far as buying is concerned, the Cooperative Movement has a more sectionalised order system than the completely integrated multiples, particularly in the field of dry goods. This raises the question of how far the consumers' cooperative movement can retain the principle of allowing the societies absolute freedom in buying, or whether it is not better to apply a more automatic order system combined with increased control from the centre over the range and size of stocks of dry goods carried by societies.

Another important field where an increased need for coordination is apparent is that of investment and other related financial problems. By budgeting

for the Movement as a whole, certain necessary technical conditions have been created for coordinating its investment and financial policy. But there is still a long way to go before a practical policy of grading the investments in order of importance can be instituted. There appears to be a satisfactory trend in this direction, however, as well as increasing appreciation in the Movement of the need for coordination in the spheres of investment and finance.

The third example is the need for coordination with regard to staff recruitment and training. The rapid development towards larger units in societies creates new demands in recruiting and training of management personnel and other persons in commercial and technical key positions. There is no doubt that the present shortage of management personnel is one of the most serious problems in the Swedish Movement, a question which has recently been studied by representatives from KF's Personnel Department, Vår gård, and the Audit Department, and will be the subject of further investigation. It is as yet too soon to say what concrete recommendations will result from this investigation, but I imagine that further concentration of Vår gård's management training to the more advanced level of employee will be one of the most important.

The three examples given above are sufficient to illustrate the need for mutual planning and a far-reaching process of coordination, but this by no means disposes of the question of what type of organisation will best achieve such coordination.

#### **Some solutions to the problems of coordination**

The problems of the Swedish Cooperative Movement are in no way unique.

Indeed, in a number of West European countries parallel discussions are now going on, since economic conditions calling for structural changes and conditions of competition for the Cooperative Movement in relation to other forms of enterprise are in the main similar to those taking place in Sweden. I am of the opinion that during the next decade a number of experiments will be made with a view to achieving practical solutions to the problems of coordination and integration which are troubling the cooperative movements in the various countries.

A serious discussion is going on in Denmark around the project for the complete integration of the whole cooperative retail and wholesale business, by creating a national society. For geographical reasons and having regard to the density of population, the conditions for such a solution are more favourable in Denmark than in Sweden.

Recently, in a paper to the Austrian Cooperative Congress, I referred to the Swedish position with regard to the problem of coordination and integration. That Austria has similar problems to those in Sweden was more evident from the discussion which followed.

In Holland some years ago a Congress decision was taken which was binding on the Movement and which called for the concentration of societies into a number of regional societies. In addition to this, measures have also been taken as a result of which a far-reaching coordination of both buying and stockkeeping together with investment and financial policy is in the process of implementation. In the British Cooperative Movement the question of integration was introduced at the British Congress by the Chairman of the CWS, Mr. Leonard Cooke.

It would be presumptuous at this stage

to try to give a more definite opinion of how the problem of coordination and integration can best be solved within the Swedish Movement. It seems very unlikely that complete integration in the form of a national society can be regarded as an alternative even taking a long-term view. On the other hand, there is no doubt that really effective institutional forms for collaboration in important fields of cooperative activity can be created by 30-40 regional societies with KF as the central organisation.

It is against this background and taking into account probable trends in development that this fundamental question must be analysed. To put it more emphatically: when this rationalisation of technical and commercial structure has been achieved, will it be compatible with the retention of the principle of member control? In other words, can the Cooperative Movement remain a popular movement after it has passed through the economic transformation which is now taking place?

Although every convinced cooperator must answer this question in the affirmative, this in no way means that we can rest content in the knowledge that developments will automatically guarantee such a result. Democracy is not something which is automatically part of our community for all time. Both in central and local government and in the popular movements, the content and form of peoples' self-government are subject to the law of change. Democracy must, so to speak, be won anew and consolidated by each succeeding generation. As far as the Cooperative Movement is concerned, and against the background of existing developments, we must pay the greatest attention to our own democratic structure.

### **Consumer interest in the foreground**

A paragraph in KF's rules states that KF, as the central organisation of the consumers' cooperative movement, has the important function of spreading information concerning "why and how consumers should organise themselves". The rules of local societies also include the principle inherited from the Rochdale pioneers that a certain part of the annual surplus must be allocated to educational and information work. This is also a condition for becoming a member of KF.

As time has passed, a change has taken place in the character of educational and information work, to such an extent that the difference between the rather primitive community in which the Cooperative Movement had its beginnings and the modern highly industrialised Welfare State is enormous. Obviously the Cooperative Movement has had to adapt its educational and information activities to meet this fundamental change. Even in the past two decades a very great change of attitude is evident and is still continuing. Although even short-sighted producer interests naturally assumed greater importance during the economic depression of the 30s, there has been a growing understanding of consumers' interests since the war. This is illustrated by the gradually changing attitude towards the national trade—and to a certain degree also to the national agricultural—policy both in Sweden and other West European countries. The continuous efforts to achieve liberalisation are now largely motivated by consideration for the consumer interest, which has become identified more and more with the need for increased productivity through international division of labour as a means of accelerating the rise of standards.

Also of significance in the present action of the State to safeguard consumers interest by removing the damaging effects of cartels and monopolies and other types of restrictive business practice, such as retail price maintenance. This development has been motivated by the desire to protect the consumer interest in our modern society with its very powerful economic interests, and not by a laissez-faire ideology.

With consumer interest in mind, various State and semi-State institutions are being used to help build up an information service dealing with the question of commodity prices and the measurable qualities of commodities.

Today the need for extensive educational and information work to safeguard consumer interest is of greater importance than ever before and the consumer cooperative movement's efforts are topical and important in this field. Some contributions already made by the Swedish movement will help to assess the value of this work.

Since the first world war, from the point of view of Sweden's national economy, the Swedish Cooperative Movement has become increasingly important in the field of distribution and production. The economic activity of the Cooperative Movement in competition with other forms of enterprise has been, and continues to be, our main contribution to promoting consumer interest. In addition, the Swedish Cooperative Movement, through KF and in other ways, watches the content and application of legislation covering Sweden's economic and industrial, and trade and agricultural, policies. Even between the two wars KF was regularly called upon by the State to give its opinion on proposed legislation, and as the State's influence over developments within the communi-

ty has increased, KF's task has grown in extent and importance. In this connection, the Swedish Cooperative Movement is now regarded as the natural representative of the consumer, and this means that, through its own representatives on official committee and boards and through sending memorandums to the king on proposed legislation, it has the opportunity of influencing the development of important matters both in the investigation and executive stages.

### **Consumer information through the Cooperative Movement**

The campaign for cash trading started the consumer education and information work and the Swedish consumer has benefited greatly. Ever since KF was established, the Swedish Cooperative Movement has sought to extend this work, and as in the case of its business activity, its aim has been and remains—to repeat what is stated in the rules—to “help the members’ economy”. Allocations have increased in keeping with the Movement’s economic development. Over the years, through societies and women’s guilds and through the press, Vår gård, study group activity, book publishing, and film production etc., the Swedish Cooperative Movement has been the pioneer of a vast contribution in the field of consumer education, and these efforts commenced and developed at a time when interest in consumer questions in Sweden was almost non-existent.

Its commodity distribution and productive activity has provided practical experience and the Swedish Cooperative Movement has been able to take advantage of this expert knowledge. In addition, special departments have been created to control and test the quality

of raw materials and the finished product—KF’s foodstuffs and textile laboratories, and its test kitchen, for instance. The most important example of KF’s industrial enterprises in consumer education work is the plant at Gustavsberg which has collaborated with the Swedish Handicraft Association; and Vår gård—with its training of cooperative personnel—has made a pioneer contribution.

At an early stage the Cooperative Movement also took the initiative in supplying certain groups of goods with quality declaration labels. This campaign, which took place under the slogan “Weigh the price against the quality”, was arranged by special departments of KF, while the work of producing the quality declaration labels was given to Henry Willny, a former tutor at Vår gård. When the Government later established the Quality Declaration Bureau (the VDN Institute for Informative Labelling), Henry Willny became its head. KF was the first of the Swedish popular movements to give financial and other support to the initiative of the women’s organisations in creating the “Swedish Home Research Institute”, which later formed the basis of the present State Consumer Institute. Through its representatives, the Cooperative Movement today plays an important part in the work of State institutions which have been established in Sweden in order to forward the general interests of the consumer and consumer education.

The Cooperative Movement has not simply limited itself to constructive collaboration with these State bodies but has also established contact with various private organisations and peoples’ movements—mainly trade unions, women’s organisations, and naturally the Workers’ Educational Associations. Thus KF, to-

gether with the Swedish TUC and TCÓ (the Central Organisation of the White-collar Workers), has formed a special joint committee which has conducted important educational work into problems connected with agricultural policy from the consumer's angle. Through the Swedish Workers' Educational Associations—especially through the Consumer Educational Committee in which the Cooperative Movement is very active—collaboration has been established with a number of popular movements to deal with topical consumer questions.

The general increased interest for consumer education has been reflected in the various types of mass media, the daily press chiefly, but more recently radio and television. From the Cooperative Movement's point of view this development is to be welcomed with great satisfaction.

For the Cooperative Movement, the radical change in attitude towards the importance of consumer education in a modern community raises the following questions: In the community of today and tomorrow, should our Movement continue to engage, as much as in the past, in its own consumer education activity in connection with and as a complement to its business activity? Is it not possible for this task to be carried out in the main by extending and coordinating the public bodies established for this purpose, and by increasing further the consumer education activities of the various mass media?

I shall try to justify my opinion that the answer is a definite no—there can be no compromise.

#### **The cooperative programme for consumer information in Sweden**

In Sweden the information work of the consumers' cooperative movement is

centred in a special department of KF—thus forming, from an organisational point of view, part of what is in the main the business side of Swedish cooperative activity. Because of this, the question is sometimes raised as to whether or not the Cooperative Movement should limit itself to providing comprehensive commodity information in its commercial advertising and not engage itself beyond this in general consumer education.

The criticism that every kind of cooperative consumer educational activity is more or less hidden advertising is obviously based upon a complete ignorance of the facts. Our aim of providing truthful and detailed quality information in our commercial advertising is usually met.

The two following examples illustrate the high standard of the Cooperative Movement's general consumer education work and the way in which it is carried out.

Just before Christmas, KF's department for domestic textiles collaborated with KF's Housewives' Department in arranging an exhibition of carpets and other floor coverings at "Swedish Form" in Stockholm. This exhibition showed the results of KF's textile laboratory's efforts to demonstrate the effect of wear on various types of floor coverings and the advantages of the various materials from an economic point of view—that is, the relation between purchase price and durability. It also showed how carpets of different sizes could be placed to the best advantage in furnishing a room.

Since last autumn the various cooperative departmental stores have had an exhibition entitled "Save through knowledge", the initiative for which was taken by KF's Housewives' Department in collaboration with the appropriate com-

ty departments of KF. Valuable information about the different qualities of commodities (presenting, among others, the work of the Quality Declaration Bureau) and other information useful in the choosing of goods, is provided at just the right moment: when a purchase is about to be made. This campaign is a practical form of consumer education which up to now has been conducted almost solely by the Cooperative Movement, and it is greatly appreciated by the consumer.

The field in which it is not possible for the Cooperative Movement to meet the growing demand of the consumer for advice on quality buying is at the present receiving much attention in the public debate about consumer education. This is the type of commodity assessment which is based upon comparison and publication of prices and measurable qualities of the various commodities tested. The Cooperative Movement is a business enterprise, and its information and other information-issuing measures cannot therefore compare and make known the prices and qualities of the various cooperative and private products. The law relating to unfair competition makes the publication of every comparison impossible. Even independent mass media such as the daily press, radio and television, are confronted with problems which make such commodity testing difficult. It is still an open question whether objective consumer information, including a recommendation based on price and quality and a suggestion which is "the best buy", is possible even for the State institutions.

However, experience has shown that the Cooperative Movement, as a consumer-owned enterprise, has undoubtedly special qualifications for taking part in general consumer education work.

The aim "to forward the members' economy", as stated in the rules, shall be realised both through business activity and information and educational work, and those specially engaged in the latter have access, through this combination, to a great fund of the practical commodity knowledge invaluable in making it possible to base consumer information on facts. As the campaign "Save by knowledge" illustrates, the Cooperative Movement has a further important advantage in that information can be communicated to the consumer when shopping, i.e. at a time when he or she is most willing to receive guidance.

The Cooperative Movement's programme in the field of consumer education should aim at the following:—

i. to continue its endeavours to provide general consumer education by all the means at its disposal within its own organisation;

ii. to take active measures, together with other popular movements, to influence public opinion in demanding more effective action from the State to improve general consumer education;

iii. to carry on systematic collaboration with State and other bodies and with popular movements and adult educational organisations which are active in the field of general consumer education.

As one of Sweden's largest popular movements it should be a natural and urgent task for the consumer cooperative movement to work for the practical realisation of such a programme.

The duty of the Movement—which is clearly stated in the rules of KF and the societies—to engage in education



work must include general consumer education as a task of prime importance as long as the Cooperative Movement claims to be a popular movement and a consumer self-help organisation.

### **Systematic training of lay officials**

The structural changes now taking place within the Swedish cooperative consumer movement reveal that to create organisational-technical conditions which will permit members' participation is one thing, and that quite another is to ensure that democratic representation in practice—a subject that is just now being investigated within the movement—functions with a hundred per cent efficiency. This is a matter of the greatest urgency. We have also sought to maintain a generally well informed and, from an economic point of view, well orientated group of lay officials. Within every democratic organisation it is of course desirable that economic information reach as many of the members as possible. However, it is of even greater importance that the members' elected representatives are so trained that they really can carry out the function for which they have been given responsibility. It is absolutely necessary that greater efforts be made to achieve a systematic training of our elected officials because of the present tendency towards larger economic units in the field of distribution (both shop and society units).

Management and administrative duties must therefore be placed in the hands of commercial and technical specialists. Up to now within the Cooperative Movement we have in the main been able to appoint executive personnel from the staff who have worked their way up through the Movement.

Recently, special measures have been taken to recruit from outside the Movement specially trained people considered to have the qualifications for carrying out these duties. But the acute shortage of top managers and administrators will necessitate the employment of competent specialists from the private enterprise sector who in some cases, because of shortage of time, must take up their duties without having any basic cooperative knowledge or experience of popular movements. At the same time, the development of larger societies will mean increased economic responsibility for future managers and in order that the organisation shall function with the rapidity and smoothness which efficiency demands, they will have to be given much greater freedom of action.

It will therefore be extremely important for the members' elected representatives to be able, from the consumer and cooperative point of view, carefully to follow and control developments. The elected representatives of the members are also responsible for the choice of the commercial and technical executive staff and for the assessment of their continued suitability for their posts. *The important questions of policy must therefore rest with a body of well trained laymen.* This applies both to investment planning and other elements of cooperative activity which are important for future development. Today, the technical conditions which permit a lay body to carry out its authoritative task are to an increasing extent created partly by means of long-term budget planning of investment and of the financial measures this entails, and partly by endeavours to arrive at a continuous budgeting of personnel etc. For these important tasks to be properly mastered, members' representatives must be systemati-

ally trained in cooperative and general business economics. Otherwise there is the danger of the development of the larger economic unit, resulting in important increased freedom of action for commercial and technical specialists, producing a development identical to what happened in industry and generally known as technocracy.

For these reasons the question of special training for our lay officials assumes new and far greater dimensions than before and is of vital importance if really intelligent and capable lay representatives are to be secured. The question of remuneration must also be considered.

Above all, the evening classes which the Swedish Movement conducts under the name "Vi-skolan" should be systematically extended. With the full support of the societies, the additional training already decided upon by the executive of KF, and which is to be organised for lay representatives in the form of oral courses both at Vår gård and out in the provinces in accordance with the so-called "New Deal", can be realised. (The "New Deal" is a system of training based on a double selection process. Lay officials are first selected to attend the above-mentioned evening classes and the best are then selected to go on to attend the oral course at Vår gård.)

#### **Cooperation over national frontiers**

Several West European cooperative movements are also faced with structural acclimatisation problems similar to those in Sweden. Matters of extreme urgency are vertical integration within the individual cooperative movements, and the integration of cooperative business activity over national boundaries. This has obviously been influenced by the technical and economic changes taking place

simultaneously in the different countries, but in the main it is the result of the changes in international trading policy. On the basis of present policy, the great new markets in Europe create increased conditions for the establishment of international cooperative enterprises and for extended specialisation in connection with a more widely applied division of labour between the various national cooperative enterprises. A continuous and relatively rapid development in this direction is likely. The simultaneous and parallel nature of the developed trends within the various national cooperative organisations, and especially the possibilities offered by the establishment of international cooperative enterprises to combine some of the national cooperative enterprises' functions, make it necessary that in each case the various cooperative central organisations stop confining their activities to their national framework.

Apart from the practical cooperation carried on by Nordisk Andelsförbund (Scandinavian Wholesale Society), very little of practical value has hitherto been achieved in international cooperative business activity, and the practical results of the exchange of technical, commercial, and organisational experience have been rather limited. However, the attitude towards these questions is changing, particularly within the West-European cooperative movements and their central organisations. In my opinion, a very important task for the International Cooperative Allinace is organising the systematic exchange of experience to promote and speed up this trend towards increased cooperative integration over national frontiers. The Cooperative Movement is a long way behind private enterprise in this respect.

Certain measures are being taken

within the Alliance by means of special committees. In the field of wholesale activity, attachment to Nordisk Andelsforbund through Nordisk Andelseksport is paving the way for a West European purchasing agency. In another of the Alliance's special committees, advanced plans exist to establish an effective international cooperative bank. In the long run this can play an important role in promoting cooperative development both in the industrial and in the developing countries. These two examples represent limited but obvious progress. There are promising developments even in the field of cooperative information and education. The whole complex of problems connected with consumer education is now being studied with the aim of organising the exchange of experiences through one of the Alliance's international working groups.

Support for the Cooperative Movement in the developing countries has begun to play an important role in the practical, everyday work of the Alliance and several Western cooperative movements, and this provision of help to self-help is of increasing importance.

In our western welfare states, interest is decreasing in the work of popular movements, and in Sweden measures have long been sought to engage the younger generation to take a more active part.

Against this background, the culmination of the Cooperative Movement's hitherto important national activities—like those of other great popular movements—must be activities which, especially for the younger generation, project attention beyond national frontiers. It is interesting to notice how in Sweden both youth organisations and school children show a somewhat confused but nonetheless very strong and lively willingness to make some contribution to-

wards training etc. for people from the developing countries.

So many spontaneous actions in this direction reveal the importance of stimulating, through our own effective support of the Cooperative Movement in the developing countries, the interest of the younger generation in the Cooperative Movement not only as an economic enterprise but also as an active popular movement.

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## COOPERATIVES SPREAD OVER THE PACIFIC ISLANDS

by R. H. Boyan,

*Cooperative Specialist, South Pacific Commission.*

THIS is a brief attempt to summarise the current situation in cooperative development in these Pacific Islands which are the area of concern of the South Pacific Commission. These stretch from the Mariana, Caroline and Marshall Groups south of the Territory of Papua and New Guinea and east and south-east to the Gilbert and Ellice Group, the British Solomon Islands, New Hebrides, New Caledonia, Fiji, the Cooks, the Samoas and French Polynesia. There are also several smaller groups.

Cooperative development in those Islands has mostly taken place since the Second World War. Prior to that a Cooperative Consumers' Store existed on the small island of Nauru, and a few societies had been started in the Gilbert and Ellice Islands.

The Second World War had a widespread effect on the islands. Fighting took place on many, and others were used as bases and transit camps. The resulting contact with the outside world accelerated a desire for economic and social change and governments and administrations generally saw cooperatives as one medium for assisting both. Despite the vast range of calls on their financial resources, several administrations established small cooperative departments or sections in the early post-war years, and this example has been

followed in succeeding years until, at present, nearly every one of the island groups has a small team of government officers employed full-time on work associated with cooperatives.

### **Social and Economic Background**

The social and economic background of life on the island groups has helped shape the direction of cooperative development. Romantic books and films have tended to associate the Pacific Islands with Paradise; this is a greater or lesser exaggeration.

At the outbreak of the Second World War rural living was predominant. Most of the Pacific Islanders lived at or near subsistence level; cash cropping was not significant. But over the last 18 years income from cash crops has become more and more important. At the same time there has been some urban drift coincident with the growth of trade as cash cropping increased, and some degree of industrialisation resulting from attempts to diversify economies.

A typical village in the Pacific Islands would house 100 to 200 men, women and children, although there are larger ones in parts. Many of these are on small coral atolls with soil which will allow the cultivation of only a limited range of crops. Others are scattered over high mountain ranges and are virtually inaccessible except by air. Picture a vil-



A milestone in cooperative development in the Pacific. The first Technical Meeting on Cooperatives, Port Moresby, 1958

lage at an altitude of 6,000 feet 10 miles in a direct line from the seashore and showered with heavy rain nearly every afternoon of the year; a road is completely uneconomic and it is difficult to find a patch of ground suitable for a light aircraft. What cash crop can the people of that village cultivate to give them a good level of income? Even to connect coastal villages a road is an expensive project both in construction and maintenance and small coastal ships are used extensively. Even so, despite all the problems, extensive roading programmes have been carried out since the end of the Second World War. The number of small airfields has also been increasing rapidly and many sagas could be written of the tasks carried out by intrepid pilots. Another aspect of the transport transformation has been the replacement of the canoe paddle or sail by the outboard motor.

The Pacific "Paradise" has been a hotbed of many diseases—malaria in the western portion and other mosquito-borne diseases there and elsewhere. Framboesia, tropical ulcers, pneumonia, dysentery and others have caused early death and reduced working strength.

Happily, excellent work by medical authorities has changed this picture, and on some of the islands the rate of population growth is among the greatest in the world; but this in turn raises problems of making the best possible use of scarce resources.

The people living on the islands of the Pacific have been classified into three main groups—Melanesian, Micronesian and Polynesian. Many books, articles and theses by anthropologists describe the social structure of each of these groups and the variations which occur and it is difficult to generalise. However, one may say that family ties (in the broad sense) are strong and permeate the whole social and economic structure. Family, clan and tribal obligations are demanding—this strengthens the social structure in many ways but quite often tends to hinder economic development; this is particularly true of the land tenure situation which imposes obstacles against the individual who would like to enter intensively into cash crop production. Efforts at communal cash crop production have met with poor success, but some recent experiments in land development using coop-

rative techniques indicate one valuable solution.

There is a wide variety of soils on the Pacific Islands. The coral atolls have been mentioned. Larger islands, particularly New Guinea have large areas of swamp. Broken mountain country imposes cultivation difficulties in addition to the transport problems already mentioned. The best soils appear to be those of volcanic origin and those of river valleys formed by the heavy erosion resulting from the heavy tropical rainfall. But in many places the volcanic soils are mixed with volcanic rock which restricts the use of agricultural machinery already limited for other physical reasons.

All the island groups we are dealing with are in the tropical zone; this, plus soil conditions, limits the range of suitable crops. The most widespread is copra, although cocoa is beginning to challenge it. Coffee plantings have also increased. Sugar is an important source of income in one territory where it has been possible to use mechanical equipment extensively. Vanilla is exported from one group. Despite many experiments, rice-growing is not extensive. Minerals provide some income. Nickel is the mainstay of one territory and gold is of some importance, but diminishing. Phosphate is exported on a large scale from several small islands. Generally speaking, cattle do not thrive. There is an increasing interest in fish products. In some territories the tourist industry is an important source of income—and growing one.

#### **Role and Benefit of Cooperatives**

Against the background described, it is not easy to achieve economic growth which will provide a standard of living commensurate with modern conditions.

Cooperatives are playing a significant part in the attempt to do so.

From the broad angle, well-managed cooperatives can assist in the best possible use of the scarce resources which the islands have at their command. At present, capital is short and cooperatives have provided a means for the pooling of small amounts of savings, so enabling the villagers to establish a wide range of transport, marketing and wholesaling services which, in some cases, are becoming big business. A growing interest in thrift cooperatives will heighten this significance. In addition, cooperatives have promoted the mobilisation of talents, ability and experience.

From the point of view of the individual, the cooperatives have provided a convenient outlet for whatever products individual producers in the villages are prepared to make available for sale. In addition, they are assured of the best possible price for their produce, subject of course to good management of the cooperatives. These two factors, a convenient outlet and the most reasonable price have acted as a strong encouragement to increased production and therefore to an increase in incomes in the various islands.

Another advantage is that the villager has been provided with a retail store convenient to his home and one at which he can buy at the best possible price through the strict application of cooperative principles.

Getting away from the economic aspects and thinking of social aspects, we find that through cooperatives, the Pacific Islander is obtaining training in commercial and financial management and procedure and also in the practical workings of democratic principles. This, plus the fact that he sees that by cooperative action with his fellow islanders he

can compete successfully in the business world has, in many cases, had a profound effect on the building of self-confidence in his ability to take a rightful place in the modern world despite all the physical difficulties.

### Dual-Purpose Cooperatives

What has been the spread of cooperatives throughout the Pacific Islands?

Before answering this, mention should be made of the importance of government cooperative departments. The range of their activities is different from what is common in developed countries and there is a strong similarity to the role played in Asia, particularly in Ceylon, India and Pakistan and in Africa. This intensive activity of cooperative departments should not be taken as a desire of governments completely to control cooperatives; the key to it is the lack of both basic education and technical education and in the lack of normal audit facilities in the various Pacific Islands. Thus, the staff of the government cooperative departments are primarily teachers and auditors, and the common aim is eventual self-sufficiency for the cooperative movements.

The most common type of cooperative is the dual-purpose society combining marketing and retailing functions. These buy produce from their members—mainly copra but sometimes cocoa or shell or even kava root. The societies then dispose of the pooled produce

using the usual cooperative marketing procedures and meeting usual marketing problems. In some cases the societies may undertake processing functions—a particular instance is the preparation of copra from coconuts bought from members, and interest in cooperative fermenting and drying of cocoa is growing.

The second aspect of the operations of the dual-purpose cooperatives is the running of small consumer stores in villages. Such a store will usually keep one man or woman employed full- or part-time.

The greatest number of dual-purpose societies is in the Territory of Papua and New Guinea where there are over 200. Fiji, according to the Annual Report of the Registrar for 1962, had 41 registered and an additional probationary 51 dual-purpose societies. In the Gilbert and Ellice Islands there were 34 on the 31st March, 1962 and, at the end of 1962, 44 in the British Solomon Islands Protectorate. Recent moves along these lines have been made in the New Hebrides and in the U.S. Trust Territory of the Pacific Islands and substantial developments are likely. Between 1954 and 1958 there was a steady growth in Western Samoa, but after that several factors intervened to cause a decline in the movement.

Quoting of the number of societies may be misleading and can best be supplemented by the following figures of turnover for those particular societies:—

	<i>Year</i>	<i>Marketing</i>	<i>Retailing</i>
Papua and New Guinea	1961/62	£A.438,806	£A.675,071
Fiji . . . . .	1962	£F.174,188	£F.159,380
Gilbert and Ellice Islands	1961/62	£A.187,093	£A.260,454
British Solomons . . . . .	1962	£A. 26,130	£A. 32,870

### Credit-type Cooperatives

It is significant that the term "dual-purpose" and not "multi-purpose" has been used. This emphasises that the societies mentioned do not have the granting of loans as an object. A few provide savings facilities. Members of the dual-purpose societies operate without production credit. They are able to do this partly because they have subsistence crops available for all or nearly all the year and partly because copra is not a seasonal crop because coconut palms produce all the year. This gives the Pacific Islander a large degree of independence and compensates for some of the disadvantages that have been mentioned. Nevertheless, there is a growing interest in credit type cooperatives; there are several reasons for this which operate with varying strength, from area to area; they are:

1. The adoption of new methods where possible and the opening up of new land requires capital which cannot be accumulated by normal saving.
2. A tendency towards the cultivation of one seasonal or semi-seasonal crop instead of one which can be harvested the year round.
3. A growing desire to mobilise small savings and use them for projects requiring relatively large amounts of capital. An example is the construction of

cooperative cocoa fermentaries and driers.

4. A desire to provide education in financial matters in a practical manner.
5. There are some areas where a high degree of dependence on seasonal crops e.g., sugar and coffee has existed for some time.
6. Some demand for consumption credit mainly to meet social commitments.

Credit Unions have been in operation in Fiji since 1954 and the existence of 274 was reported in 1962. These credit unions operate under legislation and by-laws which are very similar to those existing in the United States of America. Two credit societies of unlimited liability have been operating in Fiji for several years under the Cooperative Societies Ordinance and credit societies of limited liability are now being formed for registration under that same Ordinance. The latter draw their membership mainly from Indian farmers and the main aim is the granting of loans for productive purposes whereas the credit unions grant a considerable amount of consumption credit.

The sponsors of credit unions in Fiji extended their activities to Western Samoa and Tonga. There has also been some credit union development on the island of Guam and 1962 figures for these three places given in the International Credit Union Yearbook are:—

	<i>Number of Credit Unions</i>	<i>Number of Members</i>	<i>Shares and Deposits</i>
Western Samoa . . . . .	17	3,091	US \$ 94,732
Tonga (end of 1960 . . . . .)	1	250	US \$ 1,682
Guam . . . . .	6	2,099*	US \$ 323,446*

\* Figures for 3 unions only.



Credit unions are also being developed in the U.S. Trust Territory of the Pacific Islands particularly in the Palau District, where, at the end of 1962, there were 9 credit unions with 396 members who held nearly 23,000 dollars in shares.

Cooperative credit societies hold particular significance in the Cook Islands because they were made the foundation of all cooperative effort. Prior to 1955 some unsuccessful attempts had been made to operate cooperatives. In that year a Registrar with extensive experience was appointed. He started by making a survey which clearly indicated that the first essentials were to inculcate habits of saving, to obtain capital and to establish self-confidence amongst the people of the Cooks. A start was made with saving; as funds and experience accumulated lending was added; marketing was next followed by minor retailing activities. Latest statistics indicate the existence of 26 thrift and credit societies with total deposits of £NZ 32,000. As at the end of March 1961 there was a total of 67 cooperative organisations in operation covering such activities as village saving, island development saving, marketing, village building, school savings and shipping. There was also a Cooperative Bank, the transactions of which exceeded £200,000 for the year.

Interest in the development of cooperative credit societies in the Territory of Papua and New Guinea culminated in the passing of a special Ordinance and the setting up of a separate registry in 1962. By June 1963 4 societies had been registered with a membership of 209 and total funds of £3,128. In addition there were in existence 52 probationary Savings Clubs with total funds of £9,137. These Saving Clubs will be registered if they prove their viability.

In the British Solomon Islands at a meeting-cum-discussion group held in March 1963 a decision was made to start cooperative saving and investment societies in the Western District. Informal reports indicate that good progress is being made.

To complete the picture of credit cooperative activities, mention should be made of two projected societies—one in the New Hebrides and one on the small island of Niue.

### **Consumer Cooperatives**

In addition to the provision of consumer facilities in conjunction with marketing there are some pure consumer societies. These are usually started in urban areas, as well as, amongst the employees in the gold-mines at Vatakoula in Fiji. The 1962 Annual Report of the Registrar for Fiji shows that there are 39 registered consumer societies and an additional 14 probationary ones.

Mention has been made of the Nauru Cooperative Society which appears to be the oldest in the area with which we are dealing, although it deviates somewhat from strict cooperative practice.

### **Fishermen's Cooperatives**

Interest in fishermen's cooperatives has not been widespread but there are two in the Caroline Islands, one in New Caledonia and one in the British Solomons. All have marketing functions and, in addition, provide a variety of services for members.

### **School Cooperatives**

School cooperatives have proved most popular in the Cook Islands, where there are 18 schools savings societies. These are regarded as a valuable means

training the future adults in thrift and cooperative methods.

One school store is to be found in the Caroline Islands and one at a girls' school in the British Solomons. Another school store in the Solomons is at present inactive.

In French-administered territories there are school cooperatives which are used to provide training in varied activities and also to provide additional amenities in the schools.

### Land Use

The stimulus given by the dual-purpose cooperatives to increased production by individuals has been mentioned. In addition, there is an increasing interest in the use of cooperative organisation to make better use of natural resources in circumstances where one individual, even with the aid of marketing and supply societies, cannot act alone.

An example is cooperative landholding societies with grazing of cattle as the principal object. Publicity is being given to three such societies which have operated successfully in Fiji.

Also in Fiji is a new society formed by Indian farmers to purchase, with the aid of a substantial government loan, a grazing property which they have divided into individual blocks for farming purposes. Members will collaborate in their farming programmes to facilitate marketing which will be done cooperatively. The successful launching of this society has generated interest in following the example.

### Housing

In the field of housing a little has been done in the Cook Islands and in the Ponape District of the Caroline Islands where a church-inspired scheme



Half-coconuts drying before processing by the Atiu Cooperative Marketing Society in the Cook Islands

Part of the 600-acre grazing lease of the Votua Levu Farmers' Cooperative Society in Fiji



has achieved admirable results. However, the immense potentialities of this type of society have so far been neglected.

#### **Other primary societies**

It has been shown that the main type of cooperative in Micronesia, Melanesia and Polynesia is the dual-purpose society providing marketing facilities and operating a retail store. Interest in the varieties of credit-type cooperatives was originally limited to Fiji and the Cook Islands but in recent years the value of this type has secured increasing recognition and rapid development may be expected over the next few years.

The smaller number of societies of the pure consumer, fishing, school, land use and housing type have been mentioned. To round off the picture of primary cooperative activities the following should be mentioned.

First some societies in New Caledonia engaged in marketing and the supply of agricultural requirements. Second a large, old-established dairying cooperative in Fiji which was registered under the Companies Ordinance before there was special legal provision for cooperatives. Third, a special cooperative established in Fiji to operate a small technical school. Fourth, a weavers' cooperative established on Niue to export handicrafts. Fifth, a large sawmilling project in Papua-New Guinea.

#### **Secondary Societies**

Secondary cooperative organisations have not proved successful always in the Pacific. However, this form of organisation has been used extensively and successfully in Papua-New Guinea and the example has been followed with benefit in the British Solomons.

In Papua-New Guinea primary socie-

ties are linked into district or sub-district associations which undertake transportation, marketing, wholesaling and limited banking functions for member societies. Some of the Associations have joined together to form a tertiary organisation which imports for the members and also operates some transportation services which are best handled at the inter-district level.

In the Gilbert and Ellice Islands, the Colony Wholesale Society is an essential complement to the primary cooperative organisations. In the past this has not been a true secondary cooperative body, but recently it was decided to issue non-transferable shares in the Colony Wholesale Society to the primary cooperative organisations as a step towards a change in the status of the former.

#### **Problems and solutions**

What has been said justifies the title "Cooperatives spread over the Pacific Islands". This has not been a smooth process. Many problems have arisen and the overcoming of them has been essential for a continuance of the spread. Some solutions have been found but many obstacles still face the enthusiasts. Many are typical of those which hinder cooperative growth everywhere; others arise out of local conditions and are by no means common to all the islands. Some indication of the main problems and some of the remedies which are being applied are outlined hereunder.

One of the main problems has been a demand for credit for retail purposes. This looms larger in the Polynesian area and its roots are social rather than a reflection of poverty. However, in other areas a gradual drift away from subsistence and a growing tendency to live beyond one's means causes sporadic outbreaks. The encouragement of credit-

type cooperatives from which a loan can be obtained when circumstances render it necessary is foreseen as one remedying factor. More attention to member education is another.

In Fiji the giving of credit for consumer goods is contrary to by-laws, but infringement frequently occurs. A partly ineffective deterrent has been the practice of the Registrar of refusing to approve distribution of surpluses until an amount equal to the total of irregular credit advanced has been set aside therefrom as a reserve for bad debts.

In Western Samoa irregular credit is the cause of the collapse of many societies and indicates that where this is a substantial danger it would be better to adhere to single-purpose societies so that the collapse of the retail operations would not affect the marketing side.

Another severe problem has been the lack of basic education and training amongst cooperative members, and amongst those available to give initial guidance to societies as government officers. This problem has been tackled with energy, although the resources available have admittedly been concentrated on the thorough training of government staff and of those responsible for management, accounting and secretarial duties. Training assumes many forms. In the Territory of Papua and New Guinea a permanent Cooperative Education Centre was set up with funds from cooperative organisations assisted by a grant from the Commonwealth Bank of Australia. In addition, government officers learn much in the field by working under more senior officers and the training received by office-bearers and employees of societies at the Centre is supplemented by regular visits from government officers who indicate mistakes and deficiencies in their

day-by-day work. These same methods are used in other territories except that there is no permanent training centre. One indication of the efficacy of the cooperative training programme is that many of the emerging political leaders have gained their knowledge of finance and administration in the cooperative movement.

Although member education has been mostly confined to explanations etc. at general meetings (except in the Cook Islands where members have been encouraged to meet regularly to study cooperation) there is a growing realisation of the importance of thorough member education and attempts to discover how this can be achieved with limited resources. There are hopes of an early introduction of the study group technique.

The difficulties imposed by the isolation of many of the villages have been highlighted in the opening paragraphs. The outstanding factor in overcoming these problems in the Territory of Papua and New Guinea and, to a more limited extent, in the British Solomons, has been the formation of the district associations to provide transport and other services. However, this solution implies the availability for some time of the services of a competent, experienced expatriate officer to carry out management functions and gradually train the local employees to take over. In the Gilbert and Ellice Islands the importance of the Colony Wholesale Society, managed by expatriate officers, has been mentioned.

The maintenance of an adequate staff of government officers to give guidance to the developing cooperatives is a fairly common problem. Because of the lack of basic education and training, frequent visits have been found necessary. This



Students from Fiji and Papua and New Guinea meet H.E. the Governor of Fiji at the Regional Cooperative Training Centre held at Suva in 1962



Agnes Muller of Kuria Island proudly shows £A35, earned in 3 weeks from the copra Cooperative



A lecture given by Mr. R. C. Gates at the Cooperative Training Centre

A Study Group visits the Headquarters of the Federation of Native Associations in Port Moresby, which acts as importer and provides transport for villages cooperatives



means a large government staff, which in turn means substantial government funds for cooperative departments. Even here those funds are made available to the recruitment of suitable staff, both expatriate and local, is not always easy. The work of a government cooperative officer is arduous, often poorly-paid relative to other government jobs, and often frustrating. There are many competing demands for the services of local well-trained people, particularly one who has proved himself as a highly competent cooperative officer.

What has been said about government officers also applies to the employees of cooperative organisations. A manager or book-keeper who gets a reputation for competence soon has offers from non-cooperative organisations or even from government, and on most occasions these are so attractive it is difficult for him to resist. So it is that graduates of cooperative courses are to be found scattered right through the business world in the Pacific islands.

Some of the strain of supervision has been taken off the backs of government

staff in Fiji following the establishment of an Audit and Supervision Fund. This is financed by societies, some of them probationary, and administered by the Registrar; partly-trained men employed under the Fund maintain regular audit and supervision in a circumscribed area allotted to them. Some of these have not measured up to their responsibilities, but on the whole the scheme has been successful.

The difficulties imposed by social factors, together with some of the attempts at reducing their effect, have been recorded at various points. Relevant to this point is the following extract from the 1962 Report of the Registrar for Fiji:

"In practice, it is unfortunate that social forces, particularly the mutual distrust that appears to exist between family groups living in the same village, tends to force primary societies to form ever smaller units, decreasing turnover without any corresponding decrease in overheads until the member obtains little or no practical advantage from his society. Very consi-

derable basic economic education is still required to convince islanders of the advantages of combining in economically viable units for their mutual benefit despite the pressure of social forces”.

The long road ahead is also indicated in the following extract from the 1962 Report of the Registrar for the British Solomons:

“Lack of loyalty to their societies among members led to the easy diversion of their patronage by private traders and consequent loss of business to the societies. Mismanagement, disregard of advice, petty dissention among members and dishonesty have also played their part in the reverses suffered by the societies”.

In Fiji an attempt has been made to encourage efficient operation by postponing the grant of registration until a society has proved viable. In 1962 legislation gave approval to this practice by providing legal recognition for probationary societies. It is interesting to note that this practical approach was recommended by the well-known expert, Mr. R. K. Harper, in an article entitled “The Promotion and Extension of Cooperation in newly-independent Nations” in the 1963 Yearbook of Agricultural Cooperation.

A last difficulty that should be mentioned is that of competition. In most cases cooperatives have been started in the Pacific because of a feeling by producers or consumers that they are being exploited. In some cases this has been based on ignorance of the costs involved in distribution—there has been a felt need which has not had a sound basis. When the substantial price advantage has not been forthcoming, disinterest in

maintenance of the cooperative has caused a collapse. In other cases, the belief in exploitation has been justified. In these cases difficulties have often arisen because the former exploiters have had to change their price policies so as to earn only a reasonable margin; this has reduced the economic *raison d'être* of the cooperative and led to disloyalty, particularly where the change in price policy has been reinforced by the competitor introducing new services, granting credit for consumer goods, or accepting poor quality produce. The most significant remedy seems to be increased education both for potential members and existing members.

#### **The South Pacific Commission**

This survey of cooperative activities in Micronesia, Melanesia and Polynesia is not complete without some mention of the work in that sphere of the South Pacific Commission.

The Commission is a regional organisation set up in 1947 as an advisory and consultative body in health, economic and social development matters relating to the Pacific Islands stretching from the Marianas group south-eastwards to French Polynesia. Since its inception it has had a continuing programme assisting the development of cooperatives throughout the region, and since 1955 has employed a specialist cooperatives officer. The duties of that officer include advising on the implementation, extension and evaluation of cooperative programmes, the maintaining of a clearing-house on cooperative information and developments, the preparation of simple manuals, building up of a specialist library on cooperation, associated with the issue of catalogues and accession lists, the organising of technical meetings, and assistance with training

lucation. The latter aspect of the has involved an increasing proportion of the specialist's work in recent years. Training and education has assumed many forms. Assistance has been given with territorial training courses. The preparation of simple manuals has been devoted mostly to this aspect and the result is a guide intended for use in all circles. Overseas training for local territories is becoming more and more of a necessity and territories are kept informed of opportunities. Unfortunately, limited department budgets will not stretch to the provision of overseas training, nor will the Committee's budget, so territories are also informed of any fellowships, scholarships, etc., which will help finance

an advanced regional course for local territories with the assistance (financial and technical) of FAO was held in 1962. It had some excellent results and the results for others is apparent. Whether it will be financially possible in the future is not yet clear.

Publicity for

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In due course it is hoped that the cooperative organisations in the Pacific Islands will be able completely to finance cooperative education and training themselves. But progress to that stage involves solving some of the problems which have been outlined, and this in turn is partly dependent on improved education and training. There appears to be a vicious circle, but, fortunately, it is not quite complete so, though progress may be slow, there is little doubt it will take place.

### **Some I.C.A. Publications**

*International Cooperation.* Reports on the Cooperative Movements in 38 countries between 1949-57. In English. Price £1.15.

*Cooperation for Fishermen.* A study of Fishing Cooperatives, published in conjunction with FAO. By Margaret Digby. In English, French and Spanish. Price 5sh. 75 US cents.

*The Place of Cooperation in the World Economy,* by Thorsten Bødø. Price 4sh. 6.

*Directory of the World Cooperatives Press.* 7th edition published in 1963. Price 5sh.

*Cooperative News Service; Agricultural Cooperative Bulletin* (both monthly in English). 10sh. a year each.

*Consumer Affairs Bulletin.* Six numbers a year in English and French, 15sh. a year.

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London, W.1.



## COMMENTARY

### **A cooperative merger**

A merger of the C.W.S., S.C.W.S. and Co-operative Union is recommended to the 1964 British Congress in the final report of a negotiating committee which was established in 1962. If approval in principle is given by Congress, authority will be sought from the shareholders of both Wholesale Societies to carry forward detailed negotiations leading to the necessary legal decisions required to establish a single society. The method chosen will be determined after a study of taxation questions.

The outline constitution suggested is for an elected part-time general board of about 40 persons, one third of whom are to be retail society officials. Elections will be national, but nomination is on a regional basis related to trade. The general board will supervise an appointed management executive of about 20 members who will control the business on a day to day basis. Provision is made for fulltime directors of the C.W.S. and S.C.W.S. at the date of merger either to retire (if over 60), opt for a management executive post, or become non-voting members of the general board. No further elections will be held for the C.W.S. board until 1965 at least.

A feature of the proposals is that the new constitution will emphasise the interdependence of the national federation and member societies, so that the federation will purchase the major requirements of societies on a contractual basis. This is to obviate the fragmentation of buying power. A guarantee is suggested for Scotland, the effect of which will be to maintain the level of employment in productive units there to at least the same percentage as applies at the date of the merger.

The three societies have existed separately for nearly 100 years, although the C.W.S. and S.C.W.S. have been represented on the various committees of the Co-operative Union. An annual Congress will be held as at present, preceded by a private business conference of retail societies to consider financial results. Half-yearly meetings will also be held on a regional basis. Most of the other committees which operate under Co-operative Union

## **Definition of dividend**

auspices will continue with representatives of the general board serving on all of them. The annual sales of the new society will be around £580 millions.

The payment of dividend has been defined in a recent judgement by the highest German law court on 10th October, 1963, as resulting from the "furtherance of members' aims". This judgement will be of far-reaching importance to the German consumers' cooperative movement and is certainly of interest also to the world-wide cooperative movements.

In the German Court's considered judgement, the dividend paid to members of cooperative societies is neither a distribution of profits nor a price reduction. The court came to the conclusion that the dividend has its origin and roots in the very existence of cooperatives, which have in law and in their constitution the object of the furtherance of their members' interests. The very first paragraph of the German cooperative law of 1st May, 1888, embodies this point: "Societies of non-limited members . . . aim for the promotion of profit in the economy of their members by means of the common management of the business . . . (Cooperation)". This point on the dividend question has also been stressed in the writings of Professor Westermann and others, making it clear that members have in law a right to receive a dividend, an opinion which has certainly now been confirmed by the German High Court.

The private trading sector has at all times attacked the dividend as a major instrument of unfair competition in the hands of the Cooperative Movement. Again and again it has been made clear to them and others that the dividend, whilst not under such a name, is written into the cooperative law and is certainly a time-honoured cooperative custom and was created by the members of cooperative societies which were granted autonomy by the state to run their society for the benefit of its members. In a most interesting leading article in the "*Blätter für Genossenschaftswesen*" of 25th January, 1964, Dr. Franz Bieling gives a clear and concise account of the events leading to the German High Court's decision and the points arising from it.

In this article, Dr. Bieling shows clearly that the dividend is in no way an addition to members' income, but is a definite saving achieved by the members of a cooperative, acting within the framework of their cooper-

ative constitution, manufacturing, buying, and selling in a cooperative way, with the object of furthering their members' interests.

This interesting judgement of the German High Court will have a great number of repercussions in years to come. It is established now that the dividend arises out of the furtherance of the cooperative's obligations to its members and we know that the furthering of members' interests rests in the hands of the societies' members and managers. Should it not also be in their hands to approve, at the end of each business year, the percentages of the dividend to be paid to its members? Moreover, this dividend would not be liable to taxation in any way. It is in these observations, which are not confined to Germany, that the global wide cooperative undertakings can find a small still light shining into the great darkness of the cooperative taxation question that hangs over so many cooperators in all lands.

### **Study of the problems of world food surpluses**

A Joint Working Party, set up by the International Co-operative Alliance and the International Federation of Agricultural Producers, with the collaboration and participation of the International Confederation of Free Trade Unions, to study the problems of world food surpluses, held its first meeting in Stockholm on 27th February, 1964.

This was only a preliminary meeting to consider the Working Party's programme of work and the timing of its recommendations to the three participating organisations, but it was also a historic occasion, since it was the first time that these three important international non-governmental organisations have worked so closely together in an endeavour to find a common constructive approach to such a vital and complex issue as a policy for world food surplus.

The I.C.A. was represented at the Stockholm meeting by its President, Dr. Mauritz Bonow, and its Director, Mr. W. G. Alexander; the I.F.A.P. by Professor K. F. Svärdröm, Mr. P. Grabö and Dr. R. Hewlett; and the I.C.F.T.U. by Dr. C. E. Odhner and Mr. Hauser.

### **Development of arts and crafts through cooperation**

There has been some news lately of the Fort-de-France Caribbean Arts and Crafts Centre. It is interesting to know that cooperatives are playing an important part in the development of this Martinique Centre, which was

started in 1959 by the French Overseas Technical and Social Welfare Agency.

This Centre aims at encouraging the production of attractive handicrafts which reflect the artistic heritage of the Martiniquan people, and at the same time increasing the income and thereby raising the standard of living of the craftsmen and their families. At the outset the Technical and Social Welfare Agency provided the Centre with a technical assistant—a specialist in arts and crafts. He searched the island for local themes and made designs for wall hangings and wood sculptures, making contact all the time with indigenous artisans. By now 120 of them are employed in supplying the orders received by the Centre for high quality goods. The artisans themselves are organised in small cooperatives according to their skills and crafts: the Jewellers' Cooperative, the Basket Weavers' Cooperative, the Balister Cooperative (specialising in needlework and wall hangings), the Doll Producing Cooperative, and one specialising in wood carving, and a multi-purpose cooperative. Many independent artisans, wood carvers, and ceramic artists participate in the activities of the Centre and are associated with the cooperatives. The Board of Directors consists of a representative of each cooperative, of independent artisan representatives, the government, and the Tourist Board of Martinique. A number of local showrooms have recently been opened: at the Lamentine airport, in some hotels in Fort-de-France, St. Pierre, St. Anne, and elsewhere. Modern sales arrangements and promotion techniques are used and arrangements have been worked out for export to the United States, Canada, and France, especially with firms interested in West Indian arts and crafts.

**'What do you  
know?'**

"What do you know?" is the name of a quiz game very popular in the Anglo-Saxon world. I was trying this the other day in relation to a knowledge test of the history of the German Cooperative Movement, with such questions as: Do you know the date of the foundation of the Credit Association in Delitzsch and Eilenberg by Schulze-Delitzsch and Dr. Bernhardt? I could never have answered this and other important data had it not been for an excellent publication on foundation dates of German cooperatives. For anyone interested in the German Cooperative Movement there will never be any excuse now for not knowing one's dates.

Designed by Professor Dr. Reinhold Henzler and worked out in the Institute for Cooperation at the University of Hamburg, the "*Genossenschaftliche Zeittafel*" appeared in 1963. This should be studied in every cooperative university institute and is indeed something that could be prepared by every national cooperative movement. The outcome of such effort could be a chart on the development of international Cooperation which would be useful not only to the cooperative historian, but to every cooperator studying the idea of cooperation as applied nationally and internationally. The Institute in Hamburg is to be congratulated on its work. The publisher of the "*Genossenschaftliche Zeittafel*" is the Hammonia-Verlag GmbH, Hamburg.

### **Light in a shanty town**

It is a good number of years since I last stood outside a Shanty town in South Africa and to this day I still remember my impatience and anger. This experience was recalled the other day when I read a very moving article by Dick Owens called "Peru's Shanty Town People See Hope".

Dick Owens is a cooperator sponsored by the world wide cooperative partners' programme of the Cooperative League of the USA, who goes around the world teaching people how they can help themselves by embracing Cooperation. His description of Peru as "the beggar seated on the bench of gold" is as true today as when it was written fifty years ago by Raymondi who explored Peru at that time. The only difference in 1964 is that the "seated beggar" has now become aware of the wealth on which he has lain dormant for so many years, and is beginning to take action to benefit from some of the gold. Peru's labourers are beginning to speak up. A great number of them are still living like the former serfs of feudal Europe in the farm areas of the Andes. Their lives are a drudgery, from tending the farmer's chickens at the age of six, labouring and finally dying on the farm where they were born. Today, many of them are leaving the miserable life on the *hacienda* for the nearest town, seeking a better job, or drifting to the coast in the footsteps of thousands before them, seeking out the industrial and fishing centres of the country. The new arrival tries to solve his housing problem by joining a group of other men waiting to occupy a barren hillside outside the capital and there set up a new shanty town. Such shanty towns or *barriadas* surround Peru's capital, Lima, and

are known as "the belt of misery". It is those men in the *barriadas* who have asked for technical assistance in forming cooperatives, and the Cooperative League of the USA has responded by sending Dick Owens to investigate. Mr. Owens was able to suggest to them to build a school and then he engaged a teacher through the government. This is true Cooperation on a community level. It can truly be said that a ray of light has shone on the *barriadas* and through Cooperation the inhabitants will rise to human dignity.

### **Only 13 years old**

We in the West are very proud of our decades of cooperative endeavour and very rarely celebrate an anniversary unless it is one of ten decades, but in other lands thirteen years are quite a slice of life in the existence of a well founded cooperative movement, and I would like to mention the thirteenth anniversary of the Cooperative Administration Office of the Philippines. The thirteenth anniversary of CAO is significant in that it marks the year when, with the establishment of various types of primary societies, the Movement became a Movement. It also marks the service of a great cooperator who is its present Director, Mr. Montemayor.

The history of the Cooperative Administration Office can best be written against the background of the trials and tribulations of the Cooperative Movement in the Philippines. In 1950 the CAO was created under the supervision of the Department of Commerce and Industry, and started to function in building up cooperatives, both agricultural and non-agricultural. In the years 1959-60, CAO succeeded in establishing the Philippine National Cooperative Bank which now operates as a financing institution for the cooperatives. The measure of success of Cooperation in the Philippines can be attributed largely to closer supervision and to continuous cooperative education by means of regional cooperative seminars, lectures, and conferences, and in service training of field officers, and not least in the distribution of cooperative literature.

### **60 Years of the Finnish CWS—SOK**

The oldest branch of the Finnish Cooperative Movement—SOK—celebrates its 60th Anniversary this year. It was established in 1904 as a purely advisory and educational organisation to help its affiliated societies. The following year its activities were extended to include wholesaling, and in 1914 productive organisations were

## **60 Years in cooperative publicity**

started. In the first ten years the number of member societies rose from 155 to 413 and their individual membership increased more than four times. Today, the wholesale and productive business is one of the most important elements in the Finnish national economy, with a total turnover of Fmk. 888 million and production valued at Fmk. 216 million.

Two eminent and important cooperative publications, "*Der Verbraucher — Konsumgenossenschaftliche Rundschau*", organ of the German Consumer Cooperative Organisation, and "*Die Genossenschaft*", central organ of the Austrian Central Raiffeisen Organisation, are celebrating sixty years of publication.

The great Heinrich Kaufmann, whose hundredth birthday is also celebrated this year, wrote the leading article for the first number of the "*Verbraucher*". The "*Verbraucher*" followed in the steps of the "*Wochen-Bericht der Grosseinkaufs Gesellschaft deutscher Konsumvereine*", which was its vehicle of publication from its inception. For decades and decades the "*Verbraucher*" voiced the consumer's point of view until the end of 1940 when war stopped the paper. Under military government at the end of world war II, the "*Verbraucher*" was revived and helped to build up the new cooperative life in the new Germany. Now as ever before, the paper defends the interests of the consumer and fights for the small man and cooperator. Congratulations to the "*Verbraucher*" and many many happy returns.

"*Die Genossenschaft*" is celebrating its sixty years as the voice of cooperative agricultural aspirations in Austria. The work of Raiffeisen would never have succeeded so well if the excellent paper had not existed to propagate the aims of this great European. A cooperative organisation is strong only so long as its members feel that they belong, and it is to that end that "*Die Genossenschaft*" has worked so successfully over six decades. The printed word is still the most powerful arm and still reaches every member of the cooperator's family. Its influence can make or unmake an organisation. Today it is everyone's duty—and especially the cooperators' duty—to understand the world he lives in, and mankind must open its mind to include new ideas on world events. To cooperators this is essential as representatives of an idea which helps to better the economic system, and it is especially in this sphere that "*Die Genossenschaft*" has

been a window out on to the world. Throughout the dark and the better years may this window always be kept open.

**Cooperative Trade  
Directory for South  
East Asia"**

The ICA Regional Office and Education Centre in New Delhi, India, has produced a most useful South East Asian Directory of cooperative trading organisations for that area. This was produced in response to enquiries about possible sources of imports or outlets for exports of commodities handled by cooperative organisations in that region. The Directory indicates against the names of the various cooperative organisations, the commodities, and number of specifications which they are interested in importing or exporting. It is hoped that cooperative organisations will write on the basis of information contained in this Directory to any other cooperative trading organisation which may possibly meet their requirements. The Regional Office at 6 Canning Road, New Delhi 1, will be very happy to render any assistance and to answer any further queries on that subject. We understand that copies of the Directory will be circulated as widely as possible to Western Cooperative organisations in due course.

J. H. O.

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## A VITAL ROLE FOR HOUSING COOPERATIVES IN ARGENTINA

by Dr. Alicia K. de Drimer

*Dr. Alicia K. de Drimer is an authority on cooperative housing. Her book, Cooperativas de Vivienda (Cooperative Housing) was published in Buenos Aires in 1961, and some of the viewpoints in it are again expressed in this article. She has also been entrusted by the University Extension Department, Buenos Aires, with the task of drawing up, in collaboration with members of the Department, a plan for the adaptation of the uso-habitación system (dwelling rights, without actual ownership, which can be handed down from father to son; similar to the life tenure system employed in Sweden, Switzerland and Norway) to the particular environment and cultural conditions of the population sector chosen for this type of housing.*  
Editor.

TO understand the role that is being played, and can be played by housing cooperatives in our country, it is necessary to view them in relation to the general housing problem, which has recently become very grave. We are faced with a housing deficit of a million and a half dwellings and an estimated population growth of 400,000 citizens a year; and yet, despite many attempts, there is still no firmly established national housing plan.

Factors such as inflation and an average wage level that does not take into account higher rents and building costs, make it less and less possible for the mass of the people to save enough for an adequate dwelling of their own. The position has been further aggravated by a difficult financial and economic situation which has forced the Government to restrict the granting of loans for the promotion of popular housing.

However, the practical possibilities of fulfilling the latest official plans, with the Argentine National Mortgage Bank and the recently formed Federal Housing Administration as the main agencies, have been strengthened by the recent assignment of special funds from the Inter-American Development Bank, and the immediate granting of loans in connection with the Alliance for Progress programme.

Within this general pattern, and making use of limited financial help from public institutions or doing without it altogether, the housing cooperatives have been carrying out tasks in a firm, practical, and in many cases, really admirable way considering their scanty resources.

When the Argentine Republic was born in 1810, the prevailing European character of its population was accentuated by a large European migratory stream. Many of these immigrants



“El Hogar Obrero” Cooperative flats. An enclosed garden provides a safe playground for children

Cooperative supermarket attached to a block of flats in the Villa del Parque district of Buenos Aires



brought cooperative ideas from their native countries, with the result that, before the end of the century, the first cooperative societies, created on the European pattern, were established in both rural and urban areas in various parts of the Republic.

To-day, the Argentine Cooperative Movement can be considered the most developed in the Latin American countries, embracing over 3,000 cooperative societies with an overall membership of nearly 2½ million in a total population of some 20 million people.

The Movement has grown freely and, with few exceptions, it has adhered strictly to Rochdale principles, while State intervention has been very limited. It has come to embrace economic activities of all kinds—agrarian, consumer, electrical, credit, insurance and supply cooperatives, and in recent years the workers' cooperatives, which are especially worthy of mention.

Though housing cooperatives are not yet to be found among the more developed societies in the country, yet several things emphasise their present importance and presage a big development in the future. There are, firstly, fine achievements in the form of one-family houses and great collective blocks, by solidly established cooperatives, some of which have been operating continuously since the beginning of the present century. Secondly, the terrible housing shortage has given rise to numerous cooperative undertakings that will undoubtedly soon bear fruit. At last, their future is assured by a general policy of encouraging housing cooperatives as one of the more effective ways of solving the housing problem of the lower income groups.

It is recognised, on the one hand, that such "social" housing can only be spread by special help, particularly through

loans granted on very favourable terms by national, provincial, or communal government, or by international organisations and financial institutions. On the other hand, it is admitted that housing cooperatives, among other non-profit associations, constitute one of the better ways of adequately channelling the distribution of these credits. They help to get a maximum result with the available resources, and to prevent the speculative manipulations that frequently handicap or even ruin the best intentioned plans.

### **Pattern of Development**

To get a positive view of the situation, let us begin by considering the general characteristics of housing cooperatives in Argentina. From the legal viewpoint, there are as yet no special laws and regulations exclusively for housing cooperatives. They, like all cooperatives, come under the provisions of the 1926 law which, even to day, is considered by many to be a model of its kind.

Repeated attempts have been made to organise unions or federations of housing cooperatives, but such an association embracing the whole country and comparable to the national, well established agrarian, consumer, electrical, credit, insurance and workers' cooperatives, does not yet exist. However, mention should be made of the Federation of Housing, Consumers' and Credit Cooperatives Ltd, (*Federación de Cooperativas de Vivienda, Crédito y Consumo Ltda.*) which has been in operation for several years; and of a proposed Union to be formed by groups of societies which have already completed their construction of cooperative housing units.

Housing cooperatives in Argentina have a variety of functions. Besides those

societies which are building or acquiring houses for allocation to their members, here are cooperatives organised by professional builders, technicians and workmen in order to get a steady and fair source of employment; and lastly, those societies which grant their members credit so that they themselves can help to solve their housing problem.

### **The Various Types**

At this point, I shall follow the ideas expressed in my book *Housing Cooperatives*, to show the need for clearly differentiating each of these activities which, though all closely related with housing, present individually their own particular features.

Cooperatives of the first type—those providing dwellings for their members—show the essential characteristics of consumers' cooperatives. The second kind are typical of productive or working cooperatives; and the third type undoubtedly show the characteristics of credit cooperatives, although their loans are granted specifically for housing purposes.

A great number of cooperative societies apply the horizontal property system, granting their members individual ownership of one-family houses or flats. The term "horizontal property" is usually employed in Argentina to imply a system of individual ownership applied to collective buildings, with each person the sole proprietor of his apartment, and all persons being co-owners of the land and with some amenities used in common. The *El Hogar Obrero* Society follows this system in the thousand apartments now being built in Villa del Parque. Other cooperatives employ the letting system for their premises, and here are some which allot their dwelling units on a mortgage basis in order to

provide a new service for their members and to ensure a safe and reasonable income.

### **Usufruct System**

The rental system was originally employed by *El Hogar Obrero* in most of its apartment blocks, but was later replaced in many cases by the usufruct system which, on general lines, may be compared with the life tenure or dwelling right system applied by the Scandinavian housing cooperatives, and the letting methods employed by some of the French H.L.M. (low cost housing) cooperatives.

The fundamental aim of this system is to prevent speculative operations and ensure a strict application of the Rochdale principles. The society is the permanent owner of the property, giving its members the right to enjoy their dwellings indefinitely, and eventually to transmit their tenancy to their heirs, provided they comply with the statutory obligations.

The usufruct system was first introduced into Argentina in 1948 by the housing cooperative "V.A.Y.A." (I live, I acquire, and I save) and was based on an adaptation of the Swedish system of tenants' savings and building societies. Besides a magnificent 18 storey block of completed flats in Buenos Aires, "V.A.Y.A." is now constructing another apartment building, but with dwellings on the horizontal property system. In the interior of the country the Rosarina Housing Cooperative, founded in 1953, applies the usufruct system and already has several completed blocks of flats.

### **Two Remarkable Housing Experiments**

Of the many housing experiments in Argentina, two may be chosen which are

undoubtedly remarkable examples; the one for magnificent work already accomplished for lower income and middle income families, and the other for its patient studies in a particular set of circumstances and the hope, through its work, of an adequate solution to the housing problem.

The first is the consumers' building and credit cooperative, *El Hogar Obrero* (The Workers' Home). It was founded in 1905 by a group of idealists, among whom were Dr. Juan B. Justo, its pioneer, and Dr. Nicolas Repetto, one of its more active leaders. Through unremitting work and a strict adherence to cooperative principles, *El Hogar Obrero* grew from modest beginnings to become the most important consumers' housing and credit cooperative in the country, with about 100,000 members and 500,000,000 pesos in capital.

It began by granting loans to help members to build their own homes; but even as long ago as 1907 it was complementing these credit activities with the building of groups of one-family houses. Since 1913, blocks of dwellings also were offered on a sale or lease basis. So far, besides having granted several thousand mortgage loans, it has completed the construction of detached houses in the capital and outlying areas, and of 600 flats in eight blocks, all located in Buenos Aires. One of them, 120 storeys high, has 269 apartments of two, three and four rooms, with central heating, hot water and refrigerators. Here, too, are the Society's management offices, a large meeting hall, and a children's play centre.

Another group of flats is now being built in the Villa del Parque quarter, consisting of six blocks with parks and gardens, auxiliary buildings and communal facilities. The first two towers

of 15 storeys, with 200 completed dwellings, were inaugurated in December 1962. *El Hogar Obrero* also has large stores attached to several of these housing sites, some of which apply the self-service system which *El Hogar Obrero* introduced into the country for the first time.

The cooperative applies various systems for its housing units. One-family houses are mostly privately owned; apartments were originally rented. But the letting system fell into disrepute, and various circumstances led the Society to adopt the usufruct system. To day, *El Hogar Obrero* is studying the introduction of a savings and housing loan system, in order to meet increasing costs and replace the present scarcity of ordinary savings which were formerly used for building purposes.

#### **Villa Maciel**

The other example of cooperative housing is Villa Maciel—the housing and credit cooperative. In April 1956, the Extension Department of the University of Buenos Aires began its first pilot project of community development in the area of Maciel Island (Province of Buenos Aires) located on the outskirts of the Federal capital. The Department aimed fundamentally at promoting the scientific and technical advice given by professionals and students from the different faculties to the people living in the districts, with the purpose of participating in the direct effort of the people themselves and thus contributing to the solution of their basic problems.

The evening school and medical and social services; the organisation of technical, cultural and cooperative educational courses; a film strip and the publication of pamphlets on cooperative matters, the constitution of the consum-

ers cooperative society, and finally that of the housing cooperative—all these have arisen from this joint effort.

### Solving Housing Problems

The latest undertaking has been an attempt to find a solution to the region's housing problem, which has been characterised by the precariousness of the existing dwellings housing about 7,000 people. The problem became more serious after 1948, when 6,000 new inhabitants, most of them attracted by new sources of employment arising from industrial development, settled in wooden, tin, or canvas huts, without sanitary services or adequate drinking water. This area of Villa Maciel was like all the other agglomerations, popularly called "*villas miserias*"—simply the Argentine version of the North American slums, the Chilean "*villas callampas*" or the Brazilian "*favelas*".

Constituted in October 1957, Villa Maciel was granted free a large plot of land where it decided to build blocks of flats, the primary aim being to achieve a more economic use of the land located in a densely populated zone. It built on a system of self-effort and mutual aid, combining the supply of equipment, materials, and technical advice by an outside organisation, with the provision of the personal labour of the prospective occupants, in order to reduce their monetary obligations and to come into line with the systems sponsored by certain national and international financing organisations.

The University Extension Department entrusted the writer with the task of drawing up, in collaboration with members of the Department, a project of internal regulation which would try to adapt the *uso-habitación* system to the particular circumstances and cultural lev-

el of the population sector for which it was intended. Above all, it must endeavour to prevent the two main risks menacing this type of housing cooperative—that is, the possibility of the member-householders being tempted to make a profit on their allotted dwelling by speculating on its sale, lease or transfer; and the possibility of their misusing their homes, either by destructiveness or by overcrowding them with relatives, friends or acquaintances as lodgers whose motives were dubious or interested.

The articles governing this project have already been drawn up and the provisions covering the two risks just referred to, have been considerably extended. They include the establishment of a strict order of priority in the allocation of dwelling units, taking into consideration the members' housing needs; the adoption of special rules concerning the occupants, their family background, their minimum and maximum number; the integration of special social funds; and the obligation on members to hand over those dwelling units that become vacant, so that the society can re-allot them according to the priority order.

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### CORRECTION:

*We regret that in the article "A new Rochdale" in the March number, an error appeared on page 61, line 6. The figure of \$ 400,000 should read \$ 400 per room.*  
Ed.

## STATE AND COOPERATION IN AUSTRIA

by Professor Dr. Wilhelm Weber,  
*Cooperative Research Institute, University of Vienna.*

*From a lecture delivered at the IV International Conference of Cooperative Science, Vienna, September 1963.*

IN Austria the State has staked out—mostly in its own legislation—the field in which Cooperatives can operate, and at the same time determined their relation to itself and to other forms of economic enterprise. In general, the prevailing principle is equality. Cooperatives, in so far as they carry on similar activities to other economic undertakings, are treated similarly. Where Cooperatives engage in activities which are peculiarly their own, the legislation in some measure takes account of this. The picture presented—perhaps deceptively—is that of a well-established “Order”; the position of Cooperation is legally assured and recognised as such by the State.

Today, as at the time of their foundation, the Cooperatives regard themselves as a special form of economic association in the community. In contrast to other forms of organised social economy, they see themselves playing a special role and wish this to be acknowledged. The State, was and is primarily called upon only to institutionalise this Cooperative community in the sense desired by its members and in such a fashion that personal freedom is unimpaired and economic freedom maintained. Of course, the more the State intervenes it-

self in the economy and restricts possibilities of individual decision in the economic sphere, the more it influences the activity of the Cooperatives also. This evidently applies in the highest degree to Austria as a State with a “managed economy”. Conversely, the more Cooperatives expand and their tolerated existence as organisations for weaker social groups is transformed into a more or less contested competitive position, the louder grows the cry for State measures “to establish order”. Finally the Cooperative Movement finds itself facing new and modern economic corporations which are more “interesting” to the State from the standpoint of economic policy than itself. Austria, as a “*Kammerstaat*”<sup>\*</sup> with an economy characterised by corporations, offers the natural habitat for such a development.

The fact that the Cooperative Law has now been in force for over 90 years could be regarded, on the one hand, as evidence that this legislation, passed in a relatively liberal era, even today through its adaptability and flexibility, allows the Cooperatives, to develop and

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\* Since 1193 the different branches of the Austrian economy have been grouped in official *Kammer* or “Chambers”. Ref. later paragraphs.

fulfil their tasks. On the other hand, the long duration of the Law's validity is explained by the fact that opinions concerning its modernisation, whether that is necessary or expedient, have long been divided and that until now no compromise has been reached on its amendment. In the opinion of the Cooperatives, the development, especially in recent decades, has made it more and more evident that the legislative framework has become too tight. From this standpoint one can understand the efforts made by the Austrian Cooperatives to bring about the adjustment and modernisation of the Law, particularly in respect of trading with non-members and participation in undertakings with other legal constitutions. Opposed to these efforts are attempts by competing organisations to convert the Cooperative Law from a law facilitating organisation into a law regulating competition and to restrict the business possibilities open to Cooperatives, implicit in the Law, for the benefit of their competitors in the market.

The Law and other standard procedures for the regulation and guidance of cooperative societies represent only one side, the legislative, of the relation between the State and Cooperatives in Austria. This needs to be complemented over its whole extent by the organisational side. Austrian economic life is characterised by a multiplicity of public and semi-public institutions into which the recognised forms of economic organisations, including the Cooperatives, are more or less rigidly built. To cite the example, the consumers' societies form a corporate body of their own within the Chambers of Trade of which membership is compulsory. It is of course another question how far they in practice get their way in the in-

ternal adjustment of interests, say, with the private retailers.

The legally institutionalised framework of the Chambers, important though it is, forms only one field of the organisational activity of the Unions of Cooperatives. The successes achieved and achievable at all in this field depend not a little in a subjective fashion on their negotiations. This is the most important personal aspect of the relations we are now examining. Such personal relations are very far-reaching: on the one side in the form of double functions or the accumulation in the hands of one person of positions of power in high level unions, on the other in the form of close acquaintance with representatives of other groups, unions, parties and so on. The political position of many party officials rests on the fact that they represent strong economic or social groups with common interests. The more the State is a "Kammerstaat" in the sense that its fate is in the hands of the most important Chambers and the comparable central corporations of economic interests, the more officials of such organisations tend to enter the government and parliament and the "higher" extend those political relations of a personal character, which set their stamp on compromises "at the highest level". In Austria, the outstanding example of this situation, it is not the Cooperatives specifically which possess these relations and cross-connections. Their competitors enjoy such "advantages" to a much greater extent and the Cooperative Movement has to reckon with that.

Compared with the other Cooperative groups, the most intensive cross-connections between Cooperative and professional and political organisations exist in the field of agriculture. These connections are partly institutionalised—repre-



representatives of the Cooperatives have seats and votes in the governing bodies of the National Chamber of Agriculture, the Raiffeisen Union appoints its own representative to the presidium of the Austrian Peasant Union, but they also exist through the appointment of Cooperative officials in their personal capacity to leading positions in other organisations and institutions governed by civil or public law.

Obviously the agricultural Cooperatives in Austria are in themselves non-political, but to the extent that a union—Cooperative or not—adopts in its own sphere an attitude which gives it a decisive influence on economic events, it thereby influences the shaping of economic policy. In this way an agrarian policy which failed to reckon with the agricultural Cooperatives would scarcely be possible in Austria. The open question is rather whether modern agricultural policy would not lead to a stronger direct involvement in it of the Cooperatives and to their being drawn into corresponding regulative and directive functions. The initiative may well come from the side of the State which may wish to free itself from direct intervention in certain specialised fields. That Cooperatives in this way may easily become mere instruments of economic policy does not seem altogether free from objection.

What the Cooperatives expect from the attitude to them of the State extends from broad principles to details and reflects their concern for the members whose interests have to be promoted. Not altogether without justice, the Cooperatives maintain the view that a clear policy regarding Cooperation on the part of the State is still lacking today. The Cooperative principle of self-help is eclipsed by the "demand principle" of the others, and these pressure

groups especially bring about a discriminating State policy in relation to Cooperation, although the State in its own interest should assure the free development of the Cooperatives which spare it demands for financial assistance. The tendency of Cooperatives to encourage the sense of community and to thrust individual selfishness into the background, as well as their protective and promotional tasks, might therefore have to be positively and expressly recognised. The concrete realisation of the wishes expressed depends on various open questions such as the modernisation of the Cooperative Law, the amendment of the Commercial Code, taxation problems, trade with non-members, shareholding in companies, the prevention of the application to Cooperatives of general measures, partly decked out with social argumentation, against large-scale enterprise and so on. Some restrictions, probably necessary from the standpoint of the economy as a whole, e.g. in the credit sector, could be a problem for the Cooperatives and would be regarded by them as undesirable.

In one part of the programme of demands there is a visible abandonment of the habit of deducing the particulars from general principles, that is, of introducing and welcoming detailed demands with a reference to the positive value of the Cooperative form of economy and its specific importance for the community.

In other words, there is a conscious restriction to a strictly economic conception of Cooperatives. This turning away from other than economic considerations is much more than a simple shift of the centre of gravity or a mere tactical device, as superficial observers or opponents may describe it. Rather does it express a change in the attitudes

the Cooperatives and Cooperators themselves. For the Cooperators of the foundation period, the Cooperative principles came first and were the guiding light of their conduct: the observance of the principles took precedence of an increase in turnover or another economic success. The younger official, who was probably working before in a purely profit-seeking enterprise and, moreover, in another (and competing!) form of organisation, is rather inclined to put the economic and technical in the foreground. If this question is mentioned here at all, it is because the difference in the attitude of the Cooperative leadership corresponds to a difference in its attitude to or its demands from the State. In the one group of demands it is regretted that the State treats the Cooperatives as one of the various forms of economic enterprise, disregarding all but its economic principles and values; in the other group of demands it is, deliberately, only the economic questions which are brought out. Hitherto the cooperatives in Austria have not been faced with the alternative here revealed. It is otherwise, for example, in the Federal Republic of Germany, where it has been heralded by proposals for the amendment of the Cooperative Law.

This alternative should not be avoided by a formal compromise, because from the solution of the problem of the basic attitude to Cooperation, that is, from the consideration in principle of its role in modern economic society, depend in a decisive manner its future development and consequently the relations of the State and the Cooperative movement.

Let us therefore examine again the development in Austria. In this country also the first Cooperatives were founded by spontaneous initiative

previous to any appropriate regulation by the State. The first expression of the State's attitude in legislative form was limited to giving a certain organisational pattern to this new phenomenon. The behaviour of the State to Cooperation was "neutral": apart from conceding certain favours it has not very actively encouraged the Cooperatives, neither has it imposed any onerous restrictions on them.

This relatively tranquil period did not last very long. The economic development of the Cooperatives, the extension of governmental activity in the economic field and the palpable increase in general taxation repeatedly led to discussions on the "place" of the Cooperatives and the relation of the State to them—although stemming at first from the field of taxation problems, which has remained topical until today and will continue to be so in future. What is decisive is that out of the discussion of particular questions a discussion of principles soon arose. In this connection the Cooperatives have quite rightly emphasised their special character and appealed to Cooperative principles. Discussion was not exactly assisted thereby, first because of the multiplicity of principles laid down. A casual glance into Cooperative literature shows that the enumerations of different authors do not agree and there are even partial contradictions. Secondly, it is often overlooked that some of the principles are subject to historical limitations and are simply no longer appropriate to modern economic assumptions to which the Cooperatives must adapt themselves, if they are to fulfil their fundamental task of promoting the economy of their members.

Whereas today the question is scarcely any more a matter of controversy (ex-

cept for extreme views inspired by special interest) whether (and for the most part where) Cooperatives have a place in the modern economic system, the question how—if it is faced honestly and critically—is not to be settled with the same unanimity. It is certainly one of the strong features of Cooperation that it does not pursue only economic aims and therefore refuses to be merely a form of economic enterprise. If, however,—and here we encounter the third problematic point about Cooperative principles—many writers list exclusively or mainly non-economic principles as guides to Cooperative economic activity, this causes serious difficulties for economic discussion. Not without reason have Henzler, from the standpoint of business economics, and Ohm, from that of social economics, concentrated on the relevant economic aspect and nevertheless, even perhaps because of that, have brought out clearly the general Cooperative principles which are decisive for economic discussion. Probably the time has now come round, after about a century, when re-thinking once again the role of Cooperatives in their changing environment would be practicable, for their relation to the State would thereby be decisively influenced.

As has been often emphasised already, the first Cooperative principles and many Cooperative laws were formulated at a time when the State was only in a slight degree active in relation to economics. Indeed its passivity in regard to economically weak groups was one of the principal reasons for forming Cooperatives. We stand today in a period when the State very actively—too actively in the opinion of many—concerns itself with economics, it organises and directs and gladly makes use of existing organisations and institutions or creates new

ones to carry out or carry on its measures.

In no field are these changes so clearly visible as in agriculture. There is surely no doubt at all that a kind of governmental marketing system will exist for some time to come. Although in Austria the role of Cooperatives in such a system has not yet been intensively discussed, in France, on the other hand, governmental introduction of new forms of economic grouping among agriculturists has revealed the problem all the more clearly and stimulated both Cooperative discussion and Cooperative activity. The question is thus raised in all frankness, what role the agricultural Cooperatives will play in the economy and economic policy of the future, how far will they, for example, be hindered or assisted by a “strong” governmental agrarian policy, how far will they be incorporated in this policy—in order not to be, in an extreme situation, driven completely to the wall—without being deprived of their proper character?

As in so many questionable alternative choices, so here the practical result will be a mixed system. Neither can the Cooperatives replace State action (and still less private activity) in every sphere, nor will the State replace each and all by new forms or convert them into purely administrative organs. In order to conserve an appropriate share for their particular and unquestionably tried and tested form of enterprise, it will be absolutely necessary for the Cooperatives to be themselves perfectly clear about their best possible position in the future, if they are not to see themselves overtaken by the course of events.

## BOOK REVIEWS

### **Education for a Developing Region:**

*A Study in East Africa.*

by Guy Hunter. Published by George Allen and Unwin Ltd., London 1963. 119 pages.

Price 20s net in U.K. only.

The possibilities as well as the rate of economic and social progress in the newly-developing regions of the world depend upon the numbers and quality of educated people. The intense belief in and demand for education prevailing in those regions is accompanied, however, by some powerful superstitions concerning the nature of educational processes and the types of education provided by different institutions. Not merely the urgent need of trained manpower to carry on governmental and non-governmental activities, but also the desire to cash in on the replacement of "colonial" by "national" functionaries, leads to an exaggerated value being attached, for example, to training overseas or to attendance at a university and to a corresponding neglect of home educational institutions not of university rank.

Mr. Hunter's study of education and training in Kenya, Tanganyika and Uganda is sponsored jointly by two independent, non-political bodies, Political and Economic Planning (PEP) and the Institute of Race Relations. Its aim is twofold: first, to examine the facts; second to formulate the questions for which public policy will need to find the answers. These questions are of interest not only to the Cooperative Ministry and Organisations of the three countries but also to Cooperative Organisations in their lands helping to promote Cooperative education and training, either by sending instructors to those countries or receiving African students in their own Cooperative colleges or schools. So far as the facts are concerned, Mr. Hunter makes a number of references to Cooperative training institutions existing at the time of his survey (1962) and the relation of careers in Cooperative Departments or Organisations to the kinds of training and levels of education already available.

As has often been pointed out, a rising level of general education makes possible a continually higher degree of Cooperative efficiency and achievement, as well as making the lot of cooperative enlightenment progressively easier among the population at large. The leaders of the Cooperative Movement in the three countries therefore need sound ideas about the de-

velopment of the public education systems of their respective countries and in particular, about the need for keeping a due balance between primary, secondary and university education. For this purpose they should find Mr. Hunter's study both thought-provoking and positively useful.

W.P.W.

### **La Coopération ouvrière de Production**

*(Workers' Cooperative Production),*

by Antoine Antoni. Paris: Confédération Générale des Sociétés Coopératives ouvrières de Production. 115 pages.

This little book is the first of a new series on the science and practice of Cooperation published by the French General Confederation of Workers' Cooperative Productive Societies. Its author, Antoine Antoni, is the General Secretary of the Confederation and its subject is the situation of the workers' productive Cooperative Movement in France to-day.

In a foreword Mr. Antoni rightly declares that workers' Cooperative production deserves to be better known and, at that, not by the theoretical controversies to which it has given rise, but by its performance and achievements. His main concern therefore is to present the facts to those—students, trade unionists, civil servants, publicists, Cooperators—who ought to know them, in order that their opinions may rest upon an objective foundation.

Three-quarters of the book accordingly consists of an examination of the nature of the workers' cooperative productive societies and an account of their mode of operation and internal life. Considering them as cooperatives, Mr. Antoni defines them as undertakings of workers who are or will become joint proprietors and managers. They function according to democratic principles. Their object is to satisfy their members, not only on the economic plane by returning to production the entrepreneur's surplus value, but also on the social educational and human planes. They aim at giving the individual the maximum of opportunities to develop his personality on all sides in and through his work.

In contrast to this liberal concept, Mr. Antoni points out, French legislation reduces cooperation to its most narrowly economic aspect. Unfortunately, cooperation was given legal status as far back as 1867, by an extension of French

company law and has never been able to avoid being confused from time to time with the company form of enterprise. This imposes special hardship on the workers' productive society which, so far from representing the combination of capitals, is a very personal and intimate form of association.

On the other hand successive French Republics, and even the 2nd Empire, out of concern for the skilled workers and French traditions of craftsmanship, have assisted the development of the productive societies, more especially in the building trades, by a long session of administrative measures facilitating the allocation to them of public contracts and payment of instalments for work in progress.

Space does not permit this review to follow Mr. Antoni in his account of the solution evolved by the French workers' productives for problems arising from their need to employ auxiliary workers besides their members, to build up their capital and top external sources of finance, as their business developed, and to make provision for the aged and disabled among their members and the widows and children of those prematurely deceased, not to mention the technical training of young workers and rising standards of proficiency in management. Mr. Antoni explains all these matters and countless others with perfect clarity and conciseness.

Finally, his book emphasises, that in France, the workers' productive societies constitute a growing, not in the least a declining, movement. The years immediately following the second World War saw the formation of some 300 new societies, the great majority of which have overcome their infantile ailments and are now enjoying a lusty adolescence. Most remarkable is the capacity of many of the older societies to expand by taking advantage of new technical inventions and finding new markets. They thus exemplify a famous argument of Philippe Buchez that cooperative production was especially valuable as a means whereby the skilled artisan could acquire control of machine-industry, instead of being socially degraded and enslaved by its introduction under capitalist auspices.

And à propos of Buchez, Mr. Antoni reprints textually his famous article in the *Journal des Sciences Morales et Politiques* of 17 December 1831, which most of us have known hitherto only by citation or brief extract.

W. P. W.

### **Raiffeisen in Deutschland**

by Dr. Gerhard Schack. 4th revised edition. Published by Verlag der Raiffeisendruckerei, G. M. B. H., Neuwied am Rhein, 2,40 DM.

On reading recently the Life of Raiffeisen in the excellent translation into English by Miss Margery Hill of the novel by Franz Braumann "*Ein Mann bezwingt die Not*"—now published by CUNA entitled "*A Man Conquers Poverty*"—I came again and again across Raiffeisen's great and lasting principles. For Raiffeisen it was and is, just the improvement of man's material conditions that Raiffeisen fought for, but primarily his deep concern for the value of the individual arising from his deep religious convictions.

In Dr. Schack's admirably short and comprehensive book picturing the modern German agricultural cooperative movement can be found an interesting introduction which features the history of the movement from the middle of the last century to the present time, stressing especially the troubles and opportunities of our age.

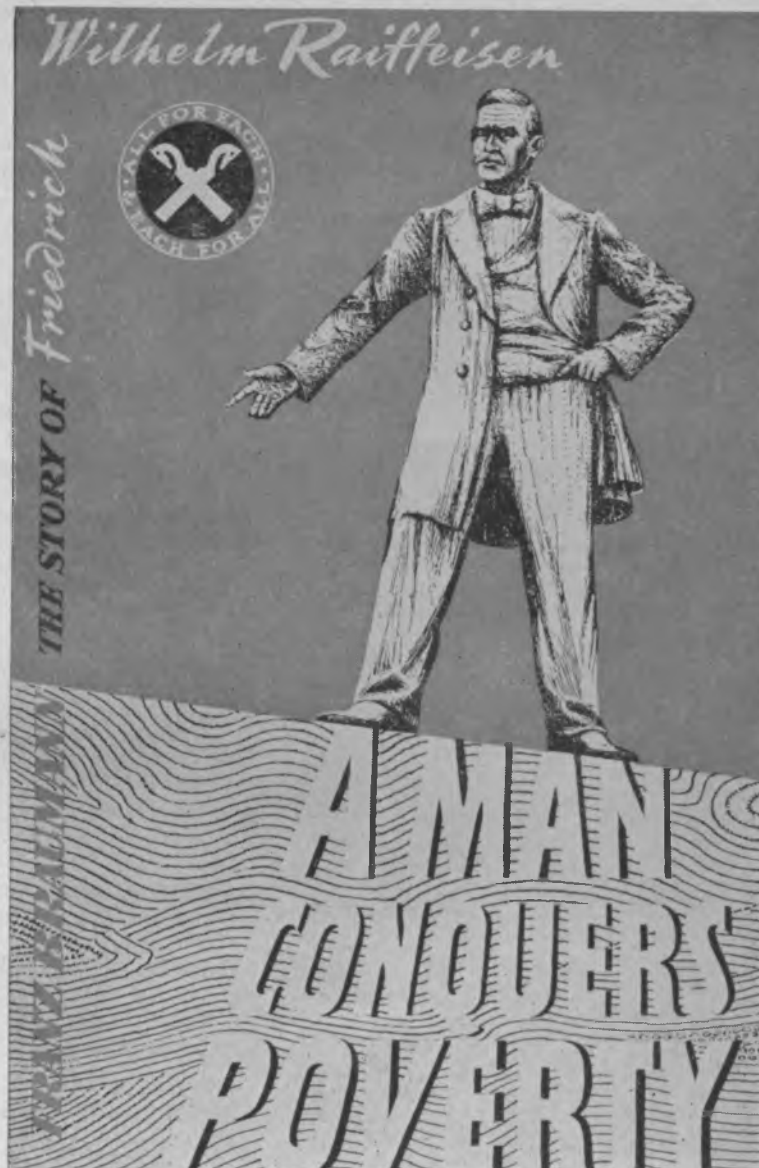
It is by no means just a book of instruction—the personality and conviction of the author emerge from every page of the text, and he is undoubtedly a convinced follower of Raiffeisen and has a deep commitment to the agricultural wellbeing and possibilities of his country under the Raiffeisen system.

The personality of Raiffeisen too as a reformer is clearly seen in this competent book, and Spencer's comment that Cooperation can only grow in proportion and in relation to the spiritual and moral qualities its members bring to it, is truly the keynote of this great undertaking of Raiffeisen's follower.

The book's value to teachers engaged in cooperative work is obvious, but every coperator, and those outside the movement, should read it.

Never again, after reading this book, will you be able to pass the Raiffeisen symbol of two carved horses' heads encircled by the motto "Each for All; All for Each", which surmounts the gable of Raiffeisen peasant houses or banks, without reflecting on the greatness of the founder, who, though born in 1814, still has a message for us and a cure for our ills.

J. H. O.



The moving life-story of Raiffeisen, the country mayor who started credit unions to help the famine-stricken people in Germany in the last century.

Paperback English edition published by CUNA, POB 431, Madison, Wis., U.S.A. Price \$ 2,25.

Also available from the ICA, 11 Upper Grosvenor Street, London, W. 1. Price 16 sh.

- Affiliated societies (1962): 358; members: 504,298; wholesale turnover: Fmk. 887,98 million; own production of SOK: Fmk. 216,09 million.  
 Yleinen Osuuskaupojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki*.  
 Affiliated societies (1962): 358; members: 504,298; turnover of societies: Fmk. 1,557,15 million; total production of the affiliated societies: Fmk. 35,11 mill.  
 Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki*.  
 Affiliated societies (1962): 108; members 532,638; turnover of societies Fmk. 1,153.44 mill.; production of societies 181.37 million.  
 Ossustukauppa (O.T.K.), *Hämeentie 19, Helsinki*.  
 Affiliated Societies (1962) 108; turnover Fmk. 745 mill.; own production Fmk. 218 mill.  
 Pellervo-Seura, *Simonkatu, 6, Helsinki*.
- FRANCE:** Fédération Nationale des Coopératives de Consommation, F.N.C.C., 89, rue de la Boétie, Paris VIII.  
 Affiliated societies (1960): 572; membership: 3,242,567; shops: 9,530; turnover: NF. 2,624,785,132.  
 Société Générale des Coopératives de Consommation, 61 rue Boissière, Paris XVI.  
 Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88, rue de Courcelles, Paris VIII.  
 Confédération Générale des Sociétés Coopératives Ouvrières de Production de France et de l'Union Française, 88, rue de Courcelles, Paris VIII.  
 Banque Coopérative des Sociétés Ouvrières de Production de France, 88, rue de Courcelles, Paris VIII.  
 Confédération Nationale de la Coopération, de la Mutualité et du Crédit agricoles, 129, Bd. St. Germain, Paris VI.  
 Caisse Nationale de Crédit Agricole, 30, rue Las Cases, Paris VII.  
 Fédération Nationale de la Coopération Agricole, 129, Bd. St. Germain, Paris VI.  
 Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, Foyer Cooperatif, 17, rue de Richelieu, Paris Ier.  
 Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 31, ave Pierre Ier de Serbie, Paris XVI.  
 L'Association BâtiCoop, 6, rue Halévy, Paris 9e.  
 Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, Paris VIII.
- GERMANY:** Zentralverband deutscher Konsumgenossenschaften e.V., Besenbinderhof 43, (2000) Hamburg I.  
 Affiliated societies (1962): 249; membership: 2,586,960; turnover: D.M. 3,503,6 mill.  
 Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., Besenbinderhof, 52, (2), Hamburg I.  
 Total turnover (1961): D.M. 1,726,300,000; own production: D.M. 593,7 mill.  
 Gesamtverband Gemeinnütziger Wohnungsunternehmen, Breslauer Platz 4 (22a), Cologne.
- "Alte Volksfürsorge", Gewerkschaftlich-Genossenschaftliche Lebensversicherungs A.G., An der Alster, (2) Hamburg, I.  
 Deutsche Sachversicherung "Eigenhilfe", Steinstrasse 27, (2) Hamburg I.
- GREAT BRITAIN:** The Co-operative Union Ltd., Holyoake House, Hanover Street, Manchester 4.  
 Affiliated Societies (1962): 801. Membership: 13,140,188. Retail Societies' share capital: £ 254,292,875. Retail sales: £ 1,053,940,921.  
 Co-operative Wholesale Society Ltd., 1, Balloon Street, Manchester 4.  
 Affiliated societies (1961): 895; sales: £ 465,170,491; Bank turnover: £ 6,048,004,673; reserve and insurance funds: £ 32,381,925; total assets: £ 291,916,424.  
 Co-operative Insurance Society, Ltd., Miller Street, Manchester 4.  
 Assets exceed £ 187 mill.  
 Scottish Co-operative Wholesale Society Ltd., 95, Morrison Street, Glasgow C. 5.  
 Affiliated societies (1962): 166; sales: £ 89,140,610; reserves and insurance funds: £ 7,771,522; total resources: £ 18,977,972.  
 The Co-operative Productive Federation, Ltd., 138, Charles Street, Leicester.  
 Sales: £ 4,645,717; employees: 3,021; societies: 23.  
 Co-operative Permanent Building Society, New Oxford House, High Holborn, London, W.C., 1.
- GREECE:** Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), 6, Othonos Street, Athens.
- HOLLAND:** Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikcoöperaties, "CO-OP Nederland", Vierhavensstraat 40, Rotterdam 7.
- ICELAND:** Samband Isl. Samvinnufjelaga, Reykjavik.
- INDIA:** National Cooperative Union of India, 72, Jorbagh Nursery, New Delhi-3.  
 All Bombay Consumers Cooperative Societies, Federation, Ltd., 3rd Floor, Military Square Lane, Fort, Bombay I.  
 National Agricultural Cooperative Marketing Federation, Ltd., 34, South Patel Nagar, New Delhi, 12.
- IRAN:** Cherkate Taavoni Masrafe Artèche (Army Consumers' Co-operative Society), Avenue Sevvom Esfand, Rue Artèche, Teheran.
- ISRAEL:** General Cooperative Association of Jewish Labour in Eretz-Israel „Hevrat Ovdim", Ltd., P.O.B. 303, Tel-Aviv.  
 Affiliated societies (1962): 1,679, including 660 agricultural, 465 producers' and services, 69 consumers', 232 housing, and 253 pension and provident funds.  
 "Merkaz" Audit Union of the Cooperative Societies or Loans and Savings, P. O. Box 75, Tel-Aviv.  
 "Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, 8 Harkrya Street, P.O.B. 209, Tel-Aviv.
- ITALY:** Lega Nazionale delle Cooperative e Mutue, Via Guattani 9, Rome.  
 Confederazione Cooperativa Italiana, Borgoc Santo Spirito, 78, Rome.

- Associazione Generale delle Cooperative Italiane,  
Via Milano 42, Rome.
- MAICA: The Jamaica Cooperative Union, Ltd.,  
74½ Hanover Street, Kingston, W.I.
- PAN: Nippon Seikatsu Kyodokumiai Rengokai,  
(Japanese Consumers' Cooperative Union),  
Rokin-Koikan, 5, 2-chome, Shiba-Tamuracho,  
Minatoku, Tokyo.
- Zenkoku Nogyokyodokumiai Chuokai,  
(Central Union of Agricultural Cooperatives)  
11, Yutakucho, 1-chome, Chiyoda-ku, Tokyo.
- Zenkoku Gyogyo Kyodokumiai Rengokai, (National  
Federation of Fishery Cooperative Associations),  
Sankaido Building, Akasaka-ta meikomachi,  
Minato-ku, Tokyo.
- OREA: National Agricultural Cooperative Federation,  
75, 1st street, Chung-Jong-Ro, Sodaemun-ku,  
Seoul.
- ORDAN: Jordan Cooperative Central Union Ltd.,  
P.O.B., 1343, Amman.
- ALAYSIA: Cooperative Union of Malaya,  
8, Holland Road, Kuala Lumpur.  
Federation of Cooperative Housing Societies,  
8, Holland Road, Kuala Lumpur.
- Sarawak Co-operative Central Bank Ltd.,  
Kuching, Sarawak.
- Singapore Cooperative Union, Ltd., Post Box 366,  
Singapore.
- ALTA: Farmers' Central Cooperative Society  
Ltd., New Building, Middleman Street, Marsa.
- AURITIUS: Mauritius Cooperative Union,  
Dumat Street, Port Louis.
- EXICO: Confederación Nacional Cooperativa de  
la Republica Mexicana, C.C.L., Lic. Verdad 3,  
Mexico 1, D.F.
- EW ZEALAND: Hutt Valley Consumers' Cooperative  
Society, Ltd., P.O.B. 5006, Lower Hutt.
- IGERIA: Cooperative Union of Eastern Nigeria  
Ltd., Cooperative Bank Buildings, Milverton Ave, Aba.  
Cooperative Union of Western Nigeria, Ltd., c/o  
Cooperative Buildings, New Court Rd., Ibadan.
- ORWAY: Norges Kooperative Landsforening,  
Organisasjonsavdelingen, Kirkegaten 4, Oslo.  
Affiliated societies (1962): 1,112; membership: 320,000;  
turnover of local societies: Kr. 1,600 mill.; of N.K.L.:  
Kr. 458 mill.
- NORWAY: Norske Bollbyggelags Landsforbund,  
Trondheimsveien 84-86, Oslo.
- PAKISTAN: East Pakistan Co-operative Union,  
Ltd., 9/D-Motijheel Commercial Area, Third Floor,  
Dacca, 2.  
West Pakistan Co-operative Union, 31, Lower  
Mall, Lahore.  
Karachi Central Cooperative Bank, Ltd., 14,  
Laxmi Building, Bunder Road, Karachi, 2.  
Karachi Central Cooperative Consumers' Union,  
Block No. 53, Pakistan Secretariat, Karachi, 3.  
Karachi Cooperative Housing Societies Union,  
Shaheed-e Millat Road, Karachi, 5.  
Karachi Cooperative Institute Ltd., 4. Bandukwala  
Building, McLeod Road, Karachi, 2.  
Karachi Fishermen's Cooperative Purchase and  
Sales Society Ltd., West Wharf Road, Karachi.  
Sind Regional Cooperative Bank Ltd., Provincial  
Cooperative Bank Building, Serai Road, P.O.Box  
4705, Karachi 2.
- ROUMANIA: Uniunea Centrale a Cooperativelor  
de Consum „Centrocoop”, Calea Victoriei 29,  
Bucharest.
- SCANDINAVIA: Nordisk Andelsforbund (Scandinavian  
Co-operative Wholesale Society),  
Njalsgade 15, Copenhagen S.
- SWEDEN: Kooperativa Förbundet, Stockholm, 15.  
Affiliated retail societies (1962): 467; membership:  
1,240,000; total turnover of distributive societies:  
Kr. 4,000 mill.; total turnover of K.F.: Kr. 2,874 mill.  
(Kr. 1,829 mill. sales to affiliated societies); own production:  
Kr. 1,451 mill.; total capital (shares and reserves)  
of K.F. and affiliated societies Kr. 958 million, surplus  
included  
Kooperativa Kvinnogillesförbundet, Stockholm, 15.  
Hyresgästernas Sparkasse- och Byggnadsföreningars  
Riksförbund (H.S.B.), Flemminggatan, 41,  
Stockholm, 18.  
Affiliated Building Societies: 187; with individual members:  
182,000; number of flats administered by local societies:  
173,000; value of real estate: 5,696 mill. Kr.  
Svenska Riksbyggen, Box 19028, Stockholm, 19.  
Folksam Insurance Group, Folksam Building,  
Stockholm, 20.  
Sveriges Lantbruksförbund, Klara Ostra  
Kyrkogata, 12, Stockholm, 1.
- SWITZERLAND: Verband schweiz. Konsumvereine  
(V.S.K.), Thiersteinallee 14, Basle.  
Affiliated societies (1961): 540; shops: 3,300; membership:  
723,000; retail turnover of affiliated societies:  
Fr. 1,346; wholesale turnover: Fr. 853 mill.  
Verband ostschweiz. landwirtschaftlicher Genossenschaften  
(V.O.L.G.), Schaffhauserstrasse 6,  
Winterthur.  
Schweiz. Verband Sozialer Baubetriebe, SBHV.,  
Postfach Sihlpost, Zurich, 1.  
Genossenschaftliche Zentralbank, Aeschenvorstadt 71,  
Basle.  
COOP Lebensversicherungs-Genossenschaft  
Basle, Aeschenvorstadt 67, Basle.
- TANGANYIKA: Cooperative Union of Tanganyika,  
Ltd., Avalon House, P.O. Box 2567, Dar es Salaam.
- UGANDA: Uganda Co-operative Alliance, Ltd.,  
P.O.B. 2212, Kampala.
- U.S.A. The Co-operative League of the U.S.A.,  
59, East Van Buren, Chicago Ill. (60605), and 1012,  
14th Street, N.W., Washington 5, D.C.
- U.S.S.R.: Central Union of Consumers' Cooperative  
Societies of the U.S.S.R. „Centrosyus”,  
Ilyinka Tcherkassy pereulok 15, Moscow.  
Consumers' societies (1961): 17,500; members: 43,1  
mill.; stores: 321,000.
- YUGOSLAVIA: Glavni Zadruzni Savez FNRJ.,  
ul. Knez Mihajlova 10. Belgrade.





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**INTERNATIONAL COOPERATIVE ALLIANCE**

# **REVIEW OF INTERNATIONAL COOPERATION**



**VOL. 57 No. 4 ... JULY 1964**

# THE INTERNATIONAL COOPERATIVE ALLIANCE

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

It comprises organisations in every continent, and its total affiliated membership through national organisations exceeds 174,000,000. The consumers' movement accounts for about half the membership, the other half consisting of agricultural, credit, workers' productive, artisanal and fishery societies.

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

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

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

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

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

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

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

## AFFILIATED ORGANISATIONS

- ALGERIA:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 8, rue du Cercle Militaire, Oran; also at - 21, rue Edgar Quinet, Algiers, and 9, rue Mathurin Régnier, Pdris, 15.
- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, Avda. Suarez, 2034, Buenos Aires. Intercoop; Editora Cooperativa Limitada, Florida 32. Oficina 42, Buenos Aires.
- AUSTRALIA:** Cooperative Federation of Australia, 45, Mandolong Road, Mosman, Sydney, N.S.W.
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaftén, Theobaldgasse 19, Vienna VI.  
Membership (1963): 427,459; turnover: consumers' societies: Sch. 2,954 mill.; wholesale (G.Ö.C.): Sch. 1,432 mill.; department stores: Sch. 475 mill.; own production: consumer societies: Sch. 352 mill.; G.Ö.C. and subsidiaries: Sch. 426 mill.
- Bank für Arbeit und Wirtschaft, A/G, Seitzergasse 2-4, Vienna I.
- Zentralkasse der Konsumgenossenschaft, Theobaldgasse 19, Vienna VI.
- Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösendorferstrasse 6/11, Vienna I.  
(1961): Member Societies: 218, Assocs. 108; No. of members: 89,000; Dwellings administered: (socs.) 76,348; Assocs. 100,851; Total Balance: (Socs.) Sch. 6,677,096,800; (Assocs.) Sch. 8,409,217,600.
- Österreichischer Genossenschaftsverband, Peregringasse, 4, Vienna 9.
- Österreichischer Raiffeisenverband, Seilergasse 16, Vienna I.
- BELGIUM:** Société Générale Coopérative, 17-21, Place Emile Vandervelde, Brussels.  
Affiliated consumers' societies: 27; membership: 340,000; turnover (1961): Frs. 3,400 mill.; shops: 1,400; Wholesale society turnover (1961): Frs. 827 mill.
- Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151, rue Royale, Brussels.  
Premiums (1961): Frs. 922 mill.; reserves: Frs. 4,000 mill.; insurance funds, life: Frs. 12,000 mill.; fire: Frs. 155,000 mill.
- Fédération Nationale des Coopératives Chrétiennes, rue de la Loi, 141, Brussels.  
Société "Bien-Etre": 1,320 shops; turnover Frs. 1,251 million; dividends: Frs. 60 million; Savings Bank: 1,800 branches; 320,000 members; deposits: Frs. 5,500 mill. Insurance Society: 160,000 policy holders; premiums: Frs. 193 mill.; reserves Frs. 500 mill.
- L'Economie Populaire, 30, rue des Champs, Ciney (Namur).  
Branches (1961): 445; membership: 74,956; turnover: Frs. 687 mill.; savings deposits: Frs. 404 mill.; capital and reserves: Frs. 77 mill.
- Institut Provincial de Coopération Agricole, 42, rue des Augustins, Liège.
- OPHACO (Office des Pharmacies Coopératives de Belgique), 602, chaussée de Mons, Brussels.  
Union of 28 cooperative societies owning 330 pharmacies, 50 optical departments and counters, 7 drug stores, 15 wholesale depots. Turnover (1961): Frs. 1,000 mill. Surplus distributed to 400,000 members: Frs. 82 mill.
- Belgium Stamp:** I.C.A. CENTRE EDUCATION LIBRARY
- Société Coopérative Fédérale de Belgique**, 83-85, rue Vanperschrick, Brussels.
- BRAZIL:** Centro Nacional de Estudos Cooperativos, Alameda Franklin Roosevelt 39-10º, Sala 1216 Rio de Janeiro.
- BRITISH GUIANA:** British Guianian Cooperative Union Ltd., Ministry of Education and Social Development, 44, High and Cowen Streets, Kingston, Georgetown.
- BULGARIA:** Union Coopérative Centrale, 103, Rakovski, Sofia.
- BURMA:** National Cooperative Council, 290-300, Lewis Street, (2nd. Floor), Rangoon.
- CANADA:** Co-operative Union of Canada, 202, Queen Street, Ottawa 4, Ont.  
A national association of English-language cooperatives, the principal members of which are provincial cooperative unions and inter-provincial cooperatives; organised in 1909.  
Conseil Canadien de la Coopération, 2030, Bd. Hamel, Quebec 8.
- CEYLON:** The Co-operative Federation of Ceylon, Co-operative House, 455, Galle Road, Colombo 3.
- CHILE:** Federación Chilena de Cooperativas de Ahorro, Ltda., Huerfanos 1639, Clasificador 760, Santiago de Chile.
- COLOMBIA:** Cooperativa Familiar de Medellin, Ltda., Calle 49, No. 52-49, Medellin.
- CYPRUS:** Cooperative Central Bank Ltd., P.O. Box 411, Nicosia.  
Cyprus Turkish Cooperative Central Bank Ltd., P.O. Box 791, Nicosia.  
Vine Products Cooperative Marketing Union Ltd., P.O. Box 315, Limassol.
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, Tesnov 5, Prague II.
- DENMARK:** De samvirkende danske Andelselskaber (Andelsudvalget), H. C. Andersens Boulevard 42, Copenhagen V.  
Representing 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1961): D.Kr. 11,300 mill.  
Det kooperative Faellesforbund i Danmark, Frederiksborggade 60, Copenhagen K.  
Affiliated societies (1960): 626; total sales: D.Kr. 1,050 mill.; employees: 11,000; comprises: consumers' workers', artisans', productive and housing societies etc.
- DOMINICA:** Dominica Cooperative Credit Union League, Ltd., 14, Turkey Lane, Roseau.
- EGYPT:** Société Coopérative des Pétroles, 94, Kasr el Eini Street, Cairo.
- FINLAND:** Suomen Osuuskauppojen Keskuskunta (S.O.K.), Vilhonkatu 7, Helsinki.

# Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

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

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## I.C.A. EXECUTIVE MEETING IN LONDON

1st-3rd July, 1964

**T**HE Executive Committee of the ICA met in London from 1st to 3rd July under the chairmanship of the President, Dr. Mauritz Bonow; the Technical Assistance and Executive Sub-Committees met on 30th June.

All members were present with the exception of Mr. A. Korp (Austria) who was substituted by Dr. Vukovich.

### **The Secretariat**

The appointment of Mr. Branko Zlatéřic as Agricultural Secretary was approved. Mr. Zlatéřic will be available to take up his duties at the ICA headquarters in London in October or November of this year. Arrangements were approved for the selection and appointment of a Secretary for Research and Statistics and a Secretary for Women Cooperators.

### **Finance**

The balance sheet and auditor's report for 1963 were approved and the financial position of the ICA was examined and discussed. It was agreed that the Central Committee should be recommended to raise the subscriptions with effect from 1st January, 1965. An approach from the National Cooperative Union of India for a collective membership was reported to the Executive and it is expected that after dis-

sussions between the Director and the General Secretary of the National Cooperative Union of India in Belgrade a collective membership will be obtained with effect from 1st January, 1965.

### **Applications for membership**

The Eastern Province Cooperative Marketing Association of Northern Rhodesia was accepted as an individual member subject to one point for clarification. The Cooperative League of the Republic of China, Taiwan, was deferred because the information received with regard to membership did not clarify the point concerning territorial representation on which the Executive Committee had asked for further information. The application of the Central Cooperative Exchange of the Philippines was not found acceptable on account of the nature and extent of government representation. It was agreed that associate membership should be offered to this organisation and that whenever the government representation should be a minority interest and elected by the membership, consideration should be given to an offer of full membership.

It was decided that a close association should be established with the Cooperative Education Institute, Seoul, Korea, but that the constitution of this organ-

isation did not suit it for membership of the ICA. The Lagos Cooperative Union of Nigeria was accepted as an individual member. It was noted that the Uganda Cooperative Alliance has decided upon individual rather than collective membership, its application having been approved at the last meeting of the Executive in February. The application of the Bombay Mercantile Cooperative Bank was deferred for further information in view of the approaching collective membership of the National Cooperative Union of India. It was noted that a national union has been formed in Iran and that the application from the Shahab Cooperative Society, Iran, has been adjourned pending probable application for membership by the National Union.

The membership of three organisations has lapsed through failure to meet their obligations to the ICA, as follows: The Cooperative Development Society, Dublin; The Hutt Valley Consumers' Cooperative Society, New Zealand; and the Cercle d'Etudes et d'Action coopérative "Georges Fauquet", Morocco.

In the case of the Central Union of Peasant Self-Aid Cooperatives of Poland which is before the Central Committee of the ICA on appeal, it was decided to recommend the Central Committee to admit this organisation as a collective member of the Alliance.

#### **Resolutions of the ICA Congress, 1963**

Reports from the ICA secretariat and affiliated national organisations on action taken in accordance with resolutions of the Bournemouth Congress were received by the Executive Committee. Terms of reference for the ICA commission on principles and a provisional list of names for membership of the commis-

sion were approved for recommendation to the Central Committee.

#### **Publications**

It was decided to continue the publication of a short report of each ICA Congress in the English, French and German languages and to restrict the printing of a full record of the Congress to a single edition in the English language. It was further decided that the publication of "Cartel" will cease at the end of 1964 and that future articles on cartels and monopolies will be published in the "Consumer Affairs Bulletin" and occasionally in the "Review of International Cooperation".

#### **The International Cooperative School 1964**

The Executive received a report to the effect that it would not be possible to hold an International Cooperative School during 1964 as the number of participants indicated was insufficient. Affiliated organisations have been asked for their views on the type of school and level of participants which they would prefer for 1965 and the expected suggestions will be taken into account during the latter part of 1964 when plans will be made for the International Cooperative School to be held during 1965.

#### **ICA action in the interests of women cooperators**

Nominations received from affiliated organisations for appointments to the proposed Women Cooperators' Advisory Council were noted and it was agreed that a nominee from each country should be invited to attend since the final total of nominations will not exceed twelve to fifteen persons.

### **ICA Consumer Working Party**

Recommendations from the Consumer Working Party on "informative labelling" were approved and it was decided in the first instance to refer these recommendations to the Cooperative Wholesale Committee for their opinions before deciding upon any wider distribution. Preliminary recommendations from the Consumer Working Party for a consumer conference to be held in March 1965 were approved and an invitation was received for the conference to take place in Switzerland.

It was reported to the Executive that a confrontation on the outline programme of the Consumer Working Party took place with the Swedish Cooperative Movement early this year, that it is possible that a similar confrontation may be requested by the British Cooperative Movement for the latter part of 1964 and possibly by the French Cooperative Movement for the latter half of 1965.

### **The ICA and the United Nations**

The Executive Committee received reports on the United Nations Trade and Development Conference, and the 158th and 159th Session of the Governing Body of the ILO, for which Conference and Sessions Dr. M. Boson was the observer for the ICA. A report from Mr. D. Townsend and Mr. L. Woodcock was received on the 2nd Session of the ECOSOC Committee on Housing, Building and Planning which they attended as representatives of the ICA and a further report from Mr. D. Townsend on the 25th Session of the ECE Committee on Housing, Building and Planning which he attended as ICA observer. ICA representation was approved for future U.N. meetings, including the International Labour Conference from 17th June to 9th July, the UNESCO General

Conference from 20th October to 30th November, the UN Economic and Social Council from 13th July to 15th August, and FAO meetings from 6th to 11th July and from 5th to 16th October, 1964. A report was received on continuing progress of the FAO project concerning the use of international finance for the promotion of agricultural development through cooperatives. The final report of the group of experts is about to be issued and discussions have already taken place on the immediate action which may follow the issue of the report. ICA action on the UN declaration on the elimination of all forms of racial discrimination and collaboration with the United Nations for the International Cooperation Year were approved.

### **The ICA and other international non-governmental organisations**

A draft proposal for a joint statement on "an expanding world food programme" submitted by the ICA/IFAP/ICFTU Joint Working Party was discussed and approved. The President and Director were authorised to decide on the best method of presentation of this statement to appropriate United Nations bodies. ICA representation was approved for the forthcoming British Commonwealth Agricultural Cooperative Conference and the International Recreation Association's World Congress. It was decided that the ICA could not be suitably represented at the next general meeting of the IFAP which will take place in New Zealand this year. Information was received about the ICFTU Working Group on Cooperatives, Vocational Training and Other Forms of Economic and Social Action, and a preliminary report on the Oslo meeting of the International Organisation of



Consumer's Unions was received from Mr. J. M. Wood, the Chairman of the ICA Consumer Working Party who attended as ICA observer.

#### **Jubilee Triennial Prize**

It was decided that, in accordance with a suggestion made by Mr. Nils Thedin (Sweden) at the ICA Congress last year, the ICA Working Party of Librarians should be invited to recommend a specific work of cooperative literature for this Prize. It was noted that the Working Party of Librarians have already recorded their willingness to provide this service if approached with such a request.

#### **Cooperative Wholesale Committee**

The Executive Committee formally approved an appendix to the rules of the Cooperative Wholesale Committee which was adopted at the meeting of the members of that Committee at Bourne-mouth on 12th October, 1963.

#### **Meetings of authorities of the ICA**

The National Cooperative Union of India having advised that their invitation to the ICA to hold its 1966 Congress in India could only apply to the early part of the year, it was agreed that it would not be possible to hold the Congress before the latter part of 1966 and that therefore the invitation of the Austrian Cooperative Movement to hold the Congress in Vienna should be accepted. It was provisionally agreed that the Congress would take place in the Hofburg in Vienna between 5th and 8th September, 1966, with the meetings of the Central Committee, the Executive Committee and the Auxiliary Committees of the ICA taking place before those dates.

Arrangements for the 1964 meeting of

the Central Committee in Belgrade on 3rd, 4th and 5th October were approved, with the Executive Committee meeting taking place on 1st and 2nd October, the Technical Assistance and Executive Sub-Committees on 30th September and the meetings of Auxiliary Committees on 28th and 29th September.

At the request of the two Canadian Cooperative Unions, the Executive Committee decided that it could see no objection to the holding of an Executive Committee meeting in Canada during the week of 3rd to 7th July, 1967. The Canadian Congress will hold its centenary celebrations from 26th to 31st May, 1967, and although the present Executive Committee of the ICA has no authority to commit the Executive Committee of 1967 the Canadian Unions are hopeful that the Executive of that year will decide to meet in Canada. It will be necessary to book accommodation far in advance since the World Fair will also take place in Canada from 28th April to 29th October, 1967.

W. G. A.



## I.C.A. REGIONAL CONFERENCE IN TOKYO

### THE ROLE OF COOPERATION IN SOCIAL AND ECONOMIC DEVELOPMENT

**T**HE Regional Conference on the Role of Cooperation in Social and Economic Development, organised by the I.C.A. in collaboration with the Japanese Cooperative Movement, was held in Tokyo, Japan, from April 19th to 26th, 1964.

The Conference was opened by the President of the I.C.A., Dr. M. Bonow, in his capacity as Chairman, with a welcoming address, the reading of a message of greeting from Japan's Prime Minister, H. E. Mr. Hayato Ikeda, and with a tribute to the memory of Mr. Y. Hasumi, the late President of the Central Union of Agricultural Cooperatives of Japan,

and of Sir V. T. Krishnamachari, the late Chairman of the I.C.A. Advisory Council for South-East Asia. A welcome to the Conference participants was also extended by the present President of the Central Union of Agricultural Cooperatives of Japan, Mr. Ryuya Yonekura, who spoke on behalf of the whole Japanese Cooperative Movement.

Dr. Bonow's inaugural address on "The role of the I.C.A. in international development work" was followed by addresses delivered by Mrs Indira Gandhi, Honorary President of the I.C.A. Advisory Council, and H. E. Mr. Takeji Kobayashi, Japanese Minister of

Health and Welfare, whose Ministry is responsible for the consumer cooperatives. The Deputy Minister of Agriculture and Forestry read a message from his Minister, H. E. Mr. Munenori Akagi, who was unable to be present at the opening of the Conference, but attended its closing session. The leaders of the following national delegations made statements concerning the cooperative movements in their respective countries: The Commissioner for Cooperative Development spoke for Ceylon; the Deputy Minister for Community Development and Cooperation for India; the Vice-Minister for Agriculture and Forestry for Korea; the Deputy Commissioner for Cooperative Development for Malaysia; the Minister in Charge of Cooperation for Agriculture in East Pakistan for Pakistan; the President of the Philippines National Cooperative Bank for the Philippines; the Deputy Minister for National Development for Thailand; and the Registrar of Cooperative Societies represented Nepal.

Statements were also made by observers attending the Conference representing ECAFE, ILO, and FAO of the United Nations, the Afro-Asian Rural Reconstruction Organisation, and the Cooperative League of the U.S.A.

On the first working day, the topic "Cooperation in South-East Asia today—its role and problems" was discussed and on the following day this same subject was approached from another angle revolving round "Some over-all problems faced by the Western cooperative movements and any implications these may have for South-East Asia". The next three mornings were taken up with the discussion of the items "International cooperative trade" and "International cooperative technical assistance" respectively, and of the group reports. The last

day was devoted to the consideration by the national delegations of the final Conference report. Subjects to be included in it were selected and recommendations to national cooperative movements were formulated and decided upon. The report was then adopted unanimously by all delegations and observers at the final plenary session.

The following is a summary of the discussions on the selected subjects and of the recommendations contained in the report.

### **The role of cooperatives in land reform and land utilisation**

Land reform has brought about the emergence of smallholdings and assistance from cooperative societies is needed by their cultivators for the provision of credit, for the supply of agricultural requisites, such as fertilizers, insecticides and improved seeds, and for marketing their crops. Thus, the organisation of cooperatives should be considered from the earliest stages of planning, taking into account all social and economic factors, and their role well defined and coordinated with all participating agencies. The formation of cooperatives must, therefore, be simultaneous with the implementation of land reforms, if a fall in production due to the lack of adequate facilities for the smallholder is to be avoided. Cooperatives could also assist in the pooling of resources for maximum land utilisation.

### **Supervised credit with agricultural extension services**

To meet with success, credit must be directed towards production and be based on improved techniques. Cooperatives and extension agencies should aim at coordinating their activities, and government extension services could

gradually be complemented by those of the cooperative movement.

### **Linking production, supply, marketing and consumption**

The marketing of agricultural produce through cooperatives is essential to ensure the prompt repayment of credit and to secure for the cultivator and consumer a fair price for the produce. A coordinated and integrated approach to the problems of producer and consumer should be achieved through the collaboration between producer and consumer cooperatives. The multi-purpose form of cooperative society is desirable. Food-grains may be purchased by cooperatives on behalf of governments, and processing may be organised by producers or by consumer cooperatives, or by both jointly.

### **Cooperative finance**

Cooperatives should try to be self-reliant and increase their own resources, if necessary, by providing in their bylaws for increased share capital and/or deposits of the members. Government contributions to the share capital, government loans and issue of debentures to be subscribed by the general public and institutions, and deposits from the general public as well as government and semi-government institutions are among other means to raise capital. When share capital is contributed by the government, it should be retired as soon as the cooperative can stand on its own feet. Assistance from international financial sources should be requested for the import of essential machinery.

### **The role of government in cooperative development**

In its initial stages, the voluntary cooperative movement may have to accept

government assistance, but the government's role should be essentially one of promotion and its policy be directed towards securing fair trading conditions through the use of cooperatives and the enforcement of appropriate laws.

In order to obtain a coordinated approach to cooperative problems, governments should review their policies for providing machinery for collaboration between different Ministries and Departments by the establishment of joint committees or other suitable means of liaison.

### **Cooperative education and training**

Members and officials of the movement must receive education in the cooperative ideals and principles, followed up by management training, if the cooperative movement is to develop into a self-supporting and self-reliant one. The younger generation must be taught cooperation as part of the curriculum at school, and an international exchange of experience gained in the educational field should be encouraged.

### **Joint ventures between cooperatives and private profit enterprises**

Mention was made during the discussions of the existence in the South-East Asian region of some successful joint ventures between cooperatives and private profit-making enterprises and it was felt that, in the case of such collaboration, the cooperatives should always retain the majority control.

### **Member participation**

In order to encourage members to take an active interest in the functioning of their cooperative, they must be informed of the general principles of cooperation, of the working of the type of society they belong to and of the rules

and bylaws governing its operation; equality of status among all members as well as their opportunity and duty to participate in decision-making must be clearly explained to them. Active participation, if rendered difficult due to special circumstances, can be promoted through local group meetings. Women's participation in the affairs of cooperatives should also be encouraged.

Japan and Korea were singled out particularly as countries in which there is an encouraging record of active participation and loyalty of members resulting not only from the efficiency in management of their cooperative societies, but especially from the variety of social and community activities provided by them to their members. (The multi-purpose society is the basis of the Japanese rural cooperative movement.)

#### **Prospects of collaboration between consumer and producer cooperatives**

The same cooperative may combine the functions of production and of consumer sales or these may be performed by separate cooperatives in collaboration with each other to their mutual advantage. Thus, consumer cooperatives may have access to bulk purchase on fair terms, and collecting and selling producers' agencies would have access to a large and constant demand, if a long-term agreement were to be reached between producer and consumer organisations. The operations of cooperative financing agencies are also likely to be facilitated by such agreements among the members for the exchange of goods and services on mutually advantageous terms.

#### **Remuneration of management, committee members and directors**

Managers must receive adequate train-

ing and payment and, once fully qualified, they should be given and assume full power of action. Elected board and committee members who are carrying out executive duties may also be paid by the cooperative, subject to its financial position, until a paid official is trained and appointed to do that work. However, the financial position of many cooperatives would not justify a salaried or remunerated group of elected officers.

#### **Some factors which may contribute to the success of consumer cooperatives in South-East Asia**

In several South-East Asian countries, agricultural cooperatives appropriately arrange for the supply of producer needs of farmers and of selected consumer goods which they purchase in bulk at certain periods. In rural areas, it is not always necessary to set up both consumers' and agricultural cooperatives. The latter may function there as consumers' cooperatives and supply production materials and consumer goods.

In urban areas, where there is need for organised cooperative distribution of goods among middle class and poorer consumers, wholesale as well as primary cooperative distribution units, or a single cooperative combining both these functions, should be organised. In densely populated urban centres, primary and consumer cooperatives catering for the needs of their members for essential foodstuffs and conventional goods should be promoted through adequate financial support. Improvements in member education and cooperative organisation should help these efforts towards success. Methods employed by competitors should be constantly studied and any desirable structural changes in cooperatives made known to members so as to obtain ready acceptance by them.

### **Some barriers to the growth of international cooperative trade**

The structural weakness of national cooperative movements causing difficulties for their participation in international cooperative trade may necessitate the establishment of national organisations to undertake this task or the re-organisation of existing agencies, such as national marketing federations. Specially trained staff at different levels and a management training programme in the movements would be required, and the knowledge of various aspects of cooperative trade would have to be strengthened amongst the members.

Other barriers in the way of international cooperative trade, due to discriminatory government regulations, such as controls, foreign exchange, taxation, quotas and duties, must be overcome by national cooperative organisations. A thorough study by apex organisations of the trade patterns of the countries involved would be necessary for the promotion of cooperative trade. Intensive extension work on the control of production by member societies would also have to be carried out by the apex organisations and measures taken to ensure the quality, grading and standardisation of primary produce and semi-processed items for export.

### **A Cooperative Trade Conference for South-East Asia**

Cooperative trading beyond national boundaries was considered of sufficient importance to warrant a conference at which all problems involved in trade would be studied. Since a considerable amount of preparatory work on the gathering of required data on the trade practices of the different countries of the region, which are not readily available to the national movements, is nec-

essary for the success of such a conference, it was suggested that this should be undertaken by the I.C.A.'s Regional Office in New Delhi. A preliminary discussion took place on the representation at the envisaged trade conference and on some topics for its agenda.

### **International trade discussions**

National cooperative organisations were advised to keep their governments informed of their requirements regarding international trading in order to enable government representatives to be properly briefed when attending international meetings, such as the annual bilateral trade talks held under the auspices of ECAFE at which the I.C.A. is not represented.

### **International Cooperative Technical Assistance**

After statements made by representatives of some of the Specialised Agencies of the United Nations on the cooperative technical assistance rendered by them to the South-East Asian developing countries, the views of the cooperatives themselves on this subject and the part to be played by them in this field were discussed and the following conclusions arrived at.

The main prerequisite for all technical assistance activities is a thorough assessment of any project at all stages, beginning with feasibility studies determining the need for the project, its scope, and the personnel and resources requirements. It must be ensured that the formulation of project requests is clear and realistic, that the receiving national government is consulted in order to fit any proposed scheme into other technical assistance schemes made available to the country by other sources, and that proper coordination is achiev-

ed by setting up an expert committee to advise aid-seeking cooperative organisations. During the implementation of the project, close contacts must be established through an over-all coordinating body between the aid-giving organisation, the technical assistance experts from abroad working on the project, their counterparts from the aid-receiving organisation, this latter organisation, and the national government. On completion of the project, a careful and honest evaluation of it must be undertaken.

#### **Better machinery for developing contacts between aid-giving and aid-receiving cooperative movements**

Close contacts between aid-giving and aid-receiving cooperative movements are also required so that those organisations offering technical assistance understand clearly the nature and magnitude of the cooperative problems in the developing countries. Of fundamental importance is the role of the I.C.A. and its Regional Office for South-East Asia in providing liaison between the cooperative movements in aid-giving and aid-receiving countries, since they collaborate within the Alliance, and they should be encouraged to use its offices to the fullest extent for that purpose.

#### **Training and visits beyond national frontiers**

Training programmes and study visits abroad which would benefit the developing cooperative movements must be prepared and organised with great care. Trainees must be carefully selected, the training programmes and study tours accurately outlined, the success properly assessed following the trainees' return to their own cooperative movements, and the finding of suitable jobs for them assured. To make the best use of the

facilities offered by the advanced cooperative movements, persons in policy-making and decision-making positions within the South-East Asian cooperative movements should preferably be sent in the first place, but specialists from lower levels may also be sent with advantage. On-the-job training should be an important aspect of foreign study.

The choice of Japan as the venue of the Conference proved to be fully justified, not only because of the excellent arrangements made by the Japanese Cooperative Movement, but also because it formed a most suitable background to the discussions.

The special problems of the consumer cooperatives, the highly developed fisheries cooperatives, the wide interests of the rural cooperatives in every aspect of the better living of the members were frequently highlighted, and the trading and financial experience of national apex cooperative organisations represented at the Conference by their top officials was most helpful at all times.

## REGIONAL OFFICE ADVISORY COUNCIL MEETING IN TOKYO

**T**HE Advisory Council of the I.C.A. Regional Office and Education Centre held its fourth meeting in Tokyo, Japan, on April 17th and 18th, 1964, under the chairmanship of Professor D. G. Karve. Council members present at the meeting were Mr. D. E. Hettiarachchi (Ceylon), Capt. H. S. Lather (India), Mr. Tsuneo Nanba (Japan), Mr. M. Hussein Ibrahim (Malaysia), Mr. A. K. M. Ehsan (Pakistan), Mr. P. Muthu (Singapore) and Mr. Thanu Satraphai (Thailand). The Honorary President of the Advisory Council, Mrs. Indira Gandhi, attended the second day's meeting.

The Chairman opened the meeting with a welcome to the Council members and the I.C.A.'s President and Director, following which a silent tribute was paid to the memory of the late Chairman of the Council, Sir. V. T. Krishnamachari.

Since the I.C.A. Regional Office and the Education Centre in New Delhi, India, had been merged on August 1st, 1963, the Council, on a motion from the Chair, was asked and accepted unanimously to advise the Regional Officer on all aspects of his work. The Council then proceeded to a review of the work of the Regional Office and Education Centre during the period May, 1963 and February, 1964, and approved the programme for 1964.

### **Educational activities**

A National Workshop on Consumer Cooperation for Indian University

teachers was organised in Simla from May 19th to 26th, 1963, and was attended by about 30 participants and lecturers. During the discussions, particular stress was laid on students' cooperatives and the participants agreed to keep the I.C.A. Education Centre informed on their development in the Universities. The Regional Office, in its turn, should develop machinery for collecting information on the students' cooperatives. The Workshop recommended to the I.C.A. to undertake a study on the extent and nature of research in cooperation. This has been completed. A Regional Seminar on the Organisation and Financing of Consumer Cooperatives was held in Bangkok, Thailand, between June 10th and 22nd and was attended by 29 participants. It was strongly felt that a follow-up seminar on consumer cooperation should be organised by the Centre, when problems of management training, salesmanship, handling of goods and pricing policies could be taken up. A Course on Co-operative Insurance was conducted in Kuala Lumpur, Malaysia, from September 3rd to 16th, at which experts from the Swedish Co-operative Insurance Society and general managers of the region's cooperative insurance organisations had taken part. Exchanges of experiences and collaboration between the Malayan and other regional cooperative insurance societies formed the basis of the discussions held during this course. A National Seminar on Member Education Problems, with special reference to the



techniques of study circles, was attended by 36 field workers of the Malaysian Department of Cooperative Development from September 9th to 14th in Malaya. A Seminar on Fishery Cooperatives, planned for November in Karachi, Pakistan, had to be postponed due to the inability of the Seminar's leader and some other participants to obtain entry visas into Pakistan in time. Since there was great interest in this Seminar and a great deal of preparatory work had been undertaken, it is planned to hold it early in 1965.

The I.C.A. organised its first educational programme in the Philippines towards the end of 1963, and, in collaboration with the Central Cooperative Exchange of the Philippines, an Experts' Conference on Cooperative Credit was held at Baguio from December 8th to 14th. Problems of agricultural cooperative credit and marketing were discussed and, as a result, it was proposed to issue a publication based on the conference papers and deliberations. The Conference was followed up by a National Course on Supervised Agricultural Credit for cooperative workers from the Philippines from December 16th to 21st. Finally, a Regional Seminar on Cooperation and Youth, organised by the I.C.A. in collaboration with the World Assembly of Youth, took place at Kuala Lumpur from January 10th to 22nd, 1964 with an attendance of 40 cooperative and youth leaders whose discussions centred round the specific areas of collaboration between the two movements and their mutual objectives.

On the general subject of seminars, the Advisory Council discussed the question of experts assisting in them and felt that greater selectiveness should be exercised in their recruitment and that

they should, as far as possible, be given orientation at the New Delhi Centre.

### **Fellowship Programme**

While the 1962-63 fellowship programme organised by the Education Centre was concentrated on research, its 1963-64 programme of six months' duration was devoted more to advanced studies under the guidance of I.C.A. officers. Although three candidates had been selected, one could not take up his fellowship due to passport and visa difficulties. The two fellows from Ceylon and the Philippines concentrated their studies on the role of cooperation in agricultural productivity and prepared papers which were discussed in seminars. They also took tours to the States of Maharashtra and Punjab.

### **Publications and Research Studies**

During the period under review, the I.C.A. Regional Office has published a Directory of the Cooperative Press in South-East Asia, a Bibliography of Literature produced by the Cooperative Movements in South-East Asia, a Cooperative Import and Export Trade Directory, and a document giving detailed job descriptions of cooperative personnel in South-East Asia.

Studies in various research fields have been undertaken. For instance, a compilation of "Research on Cooperation in India", indicating the fields of research, the methodology adopted and the main conclusions arrived at, has been finalised and an analytical paper based thereon has also been completed; sponsored by the I.C.A., a study to examine the possibilities of developing collaboration between the women's organisations and the cooperative movements in South-East Asia was undertaken and completed by a Pakistani cooperator as the result of

a Seminar on "The Role of Cooperation in the Emancipation of Women", held by the I.C.A. in collaboration with UNESCO at New Delhi in December 1962; the first draft of a study on "Agricultural Cooperative Marketing in South-East Asia" has been prepared; and drafts of two brochures concerning "The Role of Cooperation in the Modernisation of Small-Scale Industries" and "The Concept of the Multi-Purpose Society" have been written and completed by I.C.A. officers.

General comments made by the Council members on the above activities were that they should be supplied with a list of literature available in the Centre, that similar studies as, for instance, the compilation of research on cooperation in India, should be produced also for other countries of the region, and that it was important to check the accuracy of factual information with a leading member of the relevant national cooperative movement, before it was published.

#### **Technical Assistance**

The previous Director of the I.C.A. Education Centre in New Delhi, Mr. B. Mathsson, has been working as an expert with the Indian Government between April and August 1963, to advise on the educational programme in connection with the implementation of India's consumer cooperative programme. In compliance with a request submitted to the I.C.A. Office by the Government of India for assistance in four projects from the "Aid India Fund" raised by the West German Consumers' Cooperative Movement, the German cooperators have accepted in principle one, a dairy project near Poona, and are also considering sending an expert to India to make on-the-spot observation of the other projects. The Indian Government's

Ministry of Cooperation has, furthermore, approached the I.C.A. to help recruit three suitable experts to organise and run a Management Institute for Consumers' Cooperation and three others to aid in the operation of a Demonstration Project of Consumers' Cooperation. Following this request, the I.C.A. headquarters office invited applications, through member organisations, from candidates for these posts. In connection with this request for help, the Council's Chairman pointed to two matters of policy involved in and affecting technical assistance. The first was whether the expert should play an executive or advisory role and the second concerned the body to whom he was to be responsible. Policy decisions on both these issues were important if the expert was to operate effectively. It was the view of the Council members that a functional and organisational integration between the Consumer Management Institute and the City Demonstration Project was essential.

The I.C.A. also received a request from the Ceylon Fish Sales Cooperative Union to make inquiries with cooperative organisations about the possibilities of their help in building shore facilities at Galle Harbour. After discussions between the Ceylonese cooperators and representatives of the New Delhi Office, it was agreed to postpone action on this large project pending discussions between the Ceylon Fish Sales Cooperative Union and its Japanese counterpart. Information was to be sought about previous assistance given by the FAO for the modernisation of fishermen's boats in Ceylon.

Observations of a more general character made during the Council's discussion on technical assistance included a reference to Malaysia. It was indicated

that that country had so far submitted its requests for assistance to some of the Specialised Agencies of the United Nations, mainly the FAO and ILO, but that it would now also draw on the I.C.A. in that respect. Referring to the small resources of the I.C.A., its Director stressed the efforts now being made to increase the Alliance's usefulness in the field of technical assistance, and its President mentioned another direction of the I.C.A.'s efforts, namely, bringing about greater collaboration between the cooperative movements and the government technical assistance bodies in the aid-giving countries.

#### **Collaboration with regional and international organisations**

In the course of their educational activities, I.C.A. officers developed further their contacts with South-East Asian apex cooperative organisations. Close collaboration between the Regional Office and ECAFE, FAO, ILO, the World Veterans' Federation and the Afro-Asian Rural Reconstruction Organisation has been pursued. The Regional Office collaborated also with the Asian Trade Union College of the International Confederation of Free Trade Unions (ICFTU) in Calcutta.

#### **Programme for 1964**

At its last meeting, the Advisory Council approved the schedule of the following seminars to be held in 1964: in August, a National Seminar on the Role of Cooperation in Social and Economic Development in Nepal; in September, a Seminar on Cooperative Marketing in Lahore, Pakistan; in October, a Seminar on Cooperative Employees Training in Comilla, East Pakistan (followed immediately by a 4-5 days' conference of the National Cooperative College Principals,

discussing problems of common interest and ways of collaboration between the national cooperative colleges in South-East Asia); in November or December, a National Seminar on Cooperative Member Education in Ceylon; and in December, a Seminar on Cooperative Housing in Kuala Lumpur, Malaysia.

The Council approved furthermore the holding of the Seminar on Fishery Cooperatives, which was to have taken place in November 1963 and had been postponed, in Pakistan or India at the beginning of 1965, and agreed that, instead of the postponed Seminar on Trade Unions and Cooperation which had originally been planned for May 1964, an Experts' Conference on Trade Unions and Cooperation should be organised in India early in 1965 in close collaboration with the ICFTU Trade Union College in Calcutta.

In connection with the Education Centre's organisation of experts' conferences and regional and national seminars, the Advisory Council recommended that the number of experts' conferences to be organised each year might be increased from one to two and that, as in the past, the future selection of participants should be done through the Regional Office and Education Centre. The Council also recommended that, in addition to the participants in regional seminars who were selected through the national cooperative unions and cooperative ministries, the I.C.A. might invite particularly suited persons to take part in these seminars.

Other matters discussed by the Advisory Council included subjects for future seminars, publications and research programmes of the Regional Office and Education Centre during 1964, the question of selecting South-East Asian cooperators going on study tours abroad and

## STRUCTURAL REFORM IN DANISH COOPERATION

by Aage Büchert,  
*FDB, Denmark.*

THE radical scheme for a concentration of the Danish retail cooperative societies into one large chain organisation has already brought numerous interested inquiries from cooperators in other countries, even though the scheme is still only in the preparatory stage. It has, however, been widely approved in principal as the ultimate goal in the structural development of the Danish Consumers' Movement, and the first important step towards the implementation of the plan will be taken in the autumn of this year—less than two years after Professor P. Nyboe Andersen, chairman of the Board of the Danish Cooperative Wholesale Society (FDB), for the first time advanced at a council meeting the idea of total integration of the Danish retail cooperative societies and their wholesale society into one single nation-wide society under the name of *CO-OP Denmark*.

The debate at that council meeting of preparing their training programmes, the question of passport and visa formalities for participants in seminars, including I.C.A. officers, in some South-East Asian countries, and the I.C.A. fellowship programme for 1964-65.

Before concluding the meeting, the Council members decided on November 1964 for their next meeting and agreed tentatively to hold it in Colombo, Ceylon.

concluded with a resolution on the setting up of a Structural Committee to report on the most suitable structural development. This committee consisted of eight members, so that both rural and urban societies as well as FDB were well represented. The chairman of the committee was Professor Nyboe Andersen, and the Vice-Chairman Kaj Nielson, chairman of the Board of Directors of HB, the largest urban society. Among the representatives of FDB was the Managing Director, Ebbe Groes.

In February, 1963, the committee began its work: to draw up a report on the future structure of the Danish consumers' cooperative movement. Less than a year later the result of the work was available in the form of a book of 70 pages entitled: *The Road to CO-OP Denmark*. The recommendations had been carried unanimously by the members of the structural committee, and in March, 1964, 25,000 copies of the book were circulated to the elected representatives of the societies and other interested parties. Now the scene was laid for a heated and sometimes bitter debate for and against the proposals; a debate which still continues, but has in itself been of great importance as proof of the vitality of member democracy at a time when popular interest in the ideological approach of the Movement is sometimes said to be flagging.

The idea of *CO-OP Denmark* has both

a *special* background in the particular situation of the Danish Movement, and a *general* background in the changing conditions under which the effective retail trade must operate in a highly developed community.

### **Specific Structural Trends**

The *special* background is due to the extraordinarily uneven size distribution of the Danish retail societies numbering about 1,900. In most countries the Movement consists mainly of a number of large branch societies, whereas those with one or only a few shops are not common. In Denmark the structure is lopsided in the sense that the great majority of societies operate only one shop, whereas the city society, HB, is Denmark's biggest retail chain, being as big as all the private retail chains in the food sector combined. HB accounts for one-third of the aggregate retail sales of consumer goods of the Danish societies, or as much as the combined sales of the 1,200 smallest retail societies. In the course of the months in which the structural committee has worked at formulating the proposals for *CO-OP Denmark* this lopsidedness in size distribution has been further accentuated by a series of remarkable amalgamations between HB and a considerable number (up to now 24) of town societies throughout the country. What is remarkable about these amalgamations is the fact that they have been made without regard to the geographical distance between the societies and HB. Until about 18 months ago HB had confined its operations to the capital city and surroundings, but today through amalgamations it has acquired branches up to 156 miles distant, and it is not easy to find much greater distances than that in little Denmark.

HB's cross-regional growth coupled

with the failure so far of the other Danish societies in grouping themselves together by amalgamation were the special trends that induced the structural committee to adopt the idea of *CO-OP Denmark* as the best solution to the organisational problems of the entire consumers' movement. The only practicable method of carrying through the concentration of retail societies outside HB, which is essential for reasons of efficiency, would be to employ FDB, the Danish Cooperative Wholesale Society as a catalysator in their collaboration endeavours. The structural committee recommends such a catalysis effected by means of various practical measures aimed at uniting the societies outside HB in closer cooperation in both shop management and shop investments. In order to coordinate closely such cooperation with the expansion of the HB-chain, the structural committee has decided on complete amalgamation into *CO-OP Denmark* as the ultimate goal in the work of concentration.

### **General Trend towards large-scale Operations in Retailing**

The general idea behind the proposed promotion of *CO-OP Denmark* is to benefit from advantages of a centralised retail chain organisation both today and in the future. The changes in population including migration from country to towns, the higher standard of living, the changing buying habits—all these make it necessary to expand the network of cooperative retail establishments by hundreds of centrally located supermarkets with both food departments and a larger or smaller assortment of non-food goods. The investments required are so large that the Movement is unable effectively to fulfil its objectives for the benefit of the consumers without

Professor Nyboe Andersen, Chairman of  
the Board of the Danish Cooperative  
Wholesale Society, FDB



FDB's head office, factories and central  
warehouse seen from the air



making the most of the advantages offered by the centralised chain organisation in the form of increased capital resources, and the possibility of investing such capital under an over-all scheme comprising the entire cooperative network of shops.

At the same time the Movement has to face the fact that it is impossible effectively to operate such a network of shops without utilising other advantages of the country-wide retail chain, such as:

- (1) uniform shop front and shop style,
- (2) more effective national advertising,
- (3) common product line policy,
- (4) allocating working functions to specialists,
- (5) centralised accounting and data processing,
- (6) a common personnel policy and staff training.

#### **Proposed practical steps towards CO-OP Denmark**

The structural committee has agreed that the achievement of *CO-OP Denmark* lies somewhere in the comparatively distant future. However, as already mentioned, the committee recommends a series of practical measures towards that goal. These will aim in the first place at employing FDB as a catalyst for the close cooperation between the retail societies outside HB, using the following three sets of measures:

1. Arrangement of close contractual cooperation between FDB and interested retail societies. A concrete draft standard contract for such cooperation between FDB and the retail societies was incorporated in the committee's report. By imposing a number of mutual obligations on the parties, the contract aims at transferring such

functions as can best be performed centrally, to FDB, such as: control of product line policy through compulsory purchasing from FDB—keeping of accounts by FDB's central accounting department—obligation to comply with FDB's sales planning—and to consult FDB about shop arrangements, shop investments, and personnel policy. By such centralisation the shop managers will be able to devote more time and energy to the actual work in the shop, i.e. in serving the members. The contractual chain, which it is anticipated will be established by October 1st, 1964, is intended to provide interested societies outside HB with advantages of the same kinds as those that give the real retail chains their competitive strength. The proposal for offering the retail societies the said contract has already been approved by the board and council of FDB, and will thus be the first big step on the road shown by the structural committee towards *CO-OP Denmark*.

2. Concentration of FDB's financial support and consultant assistance on shop extension on those shop locations which by detailed market analyses are found most suitable. It is hoped by this practice to infuse new life into the largely unsuccessful programme of local amalgamations of small societies. In the districts where, as a result of this new incentive the societies amalgamate into one society, the managers of the combined society must assume responsibility for the operations of both the central shop established in the district and for any smaller shops whose operations are continued for shorter or longer periods.
3. As a third measure the structural

Committee proposed that the road towards *CO-OP Denmark* should be facilitated by the establishment of an FDB retail sales department to which the retail societies may transfer their assets and liabilities as well as their memberships. Detailed examination of legal, financial and operational problems must be made before such an idea could materialise. It is anticipated that this examination will be made for a report to a cooperative Congress in 1965 . . . In the event of the Congress coming to a positive decision the Rules of FDB would have to be amended so as to include the direct operation of retail shops. The retail department could not therefore be established until 1966 at the earliest.

The other aspect of the practical measures for inaugurating *CO-OP Denmark* is the preparation for the big city society HB's entry into the above-mentioned retail department. According to the structural committee permanent collaboration agreements between FDB and HB should constitute important links in the common policy aimed at integration as the ultimate goal. Here it should be pointed out that a sound basis for such integration exists in that HB already makes substantial purchases from FDB, and for a great number of articles deals solely in FDB's branded goods. Further, HB and FDB, are in continuous contact regarding all important fields of business.

The actual formation of *CO-OP Denmark* is visualised by the structural committee as taking place by HB's joining the said retail department. No effective date for the formation is given by the committee.

This, then is the background for the Danish plan for *CO-OP Denmark* and

the step by step road leading to the goal as recommended by the structural committee.

No mention has been made in this article of the highly important question of the organisation of member democracy and education under the conditions of chain operation, since that is a whole chapter by itself. However, the committee advocates that a further detailed survey should be made of this problem, but at the same time outlines in its report a suitable democratic structure for the future in which the individual members must, for practical reasons, exercise their influence on top management indirectly through representative intermediaries as in ordinary political democracy.

The structural committee is, however, fully aware that a determined educational programme must be devised in order to maintain the real democratic status of the membership in a nationwide retail chain.



**JAWAHARLAL  
NEHRU**  
1889—1964



Prime Minister Nehru greets the President of the ICA

“What gods there are, I know not; and I am not concerned about them. But there are certain rare qualities which raise a man above the common herd and make him appear as though he were of different clay.” Pandit Nehru once wrote these lines about Mahatma Gandhi. They apply equally well to Nehru himself. He was certainly one of those who rise above the common herd. The news of his death was expected—still it came as a shock to hundreds of millions. His standing as an international statesman was based not only on his enormous influence in India, but grew even more from the fact that far beyond the borders of his own country he expressed our dreams of peace and reconciliation among men.

Nehru was the foremost architect of free India. His political convictions gave direction to the policies of his country, and until his death he remained its dominating figure. At mass meetings throughout the country, he talked to the peasantry, trying to transmit to them his own intense involvement in the future of India.

His audience came not so much to listen as to be near him, and Nehru himself never ceased to be inspired by these occasions. He could see before him people from all walks of Indian life, a sample of the immensity and diversity of his country. In meetings of this kind he found evidence of what he sometimes called the essential unity of India, an almost mystical concept which sustained him and renewed his strength.

Cooperators have good cause to honour his memory. He understood what Cooperation is about and he grasped instinctively its potential for India. “I have been attracted,” he once wrote, “towards Cooperation and the Cooperative Movement, not through normal channels of working in it but primarily intellectually, and secondly . . . in relation to our problem in India . . . In India we are faced with everything multiplied by roughly 400 million and if you make any progress in India we have to spread it out over 400 million, and it is here in this spread out that Cooperation is making things work for us.”

Prime Minister Nehru attended the Indian Cooperative Congress, held in December last year. There, he addressed his last remarks to Cooperators. They were meant for his own countrymen; but they have a universal significance.

“The Cooperative Movement is of the highest importance to India for a variety of reasons,” he said. “It is important because, especially in rural areas, the holdings of peasants are very small and they have no resources. They can make progress in the application of improved farming techniques only by farming cooperatives and working together.”

Nehru’s most remarkable characteristic was that he combined a modern view of life with a deep feeling for the traditions of India. In a unique manner he personified the ambitions which his country shares with all other nations engaged in the painful struggle to create decent conditions of life for masses of humanity labouring under thousand-year old traditions.

B. M.

**YASUSHI HASUMI**  
1891—1964



**W**ITH the death in February last of Mr. Yasushi Hasumi, the Japanese Cooperative Movement has lost a great leader and the international Movement a much-valued link with cooperation in the Far East.

On concluding his law studies at Tokyo University, Mr. Hasumi joined the Ministry of Home Affairs and subsequently became chief of the Cooperative Section in the Ministry of Agriculture. His work for cooperation reached its culmination in 1940 when he became President of the Central Cooperative Bank, a post which he held until 1951. He next became president of the Central Union of Agriculture Cooperatives, where he remained until his death. In addition he was director of the Cooperative College.

Mr. Hasumi filled a very wide variety of functions both as a cooperator and as a member of many government Boards and Committees.

His contact with the International Cooperative Movement began in 1957 when he was elected to the Central Committee of the International Cooperative Alliance at its Congress in Stockholm.

# 42nd INTERNATIONAL COOPERATIVE DAY

4th JULY, 1964

## *Declaration of the I.C.A.*

*THE INTERNATIONAL CO-OPERATIVE ALLIANCE, greeting its Affiliated Organisations in 53 countries, and their membership of over 174 millions, on this 42nd International Cooperative Day -*

- EMPHASISES the direct personal interest of its members, as producers and consumers, in developing, maintaining and distributing supplies of food throughout the world; the rôle of the Cooperative Movement in achieving economic and social progress towards higher standards of welfare and civilisation; the interdependence of peoples and nations as evidenced by the growing contacts between co-operatives everywhere; and the need to widen the sphere and scope of free international trade towards the accomplishment of a sound world economy constituting a basis of freedom for all mankind;
- DECLARES its belief that the most urgent problem today is the establishment of lasting peace and security;
- WELCOMES the efforts being made to prevent thermonuclear war, to attain general disarmament, under international control, and thus to release the present vast military expenditure for a really substantial attack on poverty throughout the world. The Treaty banning nuclear tests in the atmosphere, under the ocean and in outer-space has been wholeheartedly welcomed by our many millions of co-operatives who hope that it will prove to be an important step which may be followed by others of further significance;

and - RECALLING the declarations of the 22nd Congress of the International Cooperative Alliance at Bournemouth in October, 1963 -

- URGES its member Organisations to accelerate the accomplishment within national cooperative movements of such urgent structural reforms as may be necessary to attain the highest level of efficiency in operations for consumers and producers and, whilst thus strengthening themselves further to meet the competition of profit-making interests and monopolies, to maintain the closest possible contact with their own members;

And finally, THANKS the established Cooperative Movement for the increasing volume of technical assistance for younger Movements in developing countries and EXHORTS them to give greater endeavours in this field which is proving to be to the mutual advantage of both older and younger Movements

I.C.A. • A.C.I.  
COMPOSITION OF I.C.A. BY SOCIETIES



I.C.E. • M.K.A.  
COUNTRIES OF THE ALLIANCE

Austria	Burma
Belgium	Ceylon
Bulgaria	Cyprus
Czechoslovakia	India
Denmark	Iran
Eire	Israel
Finland	Japan
France	Jordan
German Federal Republic	Korea
Great Britain	Malaya
Greece	Pakistan
Holland	Sarawak
Iceland	Singapore
Italy	
Malta	Canada
Norway	U.S.A.
Roumania	Argentina
Sweden	Brazil
Switzerland	British Guiana
U.S.S.R.	Chile
Yugoslavia	Colombia
	Jamaica
	Dominica
	Mexico
	Australia
	New Zealand

## THE COOPERATIVE MOVEMENT IN CANADA — 1964

by A. F. Laidlaw,

*National Secretary, Coöperative Union of Canada.*

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WHEN we stop to think that practically all the cooperative organizations now doing business in Canada were started since 1900 and therefore developed within the lifetime of many of the present leaders, we realize that the cooperative movement in this country is comparatively young. It has not had time yet to lay out clear boundaries, settle into a well defined pattern or establish widely accepted objectives. And yet the general framework of an overall national movement is beginning to be seen.

### Cooperative Associations

The foundation lies in about 3000 cooperative associations with memberships totalling well over 1½ million—how many individual persons is difficult to say, but perhaps half that number. This is the heart of the movement—the primary level where cooperative principles operate.

These cooperatives market grain, milk, livestock and other agricultural products; provide farm supplies, machinery, petroleum products, foods and consumer goods; market fish and handle fishermen's gear; and render a wide variety of services, such as electric power, medical services, transportation, artificial breeding of cattle, cold storage and housing.

The business turnover of these associations in recent years has been of the order of \$1.5 billion—not a very large

segment of the total Canadian economy but important from the viewpoint of those who are served by cooperatives, especially primary producers, farmers and fishermen, who comprise by far the largest part of the movement.

### Credit Cooperatives

Side by side with these associations are some 4500 *caisses populaires* or credit unions, counting about 3,000,000 Canadians in membership. About 70 per cent of these are linked with other types of cooperatives through membership in provincial central credit unions or cooperatives credit societies.

The *caisses populaires* and credit unions are savings and credit associations which basically follow cooperative methods and practices. They are strongest in the province of Quebec, with over half the members and assets in all Canada. Fully 30 per cent of all Quebec people are members. But rapid growth is seen in other provinces too, particularly Saskatchewan, which has the highest savings per member of any part of Canada.

### Grouping and Structure

Grouping together for greater strength and efficiency is an important characteristic of Canadian cooperatives. The typical association belongs to a family of cooperatives, locals joining together to form various kinds of centrals. Credit

unions have provincial leagues, credit unions and cooperatives form credit societies, the credit societies have a national body, cooperatives in the business of farm supplies have wholesales, the wholesales have a national supplier (Interprovincial Cooperatives Limited), and all types have united to form two organizations for coordination, protection and promotion—the Cooperative Union of Canada serving English-language cooperatives and *Le Conseil Canadien de la Coopération* serving the French sector. The family concept is strong in Canadian cooperatives.

Two types of arrangement are seen in the structure of central cooperatives: one, the federated type, in which autonomous locals create a central agency; the other, the centralized type, in which a mother cooperative creates branches or local services for members. The former tends to be predominant for farm supplies or consumer goods, the latter for marketing. But there are notable exceptions; for example, United Farmers of Alberta Cooperative, a farm supplies cooperative, is the centralized type, while Manitoba Pool Elevators, a marketing cooperative, is the federated type with independent locals.

### **Regional Aspects**

In a country as large and diversified as Canada it is to be expected that much of the grouping will be on a geographical basis, either provincial or regional. Five regions stand out quite clearly: the Maritimes, Quebec, Ontario, the Prairies and British Columbia. To a limited extent Newfoundland lends itself to joint action with the Maritimes, forming an Atlantic region; and the same is true in a limited way of British Columbia and the Prairies.

The strongest concentration of cooper-

ative activity is found in the Prairie region. With only 17 per cent of Canada's population in Manitoba, Saskatchewan and Alberta, these three provinces conduct slightly more than half of Canada's total cooperative business.

In this region are found the largest grain-marketing cooperatives in the world (United Grain Growers and three Wheat Pools), the largest group of consumer cooperatives in North America—with a single wholesale structure, Federated Cooperatives Limited, one of the few farm machinery manufacturing cooperatives in existence, the world's first petroleum refinery owned by consumers, the only cooperative trust company on the continent, Canada's first Cooperative College and only Department of Cooperative Development . . . the record speaks for itself.

A new and especially interesting group of organizations has developed in Canada in the last five years: the Eskimo cooperatives, about twenty in all, dotted over a vast area stretching 2000 miles across Canada's northland. The Arctic cooperatives—marketing furs, fish, handicrafts and Eskimo graphic arts, supplying consumer goods, and organizing the people for resource development—are injecting a new element of vigour into the economy of the far north. One of these cooperatives is located several hundred miles above the Arctic Circle.

### **Insurance**

Woven into this pattern of local, central and regional cooperatives are the various cooperative insurance organizations. Their role is of special significance to cooperatives as a movement, for though their services mainly are directed to personal and family needs of cooperative people, their influence tends to the wider community and the interprovin-

cial aspects of cooperative development. They give the member of even the most remote cooperative a means of helping to build financial strength into the movement and participating in the building of cooperative facilities both near home and far away.

The services of insurance cooperatives extend over a wide range: fire, auto, life, hail, marine, sickness and accident, group life, credit union coverage, pensions and annuities. Some of the companies, especially the rural fire mutuals, are among the oldest cooperatives in Canada, but most of them are comparatively new and the most rapid growth has taken place in the past fifteen years.

Thirteen insurance companies in Canada which identify themselves as part of the cooperative movement meet in the National Cooperative Insurance Conference to discuss common problems and matters of mutual concern. Many of them are also members of the worldwide cooperative insurance group, brought together under the sponsorship of the International Cooperative Alliance, through which insurance treaties are arranged for cooperative companies in many countries of the world.

### **The Question of Growth**

Are Canadian Cooperatives growing? In what ways and where? Are they growing as fast as other business? These questions are not easy to answer. Complete statistical records are lacking. A recent survey for the years 1953 to 1962 showed that total sales of merchandise and supplies increased 75 per cent, which is considered quite rapid growth. This increase was accounted for as follows: Western Provinces 92 per cent, Central Provinces 64 per cent and Atlantic Provinces 52 per cent.

In the marketing of farm products there was considerable growth during the same period, 1953-1962, in sales of livestock, dairy products and eggs and poultry, but in all cases the increase barely kept pace with increased agricultural production. There was no overall increase in cooperative marketing of fruits and vegetables.

The Western grain marketing cooperatives have increased their share of the total handlings to about 55 per cent. The corresponding figure for dairy products in Canada is about 25 per cent. The cooperative share of total agricultural marketing is about 33 per cent, and this figure has not increased noticeably in recent years.

In other fields of business, especially insurance and credit unions, cooperative growth has been quite rapid and vigorous but the general picture does not indicate that cooperatives are moving ahead faster than other business. Indeed, in some respects and in some areas the movement appears to be falling behind the economy as a whole.

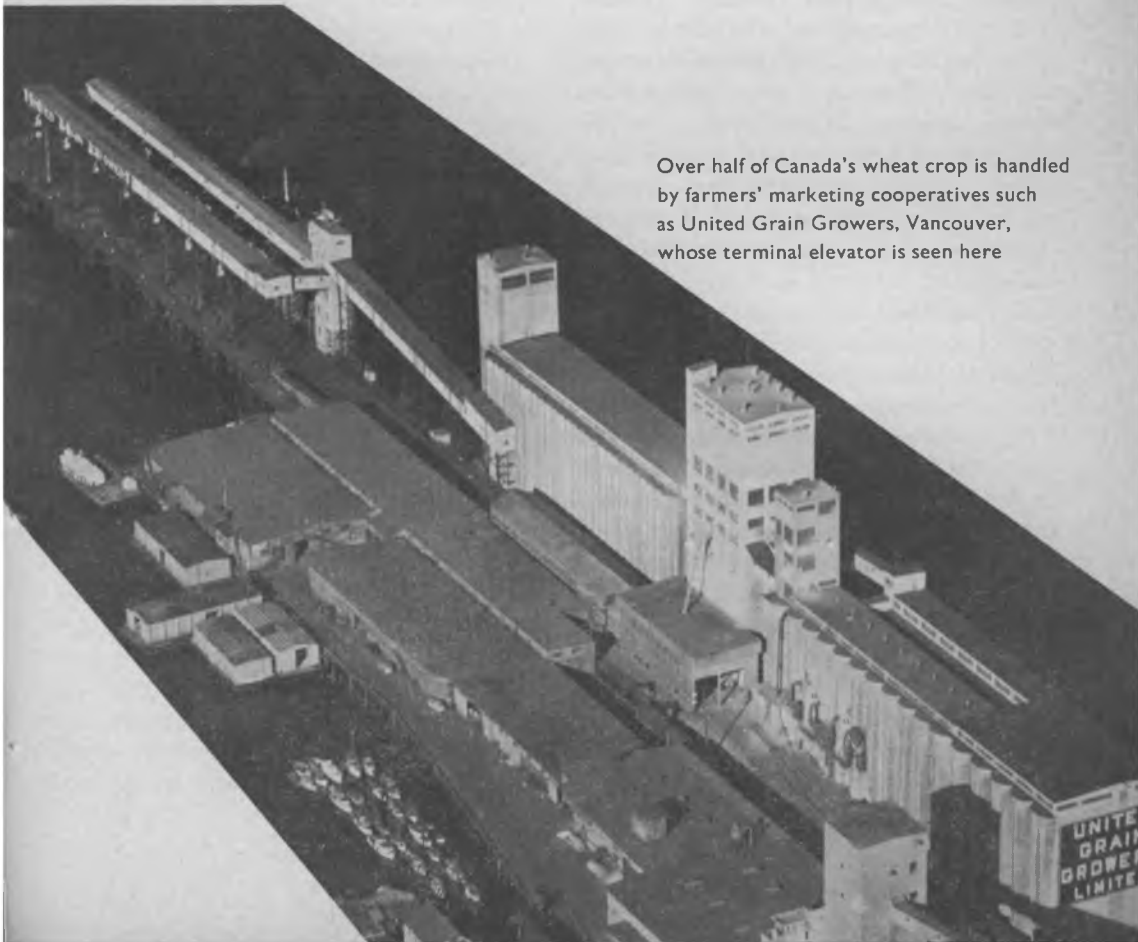
This is particularly true of the urban areas, and especially of a few metropolitan centres in which the Canadian population is tending to concentrate. Perhaps the strongest doubt that nags cooperative leaders today is whether the meaning and message of cooperation will be able to penetrate the urban culture which tends more and more to dominate the Canadian way of life.

### **Some Highlights**

At present a number of encouraging signs of growth and development, stemming mostly from the agricultural sector, can be seen in almost all parts of the country: the ultra-modern dairy plant of Fraser Valley Milk Producers near Vancouver, the chemical complex of



Consumer Cooperative Society at Moose Jaw, Sask.



Over half of Canada's wheat crop is handled by farmers' marketing cooperatives such as United Grain Growers, Vancouver, whose terminal elevator is seen here



Edifice Desjardins at Levis,  
Quebec, the new head-  
quarters of the Caisses  
Populaires

Interprovincial Cooperatives Limited near Saskatoon, plans for a large fertilizer plant to serve Saskatchewan and Alberta cooperatives, the new head office building of Cooperative Insurance Services in Regina, a new Scotian Gold Cooperative plant in the Annapolis Valley—these are just a few of the more recent undertakings in Canada, reflecting increased ownership and control for members of cooperatives across the country.

At the local level new or improved cooperative stores, feed mills, various kinds of plants and office buildings reflect a growing movement that is gradually gathering strength—Prince Rupert on the West Coast and Corner Brook in Newfoundland, with about a hundred communities in between, have had expansion or renovation of cooperative properties in the past two years. Credit unions are now moving into brighter, better offices and the visitor to Quebec will remark that the modern and artistic new building of the *Caisse populaire* is often the most attractive in the village or small town.

### Trends

A number of important trends in cooperative development in Canada should be noted.

First, there is a general tendency everywhere towards integration into larger business units. Smaller cooperatives are merging with larger ones in the interest of greater efficiency and improved services. The lone, struggling cooperative standing by itself is becoming a thing of the past. In many cases the tendency takes the form of management agreement between local and central. The end result is some kind of unity and better coordination.

Second, more emphasis is being given than ever before to training, to competent management, to expert leadership. This applies to both employed and voluntary or elected personnel. Training of directors, largely unheard of in days gone by, is receiving increased attention in most parts. The influence of Western Cooperative College in this field is especially significant—an institution built and operated by cooperative people for cooperative development. In Quebec



Arctic char is a valuable fish marketed by Eskimo Cooperatives in Canada's northland



a similar centre of training and adult education, *l'Institut Coopératif Desjardins*, was opened at Levis near the end of 1963. These institutions are indicative of a growing maturity in the Canadian movement, and at the same time they give assurance that there will be trained personnel to match the cooperative development which is bound to take place in the days to come.

Third, there has been in recent years a willingness to try new forms of cooperatives, to apply cooperative methods and techniques to a variety of situations and problems. New types of cooperatives are emerging. No longer is the cooperative idea applied only to the more common forms of trade and commerce. Farmers now have cooperatives for grazing, land development, transportation and a great variety of farm services. The value of medical and health services cooperatives is now more widely understood. Students are beginning to organize campus cooperatives. Parents in some cities are setting up cooperative nursery schools. There seems to be no limit to the ways in which the cooperative idea

can be applied in facing the everyday problems of life and society.

Finally, there is a growing interest among Canadian cooperators in the people not so close to home, those who need the message of cooperation and the experience of cooperative people to help them develop a better social order and a higher standards of living. Canadian cooperatives are looking over the horizon to see how the cooperative idea, which has meant so much to people in this country, can be put to work in other places. The Coady International Institute at Antigonish is helping to train young men and women from as many as thirty different countries at a time. In conjunction with External Aid of the Government of Canada cooperatives in this country have developed a training program which takes care of a large group of overseas students each year—the 1964 course extending through four months from late June to the end of October. And through the Cooperative Union of Canada a technical assistance program to promote cooperative development both at home in the frontier



Saskatchewan Credit Unions are raising funds to develop credit unions in Tanganyika

regions and abroad in the Caribbean area is being developed by cooperative members assisting Cooperatives Everywhere. CO-EVER had its first field workers in the Eastern Arctic and on the western shore of Hudson's Bay in 1963 and 1964, and early this year a fulltime worker will be located in the Great Slave

Lake area in conjunction with the Northwest Territories Council. The influence of Canadian cooperatives is now being felt in faraway places among people who face very much the same problems as those which the pioneers and founders of the Canadian movement faced some sixty years ago.

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## THE IMPORTANCE OF COOPERATIVE PRODUCTION IN THE INDUSTRY OF FINLAND

by **Vesa Laakkonen,**  
*Dr. pol., Helsinki.*

**M**ANUFACTURERS frequently limit their production to relatively few products. In most countries supply and manufacturing cooperatives have specialised in food. The first cooperative manufacturing enterprises in Finland and in many other countries were bakeries, macaroni factories, dairies, margarine factories, processing plants, etc.

This concentration of cooperative production on food is even more pronounced in Finland. Agricultural processing cooperatives play an important role in the cooperative food manufacturing industry; yet the productive enterprises of the supply cooperatives are mostly also food manufacturing plants. The share of cooperatives in the food and other industries will therefore be dealt with separately.

In official Finnish statistics, beginning with 1954, industrial production has been divided into categories as proposed by the Statistical Commission of the United Nations (ISIC, International Standard Industrial Classification of all Economic Activities). Food production is divided into categories such as slaughter-houses, meat processing plants, commercial catering enterprises, dairies and other milk processing plants, mills, bakeries, macaroni factories, margarine fac-

ories, canneries, coffee-roasteries, sugar, confectionery and chocolate factories, etc. Finnish industrial statistics supply information about the number of persons employed and the gross value of production under headings, classified according to owners, such as individuals, joint stock companies and other companies, municipalities and the State. The value of production, on the other hand, either net or processed, is not classified according to owners but merely given as the total for the various manufacturing groups.

In order to be able to work out the real increase and to compare figures, the production values, which are given in nominal prices, will have to be converted into fixed prices with the aid of price index figures.

In our investigation the production figures and the value of the output of a worker, the so-called productivity, have been worked out on the basis of the price level of the year 1954. During that year the rate of exchange of the Fmk was 0,4348 \$.

### **The Food Industry**

The share of cooperatives in the Finnish food industry is fairly large, as can be seen from the table below:

Year	Workers		Working Places		Value of Production		Productivity	
	Cooperatives	Other Owners	Co-ops	Others	Co-ops	Others	Co-ops	Others
					In 1000 Million Fmk		In Million Fmk	
1954	11 900	15 400	768	744	76.5	63.0	6.4	4.1
1955	12 500	16 400	773	756	84.2	68.0	6.7	4.1
1956	13 500	17 000	769	773	96.1	71.3	7.3	4.2
1957	13 200	16 500	764	794	93.0	71.7	7.0	4.3
1958	12 900	16 400	766	810	96.2	72.7	7.4	4.4
1959	13 300	16 500	758	804	105.4	74.5	7.9	4.5
1960	14 100	17 700	750	832	114.6	80.7	8.1	4.6
1961	15 200	19 100	751	866	123.6	84.3	8.1	4.4

Between 1954-61 the number of workers employed in the cooperative food industry amounted to 43-45 per cent of all workers employed in the food industry as a whole and the number of cooperative enterprises was 47-51 per cent of all enterprises in the food industry. During the same period, the cooperative share in the production volume increased from 55 per cent to nearly 60 per cent. These figures alone show clearly that the value of the output of a worker, which is here called productivity, is higher in the cooperative food manufacturing enterprises than in the other enterprises.

### Measuring the Increase

In order to obtain a measuring unit for the relative increase of the volume of production, the number of workers and of productivity, the increase of these variables has been expressed in linear trend equations on the basis of index figures for these variables. The year 1954 was taken as basis. The mathematical formula for these equations is:  $Y = a + bX$ , in which Y expresses the variable and X the unit of time.

The following trend equations indicate the average relative increase in the food industry:

### Volume of Production:

$$\begin{aligned} \text{Cooperatives} & \quad Y = 101.9 + 7.9 X \\ \text{Other owners} & \quad Y = 101.6 + 4.2 X \\ \text{Total} & \quad Y = 101.2 + 6.3 X \end{aligned}$$

### Number of workers:

$$\begin{aligned} \text{Cooperatives} & \quad Y = 109.2 + 3.4 X \\ \text{Other owners} & \quad Y = 101.4 + 2.4 X \\ \text{Total} & \quad Y = 101.0 + 2.7 X \end{aligned}$$

### Productivity:

$$\begin{aligned} \text{Cooperatives} & \quad Y = 101.5 + 3.9 X \\ \text{Other owners} & \quad Y = 100.5 + 1.6 X \\ \text{Total} & \quad Y = 100.9 + 3.0 X \end{aligned}$$

The first figure in the equation indicates (a) the value of the straight trend line in 1954 and the latter figure (b) shows again by what percentage the variable has increased yearly compared with 1954.

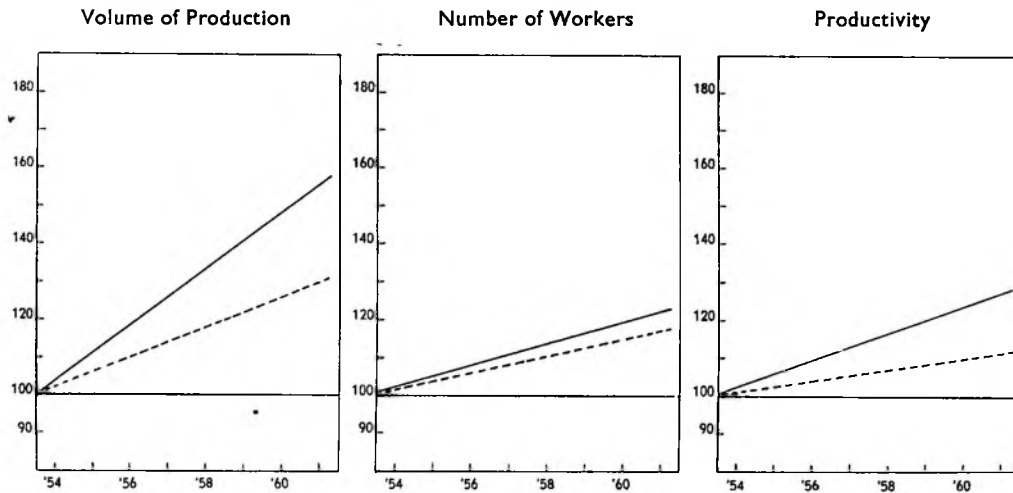
The same trend equations are also shown as graphs. To bring out more clearly the difference between the rapidity of increase between cooperative and other food industries the value of the straight trend line has been shifted to the figure 100.

The related figure b remains unchanged.

Graph 1.

The average relative increase of the volume of production, the number of workers and the productivity in the cooperative and non-cooperative food industry during 1954-1961.

—— Co-operatives  
 - - - - - Other Owners



The trend equations and their graphs show that the number of workers as well as productivity, therefore also the volume of production, have increased more in the cooperative food industry than in other manufacturing industries.

**The "Other" Industries**

All other branches of industry, with

the exception of the food industry have been combined into one group which, to simplify matters, we call "other" industries. The cooperatives have a very modest share in these industries, in particular in comparison with their share in the food industry. The following table shows the position in relation to other industries:

Year	Workers		Working Places		Value of Production		Productivity	
	Co-operatives	Other Owners	Co-ops	Others	Co-ops	Others	Co-ops	Others
					In 1000 Million Fmk		In Million Fmk	
1954	3 200	263 400	116	5 391	5.2	529.0	1.6	2.0
1955	3 900	277 000	124	5 552	6.1	599.9	1.6	2.1
1956	3 700	284 800	127	5 596	6.4	594.3	1.7	2.1
1957	3 900	275 400	130	5 537	6.6	617.4	1.7	2.2
1958	4 000	261 500	134	5 507	6.3	586.3	1.6	2.2
1959	4 500	269 200	136	5 421	7.6	641.3	1.7	2.4
1960	4 700	293 900	130	5 739	8.8	739.5	1.9	2.5
1961	5 200	305 900	130	5 815	10.3	819.5	2.0	2.7

The cooperative share of workers in "other" industries amounted at the beginning of this survey to about 1 per cent of all workers. At the end of the survey period this share had risen to 2 per cent. The share of working places in other industries amounted also to about 2 per cent. During these years the shares of the cooperatives in the volume of production of the "other" industries amounted to about 1 to 1,2 per cent.

The average relative increase of the volume of production, of the number of workers and of the productivity in other industries is expressed below in corresponding trend equations, in a similar way as for the food industry:

*Volume of Production:*

Cooperatives ..  $Y = 97.8 + 10.3 X$   
 Other owners . .  $Y = 98.1 + 6.5 X$   
 Total . . . . .  $Y = 98.1 + 6.6 X$

*Number of workers:*

Cooperatives ..  $Y = 101.6 + 7.8 X$   
 Other owners . .  $Y = 100.7 + 1.4 X$   
 Total . . . . .  $Y = 100.8 + 1.5 X$

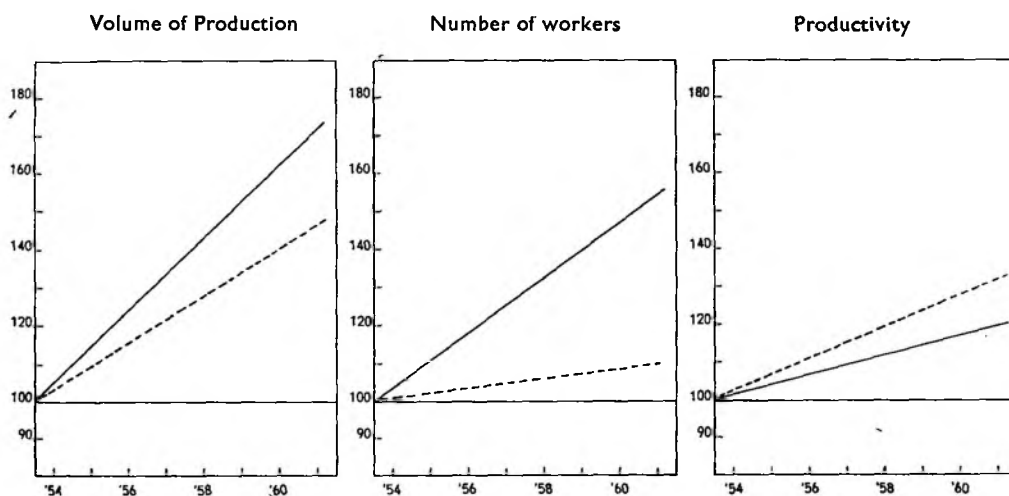
*Productivity:*

Cooperatives . .  $Y = 96.4 + 2.8 X$   
 Other owners . .  $Y = 98.4 + 4.5 X$   
 Total . . . . .  $Y = 98.3 + 4.4 X$

In the graph the value of the straight trend line for 1954 is, as in graph 1, taken as 100.

*Graph 2.*

The average relative increase of the Volume of Production of the Number of Workers and of Productivity in the other cooperative and non-cooperative industries during 1954-1961.



Although the share of cooperatives in the volume of production of the "other" industries amounted only to little more than 1 per cent, it nonetheless increased, compared with the level of 1954, relativ-

ely quicker than in the non-cooperative industries. This increase is, as the trend equations and the graphs show, mainly due to an increase in the number of workers.

### Industry as a Whole

If the above results are compiled for the Finnish industry as a whole, then the share of the cooperatives is as follows:

Share of workers 5,3–5,9 per cent; share of working places 12,3–12,6 per cent; share in volume of production 12,2–13,4 per cent.

The average relative increase of cooperative and non-cooperative industries as a whole is expressed in trend equations as follows:

### Volume of Production:

Cooperatives	$Y = 100.7 + 8.2 X$
Other owners	$Y = 98.5 + 6.3 X$
Total	$Y = 98.1 + 6.6 X$

### Number of workers:

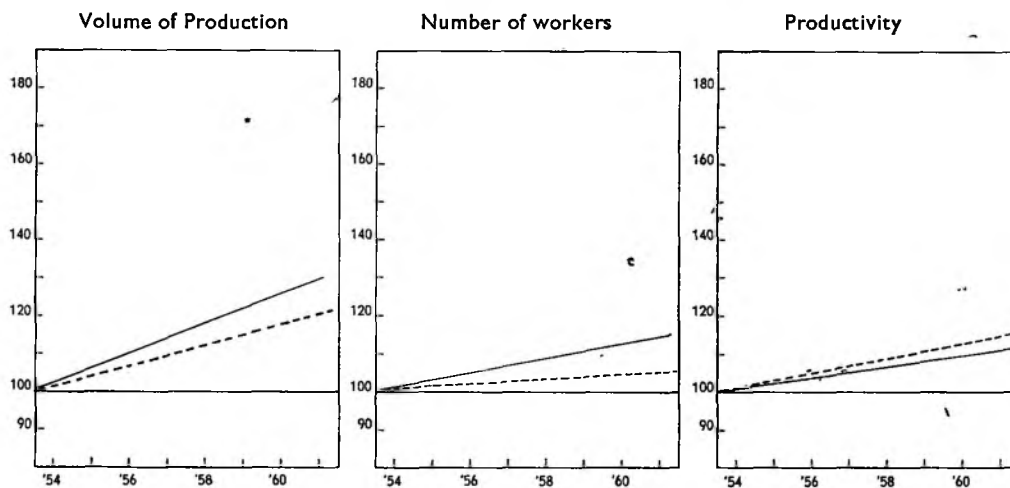
Cooperatives	$Y = 100.3 + 4.1 X$
Other owners	$Y = 100.7 + 1.5 X$
Total	$Y = 100.8 + 1.6 X$

### Productivity:

Cooperatives	$Y = 100.2 + 3.2 X$
Other owners	$Y = 98.6 + 4.1 X$
Total	$Y = 98.6 + 4.2 X$

Graph 3.

The average relative increase of the Volume of Production, the number of Workers and the Productivity in cooperative and non-cooperative industries as a whole during 1954-1961.



Compared with 1954 the number of workers and the volume of production has risen more in the cooperative industries than in the industries of other owners. The increase of productivity, although higher than in industries of other owners was slower.

It has been clearly shown above that the food industry constitutes a much larger percentage of the cooperative industry than of the industries of other

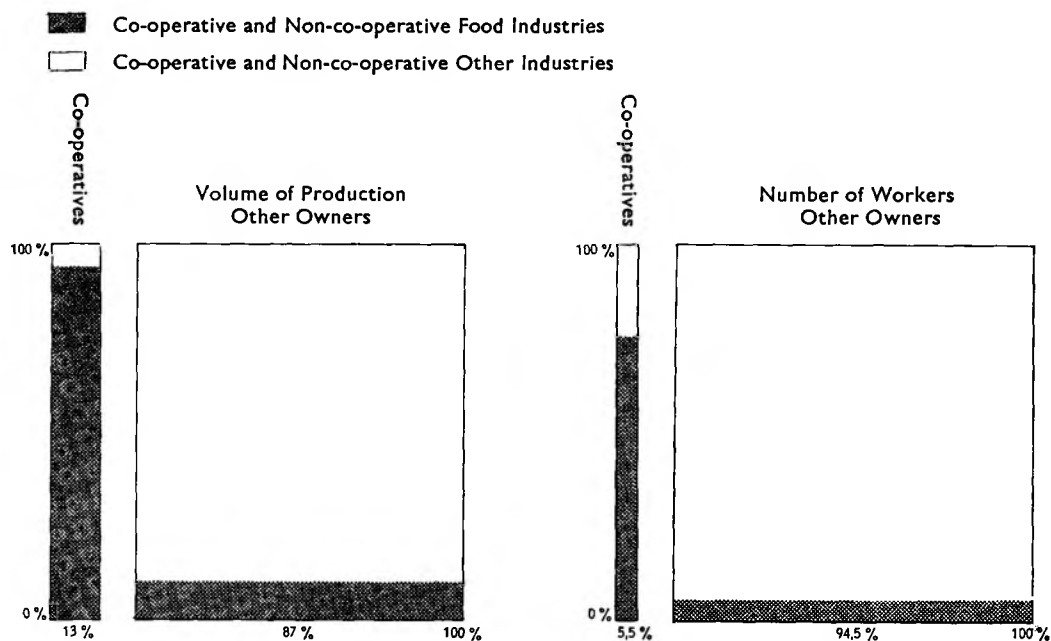
owners. In order to show simultaneously the relation of cooperative industry to the industry of Finland as a whole and its different structure, two diagrams in the shape of rectangles have been drawn up. The vertical division of the rectangles, which has been slightly extended to achieve a clearer demonstration of the factors involved, shows the average percentage of the share of the cooperatives in the volume of production and in the

number of workers in industry as a whole, from 1954-1961. The thus resulting "pillars" are again horizontally divided according to the average percentage of the volume of production and number of workers in the food industry

and in other industries. The corresponding divisions for the number of working places and enterprises are not shown for an enterprise is after all not a clear measuring unit.

Graph 4.

The proportionate division of industry between cooperative and non-cooperative industries during 1954-1961.



The graph shows that the volume of production of the cooperative industry, which on an average amounted to 13,1 per cent of the industry as a whole was 93,2 per cent of the food industry and 6,8 per cent of other industries. The corresponding production averages for other owners were 10,3 and 89,7 per cent.

The workers occupied in cooperative industries amounted on the average to 5,5 per cent of all workers, but their proportionate share in the food industry

and in other industries was 76,5 per cent and 23,5 per cent. The corresponding figures for the industries of other owners were 5,7 per cent and 94,3 per cent.

### Conclusion

This short survey shows that the share of cooperative industry in the Finnish industry as a whole has slightly increased between 1954-1961. This is due to the relatively greater increase of the number of workers and the volume of productivity in the cooperative



industry, which is particularly pronounced in the food industry. With the exception of the food industry, the productivity, e.g. the volume of production per worker in the cooperative industries, has risen relatively more slowly, but on a higher level than in the industries of other owners. This is shown by the fact that the workers in the cooperative industries, representing about 5,5 per cent of the total labour force, produced 13 per cent of the volume of production. The share of the cooperatives in the working places and the actual production units of industry did not, however, increase; it even decreased by a few per cent. This may be partially due to the effort of the cooperative unions to create larger production units.

The rate of growth in other cooperative industries was slightly higher than

in the food industry, although cooperative industry produces mostly food and increased its food production considerably between 1954—1961.

The cooperatives have concentrated during recent years on the development of other branches of industry. The structure of cooperative industry will thus in the future come closer to that of other owners. Meanwhile, cooperative industry is still organised in a different way. To simplify matters one could express it as follows: the share of the cooperative food industry in industry as a whole is about as large as the share of the other industries in the cooperative industry. As the survey covers only a short period, it is not possible to work out development trends. The facts shown can only be regarded as an outline of developments.

## COMMENTARY

### ***A Bibliography on Cooperation***

THE Committee for Cooperative Training of the National Cooperative Union of India has brought out a most interesting and useful book of 171 pages, published at the very low price of Rs.2.50., obtainable at 34 South Patel Nagar, New Delhi 12, India. The contents of the book are set out under *Cooperation in Theory, History and Practice of Cooperation*, each chapter having a foreign or an Indian section giving the relevant books. This is followed by *Cooperative credit and banking, marketing and processing, farming, industrial cooperation, consumers' cooperation, cooperative education and training, cooperative law, organisation, management, administration, accounts and audit*, and a miscellaneous section. The cooperative movement has an extremely long history of publications with a great variety in its content and structure from country to country. In India Cooperation attained strategic importance through planned development involving a great number of different agencies in

the planning and strengthening of the movement.

A growing volume of literature on Cooperation is now available in India from diverse sources, but no serious attempt had ever been made to consolidate such literature in the form of a bibliography, the lack of which has been felt for some time by the various institutions engaged in the promotion of the cooperative movement. The Ministry of Community Development and Cooperation proposed to bring out a bibliography on Cooperation as part of its integrated publicity programme, and requested the committee which has been in charge of the cooperative training programme in India to undertake the work. The *Bibliography on Cooperation* is the result. It is in the main confined to literature on Cooperation in the English language and has been prepared after consulting all the leading libraries, publishers' lists, books on Cooperation of other bodies—especially the UN—as well as various international cooperative organisations. Naturally great attention has been given to publications from India written in English. The committee also has looked into the research work on Cooperation carried out so far by various institutes and universities in India, and some of their unpublished work has been included. *The Bibliography on Cooperation* is an invaluable tool in any cooperative library and it could well be used outside India.

### **Norwegian help in Dahomey**

The small country of Dahomey, already the field of Swiss cooperative endeavour, seems to attract more European help, the most recent being given by the Norwegian National Cooperative Union. Through a national collection among the members of the Norwegian Cooperative Movement approximately 5 hundred million Kr. have been collected which will be used to erect three fishery cooperatives on the coast of Dahomey. This will make a very important contribution to the building up of cooperative institutions in the country.

### **First German Shopping Centre in the Countryside**

The opening of the first German shopping centre in the countryside took place on May 2 and received great publicity in the press, on television, and on radio. The consumers also were greatly interested, and by their thousands, people from far and wide turned up in their cars to do shopping the American way or, rather, the most comfortable way known to man in our age.

The consumer, driven out of town by the absence of parking facilities, and the traders associated with the

building of the new shopping centre—bearing in mind the American traders' slogan "No Parking—No Business"—welcomed the planning of the shopping centre which arose from the new habit of family shopping by car.

The shopping centre is situated about 12 miles by car from Frankfurt, near Höchst, at the intersection of two main roads, and is built on a large meadow. Free parking for 3,000 cars is provided and within a few miles of the new shopping centre a population of over one million resides. With one car to every six people in Frankfurt alone—the main town of the area—there is no doubt that the Main-Taunus shopping centre has come to stay and most likely will be the first in a long line of its kind.

The M.T. shopping centre is truly American in size and conception, with a selling area of 40,000 sq.m. It includes two supermarkets of the German Consumers' Cooperative—G.E.G. It has its own kindergarten and such consumer-magnets as a Woolworths as well as 50 other shops, a restaurant and a post office.

At a cost of 43 million D.M. this giant was erected. The two G.E.G. supermarkets are situated on a most attractive site and are regarded as effective examples of consumer cooperative efficiency. The M.T. supermarket alone covers an area of 2,000 sq.m. and offers 4,500 articles for sale. The decor shows scenes of old Frankfurt and 1,000 metres of shelving display the goods available to the consumer. Refrigerated shelves and deep freezers are abundant and 11 automatic tills make for frictionless exits for the consumer. For car customers a parcel pick-up for their purchases has been provided separately.

The other G.E.G. supermarket is Plaza, a modern colourfully designed department store, where customers are offered food, textiles, camping and gardening equipment, car accessories, toys, records and jewellery. All nonfood-stuffs of which there is an assortment of 5,000 articles, are sold on the self-service system.

Car and bus customers are still streaming into this new shopping venture even weeks after its opening, when the curiosity element has worn off, but the next few months will decide whether more of such centres will have to be created. It may well prove that the big town's shopping centre, with its Christmas market, may be a stronger pull in the coming winter than the snow and ice covered meadow at Höchst. Such are the risks involved in planning for the consumer in our time.

### **First Cooperative Discount Store in Sweden**

In the May, 1963 issue of the "*Review of International Cooperation*" we were able to feature the story of the first British cooperative discount store at Bath in England. We now receive news of the opening in December, 1963 of the first discount store in Sweden's capital, Stockholm. The name of the store is OBS, which forms an attractive eye-catcher.

Already today the turnover of the store has reached astonishing proportions. The principle, like all discount store trading, is to display the goods in a simple and easily accessible way. This is done through posters and placards, and a great saving of staff is thereby achieved. About 35 per cent of the total sales are groceries and on all sales the normal dividend of 4 per cent is given. The grocery prices are the same as in the town shops, but for large quantity buying an extra reduction of 8 per cent on purchases over 100 Kr. is given, 10 per cent over 150 Kr. and 12 per cent over 200 Kr. Other goods available are television sets and washing machines. The customer has to take his purchases with him. Should he wish the store to attend to the installation of his purchase, this will be done against payment through the cooperative service department in Stockholm. Delivery can also be arranged if desired, but on the whole the principle is to buy in large quantities and to take your purchases with you. Shoes, for example, can be tried on and taken to the cash desk, cutting out completely the need for an assistant. The discount store also has an information centre which explains the working system. The complete self-service system thus available in OBS offers the customer peace and quietness in which to choose what he wants at prices which are a definite attraction. Discount trading is a new development which certainly bears out one of the aims of cooperation, "to make commodities abundant and cheap".

### **Hijli Transport Co-op Society**

The small town of Contai in the Midnapore district of India, where a famous Indian writer wrote the novel *Kapal Kundala*, has now become famous also for a unique experiment in the application of the principles of Cooperation. Here the Hijli Transport Co-op Society, with its head office at Contai, was registered in 1944 to provide employment for the unemployed youth of the locality and to rationalise the privately-owned passenger transport service which, being run strictly for profit, suffered from all its attendant ills, such as overcrowding, bad timetables,

and unsatisfactory service conditions. In its initial stages the society met with many difficulties, especially in convincing people to contribute to the share capital essential for building up its resources, purchasing buses, securing route permits, office and garage accommodation, and so forth.

Hard work paid off in the end, and the society now runs 54 buses and has a labour force of 260 people. The share capital is Rs. 1.50 lakhs with reserves of Rs. 5 lakhs. It is interesting to follow the progress of the Society and especially its ability to win the goodwill of the public for its efficient service as well as for its social policy. Indeed, students are given free passes to school, concessions are made to needy people for holiday excursions, and patients are given free transport to hospital. Membership of the society is open to its employees as well as to the public. Shareholders receive a dividend of 9 per cent and also rebate coupons enabling them to travel on the society's buses at a quarter of the normal fare. An Employees' Benefit Fund gives financial assistance to deserving employees for medical aid, and school fees are paid for employees' children, enabling them to attend higher grade schools. Plans are in hand for starting a school for training employees in repair and maintenance of cars and buses.

### **Cooperative Education in Northern Nigeria**

In 1961, the government of the Federation of Nigeria requested the Director General of the International Labour Office to provide Nigeria, under the expanded programme of technical assistance, with an expert to assist in the promotion of cooperative education and training. The Director General asked Mr. Clifton N. Bennett, a Canadian, to undertake this mission. In Northern Nigeria there existed in 1961 1,000 registered cooperative societies supervised by a field staff of 96 inspectors and 19 assistant registrars, with a headquarters staff of about ten. By June 1962 the registered societies had risen to 1,300, and the number of inspectors to 116 and assistant registrars to 35. A provincial or regional seminar lasting three or four days is held generally once a year for officers of primary societies and marketing unions. Since the education standard of the participants seldom exceeds primary four and often does not reach even that level, Mr. Bennett's mission devoted its main efforts to cooperative education. In assessing the effectiveness of the present education programme, the key question was

not "how much does this man know?" but "how much has he improved in his job?" The decision to demonstrate a method of field education for secretaries was discussed and approved in principle. It provides for classroom instruction and supervised practice in the field in extension methods for all future students, and its implementation at an early date is strongly recommended. During the first year the project will be limited to the Kano province and separate reports by the officer in charge of the project and the assistant registrar will be submitted to the registrar for appraisal of the effectiveness of the method in improving operating procedure. Here again it is of great importance to see how well thought out educational aid programmes coming from the outside can help in the training process of indigenous cooperative administrative officers.

J.H.O.

## BOOK REVIEW

### **La Pensée Sociale et Coopérative de Léon Walras**

*(The Social and Cooperative Thought of Léon Walras) By Dr. Marcel Boson. Preface by Professor Bernard Lavergne. Published by the Institut des Etudes Coopératives, Paris 1963. With bibliography 175 pages. 8 Fcs.*

This account of the social and cooperative teaching of Léon Walras by Dr. Marcel Boson expands and supplements certain chapters of the larger work, published by the same author in 1951 and devoted to the life and economic ideas of the first professor of political economy at the University of Lausanne. It is very probable that many interested in Cooperative history and ideas, even if they knew of Léon Walras and his contributions to economics as a science, have not hitherto been aware of his active association with the Cooperative Movement in France a hundred years ago. It is indeed interesting to speculate whether, if Walras' Cooperative activity had not come to an unhappy end in 1868, he would have accepted the invitation to occupy the newly-founded chair of economics at Lausanne.

The attempt to launch a movement of workers' cooperative productive societies with the help of a sponsoring and financing organisation, the *Société du Crédit au Travail* (Society for Credit to Labour) in the 1860's is a well-known episode in French Cooperative history. Linked with this Society was a discount bank

for people's associations of which Walras was administrator. Unfortunately the collapse of the Credit Society brought the discount bank down with it and Walras, after a short period in private banking, was called to what was perhaps his true career, education.

A subtle logician, possessed of an outstanding talent for abstract reasoning, Walras brought a new element into the economic debates of the third quarter of the 19th century. In the perennial controversy of the "social question" economic ideas had become over-simplified into political slogans or distorted by class prejudices. Walras, through the distinctions he drew between pure and applied political economy, was able to disengage theoretical questions from policies and practical problems. By bringing organised scientific thinking to bear on fundamental issues he was able to anticipate ideas and solutions accepted by the economists of today.

Walras' cooperative ideas are pre-Rochdale in the sense that he seemed unaware of the implications of the Pioneers' principles, more particularly their differentiation of profits from interest on capital in which they were in advance of the economists of their day, including the great John Stuart Mill himself. In relation to the resounding controversy over Cooperation between Schulze-Delitzsch and Lassalle, Walras differed from both these antagonists. In his opinion, while Schulze was mistaken in regarding Cooperation as a complete

solution of the social question, Lassalle's criticism committed the contrary error of unduly depreciating the value of self-help and free association. In fact, the position of Walras strongly resembles that taken by Dr. Fauquet with his doctrine of the Cooperative Sector.

The concern of Walras, as it was of Beluze, Rampal and other French cooperators of the 1860's, was to organise the supply of capital and credit for workers' productive societies and to educate their members in the use of these instruments for productive purposes. He even went so far as to draft a Cooperative law specially concerned with the financial liability of members of such societies.

Dr. Boson deserves the gratitude of all French-

reading students of Cooperation for throwing additional light on an interesting aspect of mid-nineteenth century Cooperative history.

W. P. W.

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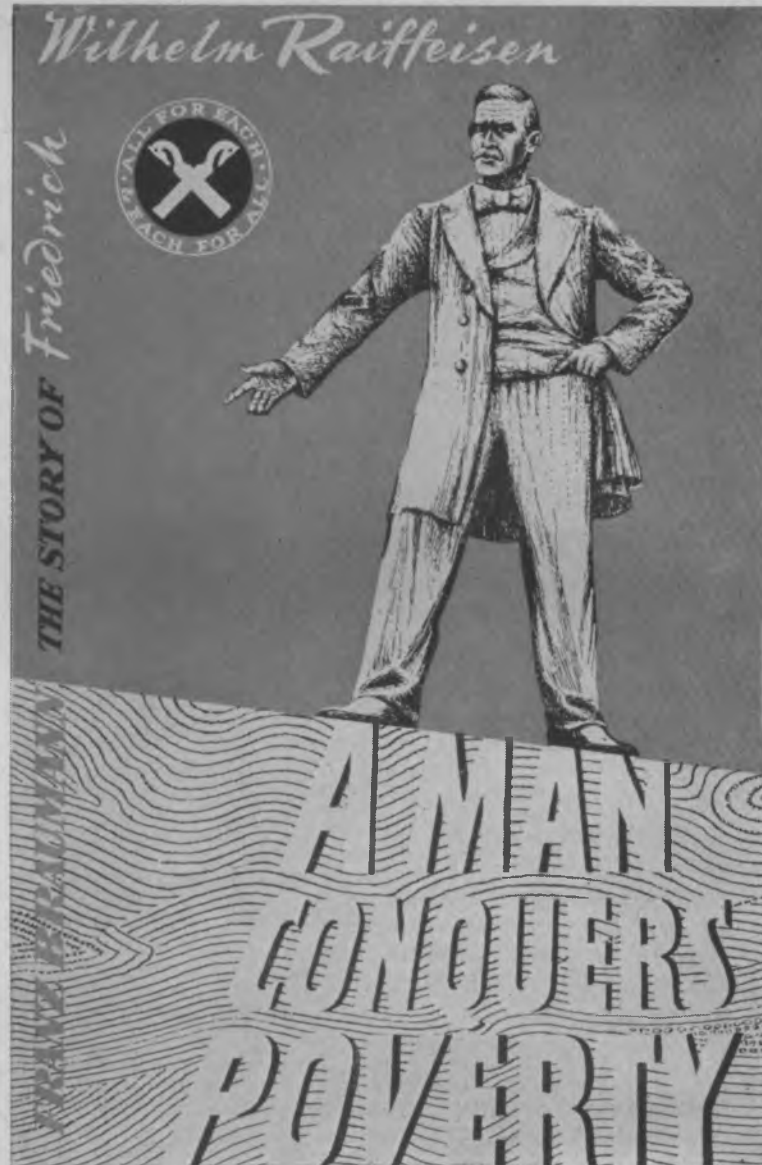
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Affiliated societies (1962): 358; members: 504,298; wholesale turnover: Fmk. 887,98 million; own production of SOK: Fmk. 216,09 million.

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

Affiliated societies (1962): 358; members: 504,298; turnover of societies: Fmk. 1,557,15 million; total production of the affiliated societies: Fmk. 35,11 mill.

Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki.*

Affiliated societies (1962): 108; members 532,638; turnover of societies Fmk. 1,153,44 mill.; production of societies 181,37 million.

Ossustukauppa (O.T.K.), *Hämeentie 19, Helsinki.* Affiliated Societies (1962) 108; turnover Fmk. 745 mill.; own production Fmk. 218 mill.

Pellervo-Seura, *Simonkatu, 6, Helsinki.*

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

Affiliated societies (1960): 572; membership: 3,242,567; shops: 9,530; turnover: NF. 2,624,785,132.

Société Générale des Coopératives de Consommation, 61 *rue Boissière, Paris XVI.*

Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88, *rue de Courcelles, Paris VIII.*

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

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

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

Caisse Nationale de Crédit Agricole, 30, *rue Las Cases, Paris VII.*

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

Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, Foyer Cooperatif, 17, *rue de Richelieu, Paris Ier.*

Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 31, *ave Pierre Ier de Serbie, Paris XVI.*

L'Association Bâticoop, 6, *rue Halévy, Paris 9e.*

Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, *Avenue Hoche, Paris VIII.*

GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., *Besenbinderhof 43, (2000) Hamburg I.*

Affiliated societies (1962): 249; membership: 2,586,960; turnover: D.M. 3,503,6 mill.

Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof, 52, (2), Hamburg I.*

Total turnover (1961): D.M. 1,726,300,000; own production: D.M. 593,7 mill.

Gesamtverband Gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4 (22a), Cologne.*

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

Deutsche Sachversicherung "Eigenhilfe", *Steinstrasse 27, (2) Hamburg I.*

GREAT BRITAIN: The Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester 4.* Affiliated Societies (1962): 801. Membership: 13,140,188. Retail Societies' share capital: £ 254,292,875. Retail sales: £ 1,053,940,921.

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

Affiliated societies (1963): 821; sales: £ 480,187,395; Bank turnover: £ 6,969,860,810; reserve and insurance funds: £ 38,476,302; total assets: £ 292,670,853.

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

Assets exceed £ 187 mill.

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

Affiliated societies (1963): 166; sales: £ 88,393,732; reserves and insurance funds: £ 8,087,326; total resources: £ 19,062,105.

The Co-operative Productive Federation, Ltd., 138, *Charles Street, Leicester.*

Sales: £ 4,645,717; employees: 3,021; societies: 23.

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

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

HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikscoöperaties, "CO-OP Nederland", *Vierhavensstraat 40, Rotterdam 7.*

ICELAND: Samband Isl. Samvinnufjelaga, *Reykjavik.*

INDIA: National Cooperative Union of India, 72, *Jorbagh Nursery, New Delhi-3.*

All Bombay Consumers Cooperative Societies, Federation, Ltd., 3rd Floor, *Military Square Lane, Fort, Bombay I.*

National Agricultural Cooperative Marketing Federation, Ltd., 34, *South Patel Nagar, New Delhi, 12.*

IRAN: Cherkate Taavoni Masrafe Artêche (Army Consumers' Co-operative Society), *Avenue Sevvom Esfand, Rue Artêche, Teheran.*

ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., P.O.B. 303, *Tel-Aviv.*

Affiliated societies (1962): 1,679, including 660 agricultural, 465 producers' and services, 69 consumers', 232 housing, and 253 pension and provident funds.

"Merkaz" Audit Union of the Cooperative Societies or Loans and Savings, P. O. Box 75, *Tel-Aviv.*

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

ITALY: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome.*

Confederazione Cooperativa Italiana, *Borgo Santo Spirito, 78, Rome.*

- Associazione Generale delle Cooperative Italiane, Via Milano 42, Rome.
- JAMAICA: The Jamaica Cooperative Union, Ltd., 74½ Hanover Street, Kingston, W.I.
- JAPAN: Nippon Seikatsu Kyodokumiai Rengokai, (Japanese Consumers' Cooperative Union), Rokin-Kaikano, 5, 2-chome, Shiba-Tamuracho, Minatoku, Tokyo.  
Zenkoku Nogyokyodokumiai Chuokai, (Central Union of Agricultural Cooperatives) 11, Yutakucho, 1-chome, Chiyoda-ku, Tokyo.  
Zenkoku Gyogyo Kyodokumiai Rengokai, (National Federation of Fishery Cooperative Associations), Sankaido Building, Akasaka-ta meikomachi, Minato-ku, Tokyo.
- KOREA: National Agricultural Cooperative Federation, 75, 1st street, Chung-jong-Ro, Sodaemun-ku, Seoul.
- JORDAN: Jordan Cooperative Central Union Ltd., P.O.B., 1343, Amman.
- MALAYSIA: Cooperative Union of Malaya, 8, Holland Road, Kuala Lumpur.  
Federation of Cooperative Housing Societies, 8, Holland Road, Kuala Lumpur.  
Sarawak Co-operative Central Bank Ltd., Kuching, Sarawak.  
Singapore Cooperative Union, Ltd., Post Box 366, Singapore.
- MALTA: Farmers' Central Cooperative Society Ltd., New Building, Middleman Street, Marsa.
- MAURITIUS: Mauritius Cooperative Union, Dumat Street, Port Louis.
- MEXICO: Confederación Nacional Cooperativa de la Republica Mexicana, C.C.L., Av. Cuauhtemoc 60, 5e Piso, Mexico 7, D.F.
- NIGERIA: Cooperative Union of Eastern Nigeria Ltd., Cooperative Bank Buildings, Milverton Ave, Aba.  
Cooperative Union of Western Nigeria, Ltd., c/o Cooperative Buildings, New Court Rd., Ibadan.
- NORWAY: Norges Kooperative Landsforening, Organisasjonsavdelingen, Kirkegaten 4, Oslo.  
Affiliated societies (1962): 1,112; membership: 320,000; turnover of local societies: Kr. 1,600 mill.; of N.K.L.: Kr. 458 mill.  
BB L A/L Norske Boligbyggelags Landsvorbund, Trondheimsveien 84-86, Oslo.
- PAKISTAN: East Pakistan Co-operative Union, Ltd., 9/D-Motijheel Commercial Area, Third Floor, Dacca, 2.  
West Pakistan Co-operative Union, 31, Lower Mall, Lahore.  
Karachi Central Cooperative Bank, Ltd., 14, Laxmi Building, Bunder Road, Karachi, 2.  
Karachi Central Cooperative Consumers' Union, Block No. 53, Pakistan Secretariat, Karachi, 3.  
Karachi Cooperative Housing Societies Union, Shaheed-e Millat Road, Karachi, 5.
- Karachi Cooperative Institute Ltd., 4, Bandukwala Building, McLeod Road, Karachi, 2.  
Karachi Fishermen's Cooperative Purchase and Sales Society Ltd., West Wharf Road, Karachi.  
Sind Regional Cooperative Bank Ltd., Provincial Cooperative Bank Building, Serai Road, P.O.Box 4705, Karachi 2.
- ROUMANIA: Uniunea Centrale a Cooperativelor de Consum „Centrocoop”, Calea Victoriei 29, Bucharest.
- SCANDINAVIA: Nordisk Andelsforbund (Scandinavian Co-operative Wholesale Society), Njalsgade 15, Copenhagen S.
- SWEDEN: Kooperativa Förbundet, Stockholm, 15.  
Affiliated retail societies (1963): 400; membership: 1,271,000; total turnover of distributive societies: Kr. 4,347 mill.; total turnover of K.F.: Kr. 3,090 mill. (Kr. 2,055 mill. sales to affiliated societies); own production: Kr. 1,630 mill.; total capital (shares and reserves) of K.F. and affiliated societies Kr. 1,024 million, surplus included  
Kooperativa Kvinnogillesförbundet, Stockholm, 15.  
Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund (H.S.B.), Flemminggatan, 41, Stockholm, 18.  
Affiliated Building Societies: 189; with individual members: 225,000; number of flats administered by local societies: 205,000; value of real estate: 7,400 mill. Kr.  
Svenska Riksbyggen, Box 19028, Stockholm, 19.  
Folksam Insurance Group, Folksam Building, Stockholm, 20.
- Sveriges Lantbruksförbund, Klara Ostra Kyrkogata, 12, Stockholm, 1.
- SWITZERLAND: Verband schweiz. Konsumvereine (V.S.K.), Thiersteinallee 14, Basle.  
Affiliated societies (1961): 540; shops: 3,300; membership: 723,000; retail turnover of affiliated societies: Frs. 1,346; wholesale turnover: Frs. 853 mill.  
Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), Schaffhauserstrasse 6, Winterthur.  
Schweiz. Verband Sozialer Baubetriebe, SBHV., Postfach Sihlpost, Zurich, 1.  
Genossenschaftliche Zentralbank, Aeschenvorstadt 71, Basle.  
COOP Lebensversicherungs-Genossenschaft Basle, Aeschenvorstadt 67, Basle.
- TANGANYIKA: Cooperative Union of Tanganyika, Ltd., Avalon House, P.O. Box 2567, Dar es Salaam.
- UGANDA: Uganda Co-operative Alliance, Ltd., P.O.B. 2212, Kampala.
- U.S.A. The Co-operative League of the U.S.A., 59, East Van Buren, Chicago Ill. (60605), and 1012, 14th Street, N.W., Washington 5, D.C.
- U.S.S.R.: Central Union of Consumers' Cooperative Societies of the U.S.S.R. „Centrosoyus”, Ilyinka Tcherkassy pereulok 15, Moscow.  
Consumers' societies (1961): 17,500; members: 43,1 mill.; stores: 321,000.
- YUGOSLAVIA: Glavni Zadruzni Savez FNRJ., ul. Knez Mihajlova 10, Belgrade.





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INTERNATIONAL COOPERATIVE ALLIANCE

REVIEW OF  
INTERNATIONAL  
COOPERATION

EDUCATION CENTRE  
LONDON  
NEW YORK

2?

# THE INTERNATIONAL COOPERATIVE ALLIANCE

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

It comprises organisations in every continent, and its total affiliated membership through national organisations exceeds 174,000,000. The consumers' movement accounts for about half the membership, the other half consisting of agricultural, credit, workers' productive, artisanal and fishery societies.

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

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

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

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

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

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

## AFFILIATED ORGANISATIONS

- ALGERIA:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 8, rue du Cercle Militaire, Oran; also at - 21, rue Edgar Quinet, Algiers, and 9, rue Mathurin Régnier, Paris, 15.
- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, Avda. Suarez, 2034, Buenos Aires. Intercoop, Editora Cooperativa Limitada, Florida 32. Oficina 42, Buenos Aires.
- AUSTRALIA:** Cooperative Federation of Australia, 45, Mandolong Road, Mosman, Sydney, N.S.W.
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, Vienna VI. Membership (1963): 427,459; turnover: consumers' societies: Sch. 2,954 mill.; wholesale (G.Ö.C.): Sch. 1,432 mill.; department stores: Sch. 475 mill.; own production: consumer societies: Sch. 352 mill.; G.Ö.C. and subsidiaries: Sch. 426 mill. Bank für Arbeit und Wirtschaft, A/G, Seitzergasse 2-4, Vienna I. Zentralkasse der Konsumgenossenschaft, Theobaldgasse 19, Vienna VI. Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösendorferstrasse 6/11, Vienna I. (1961): Member Societies: 218, Assocs. 108; No. of members: 89,000; Dwellings administered: (socs.) 76,348; Assocs. 100,851; Total Balance: (Socs.) Sch. 6,677,096,800; (Assocs.) Sch. 8,409,217,600. Österreichischer Genossenschaftsverband, Peregringasse, 4, Vienna 9. Österreichischer Raiffeisenverband, Seilergasse 16, Vienna I.
- BELGIUM:** Société Générale Coopérative, 17—21, Place Emile Vandervelde, Brussels. Affiliated consumers' societies: 27; membership: 340,000; turnover (1961): Frs. 3,400 mill.; shops: 1,400; Wholesale society turnover (1961): Frs. 827 mill. Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151, rue Royale, Brussels. Premiums (1961): Frs. 922 mill.; reserves: Frs. 4,000 mill.; insurance funds, life: Frs. 12,000 mill.; fire: Frs. 155,000 mill. Fédération Nationale des Coopératives Chrétiennes, rue de la Loi, 141, Brussels. Société "Bien-Etre": 1,320 shops; turnover Frs. 1,251 million; dividends: Frs. 60 million; Savings Bank: 1,800 branches; 320,000 members; deposits: Frs. 5,500 mill. Insurance Society: 160,000 policy holders; premiums: Frs. 193 mill.; reserves Frs. 500 mill. L'Economie Populaire, 30, rue des Champs, Ciney (Namur). Branches (1961): 445; membership: 74,956; turnover: Frs. 687 mill.; savings deposits: Frs. 404 mill.; capital and reserves: Frs. 77 mill. Institut Provincial de Coopération Agricole, 42, rue des Augustins, Liège.
- OPHACO** (Office des Pharmacies Coopératives de Belgique), 602, chaussee de Mons, Brussels. Union of 28 cooperative societies owning 330 pharmacies, 50 optical departments and counters, 7 drug stores, 15 wholesale depots. Turnover (1961): Frs. 1,000 mill. Surplus distributed to 400,000 members: Frs. 82 mill. Société Coopérative Fédérale de Belgique, 83-85, rue Vanderschrick, Brussels.
- BRAZIL:** Centro Nacional de Estudos Cooperativos, Av. Franklin Roosevelt 39, 12<sup>o</sup>, Sala 1216 Rio de Janeiro.
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., Ministry of Education and Social Development, 41, High and Cowen Streets, Kingston, Georgetown.
- BULGARIA:** Union Coopérative Centrale, 103, Rakovski, Sofia.
- BURMA:** National Cooperative Council, 290-300, Lewis Street, (2nd. Floor), Rangoon.
- CANADA:** Co-operative Union of Canada, 202, Queen Street, Ottawa 4, Ont. A national association of English-language cooperatives, the principal members of which are provincial cooperative unions and inter-provincial cooperatives; organised in 1909. Conseil Canadien de la Coopération, 2030, Bd. Hamel, Quebec 8.
- CEYLON:** The Co-operative Federation of Ceylon, Co-operative House, 455, Galle Road, Colombo 3.
- CHILE:** Federación Chilena de Cooperativas de Ahorro, Ltda., Huerfanos 1639, Clasificador 760, Santiago de Chile.
- COLOMBIA:** Cooperativa Familiar de Medellin, Ltda., Calle 49, No. 52-49, Medellin.
- CYPRUS:** Cooperative Central Bank Ltd., P.O. Box 411, Nicosia. Cyprus Turkish Cooperative Central Bank Ltd., P.O. Box 791, Nicosia. Vine Products Cooperative Marketing Union Ltd., P.O. Box 315, Limassol.
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, Tesnov 5, Prague II.
- DENMARK:** De samvirkende danske Andels-selskaber (Andelsudvalget), H. C. Andersens Boulevard 42, Copenhagen V. Representing 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1961): D.Kr. 11,300 mill. Det kooperative Faellesforbund i Danmark, Frederiksborggade 60, Copenhagen K. Affiliated societies (1960): 626; total sales: D.Kr. 1,050 mill.; employees: 11,000; comprises: consumers' workers', artisans', productive and housing societies etc.
- DOMINICA:** Dominica Cooperative Credit Union League, Ltd., 14, Turkey Lane, Roseau.
- EGYPT:** Société Coopérative des Pétroles, 94, Kasr el Eini Street, Cairo.
- FINLAND:** Suomen Osuuskappojen Keskuskunta (S.O.K.), Vilhonkatu 7, Helsinki.

- Affiliated societies (1962): 358; members: 304,298; wholesale turnover: Fmk. 887,98 million; own production of SOK: Fmk. 216,09 million.
- Yleinen Osuuskaupojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki.*
- Affiliated societies (1962): 358; members: 504,298; turnover of societies: Fmk. 1,557,15 million; total production of the affiliated societies: Fmk. 35,11 mill.
- Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki.*
- Affiliated societies (1963): 106; members 528,343; turnover of societies Fmk. 1,271 mill.; production of societies 199 million.
- Ossustukauppa (O.T.K.), *Hämeentie 19, Helsinki.*
- Affiliated Societies (1963) 106; turnover Fmk. 808 mill.; own production Fmk. 233 mill.
- Pellervo-Seura, *Simonkatu, 6, Helsinki.*
- FRANCE: Fédération Nationale des Coopératives de Consommation, F.N.C.C., 89, *rue de la Boétie, Paris VIII.*
- Affiliated societies (1960): 572; membership: 3,242,567; shops: 9,530; turnover: NF. 2,624,785,132.
- Société Générale des Coopératives de Consommation, 61 *rue Boissière, Paris XVI.*
- Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88, *rue de Courcelles, Paris VIII.*
- Confédération Générale des Sociétés Coopératives Ouvrières de Production de France et de l'Union Française, 88, *rue de Courcelles, Paris VIII.*
- Banque Coopérative des Sociétés Ouvrières de Production de France, 88, *rue de Courcelles, Paris VIII.*
- Confédération Nationale de la Coopération, de la Mutualité et du Crédit agricoles, 129, *Bd. St. Germain, Paris VI.*
- Caisse Nationale de Crédit Agricole, 30, *rue Las Cases, Paris VII.*
- Fédération Nationale de la Coopération Agricole, 129, *Bd. St. Germain, Paris VI.*
- Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, *Foyer Cooperatif, 17, rue de Richelieu, Paris 1er.*
- Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 31, *ave Pierre 1er de Serbie, Paris XVI.*
- L'Association Bâticoop, 6, *rue Halévy, Paris 9e.*
- Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, *Avenue Hoche, Paris VIII.*
- GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., *Besenbinderhof 43, (2000) Hamburg 1.*
- Affiliated societies (1962): 249; membership: 2,586,960; turnover: D.M. 3,503,6 mill.
- Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof, 52, (2), Hamburg 1.*
- Total turnover (1961): D.M. 1,726,300,000; own production: D.M. 593,7 mill.
- Gesamtverband Gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4 (22a), Cologne.*
- "Alte Volksfürsorge", Gewerkschaftlich-Genossenschaftliche Lebensversicherungs A.G., *An der Alster, (2) Hamburg, 1.*
- Deutsche Sachversicherung "Eigenhilfe", *Steinstrasse 27, (2) Hamburg 1.*
- GREAT BRITAIN: The Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester 4.*
- Affiliated Societies (1963): 769. Membership: 13,203,306. Retail Societies' share capital: £ 247,566,464. Retail sales: £ 1,086,636,256.
- Co-operative Wholesale Society Ltd., 1, *Balloon Street, Manchester 4.*
- Affiliated societies (1963): 821; sales: £ 480,187,395; Bank turnover: £ 6,969,860,810; reserve and insurance funds: £ 38,476,302; total assets: £ 292,670,853.
- Co-operative Insurance Society, Ltd., *Miller Street, Manchester 4.*
- Assets exceed £ 187 mill.
- Scottish Co-operative Wholesale Society Ltd., 95, *Morrison Street, Glasgow C. 5.*
- Affiliated societies (1963): 166; sales: £ 88,393,732; reserves and insurance funds: £ 8,087,326; total resources: £ 19,062,105.
- The Co-operative Productive Federation, Ltd., 138, *Charles Street, Leicester.*
- Sales: £ 4,645,717; employees: 3,021; societies: 23.
- Co-operative Permanent Building Society, *New Oxford House, High Holborn, London, W.C. 1.*
- GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), 6, *Othonos Street, Athens.*
- HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikcoöperaties, "CO-OP Nederland", *Vierhavensstraat 40, Rotterdam 7.*
- ICELAND: Samband Isl. Samvinnufelaga, *Reykjavik.*
- INDIA: National Cooperative Union of India, 72, *Jorbagh Nursery, New Delhi-3.*
- All Bombay Consumers Cooperative Societies, Federation, Ltd., 3rd Floor, *Military Square Lane, Fort, Bombay 1.*
- National Agricultural Cooperative Marketing Federation, Ltd., 34, *South Patel Nagar, New Delhi, 12.*
- IRAN: Cherkate Taavoni Masrafe Artêche (Army Consumers' Co-operative Society), *Avenue Sevvom Esfand, Rue Artêche, Teheran.*
- ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., P.O.B. 303, *Tel-Aviv.*
- Affiliated societies (1962): 1,679, including 660 agricultural, 465 producers' and services, 69 consumers', 232 housing, and 253 pension and provident funds.
- "Merkaz" Audit Union of the Cooperative Societies or Loans and Savings, P. O. Box 75, *Tel-Aviv.*
- "Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, 8 *Harkrya Street, P.O.B. 209, Tel-Aviv.*
- ITALY: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome.*
- Confederazione Cooperativa Italiana, *Borgo Santo Spirito, 78, Rome.*



# Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

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## RETIREMENT OF MISS

**A**FTER 47 years of service with the International Cooperative Alliance, Miss G. F. Polley, O.B.E., has retired with effect from the end of August of this year.

It is difficult in a few paragraphs to do justice to the service rendered by Miss Polley over this long period of years to the International Cooperative Alliance. She is so well-known to so many Cooperators throughout the world that it is almost sufficient that readers of the "*Review of International Cooperation*" should learn of her retirement and estimate for themselves what a loss this signifies for the International Cooperative Alliance. The names of Miss Polley and the I.C.A. have been associated for so long that it seems almost impossible to speak of the one without mention of the other. Indeed, the most commonly known characteristic of Miss Polley is probably the way in which she has constantly, over the years, identified herself entirely with the I.C.A. and served it with a strength and sincerity

which has asked for nothing in return, and has won the unreserved respect of Cooperators everywhere.

Miss Polley joined the staff of the Alliance in 1917 as Personal Secretary to Mr. Henry J. May, and her O.B.E., awarded in 1949, showed a similar appreciation of services rendered to the Co-operative Movement as was shown to Mr. Henry J. May when he was awarded the same distinction after the First World War.

During both World Wars she worked constantly, and during the Second World War she took charge of the Secretariat with very little assistance, maintaining the contacts and initiatives necessary for the World Co-operative Movement on a very small budget and in the face of every possible kind of difficulty. Immediately the Second World War ended, she set about working with the Authorities of the Alliance on the reconstruction and expansion of the Alliance and its international cooperative activities. Her outstanding work in the establish-

## G. F. POLLEY, O.B.E.



Miss G. F. Polley, O.B.E.

ment and operation of the I.C.A. Relief and Rehabilitation Fund is remembered by many National Movements, and Co-operators in Germany and Austria will recall with affection and appreciation her visit to those countries with Lord Rusholme, the President of the Alliance at that time.

From 1947 to 1963, Miss Polley served as the General Secretary of the I.C.A. and throughout this period she was responsible directly to the Committees of the I.C.A. for administration. With the abolition of the post of General Secretary in October, 1963, Miss Polley kindly consented to assist the new Director until April, 1964, and then to advise the new Administrative Secretary until the end of July, 1964.

It will be well understood that the field of responsibility covered by the International Cooperative Alliance is very wide and the staff is small. With the simultaneous retirement of the Director and General Secretary as the two chief officials, their cooperation in

advising the new administration has been greatly appreciated and it would have been impossible without it to maintain continuity of important work. To those of us who now serve the International Cooperative Alliance it is, therefore, a great pleasure to say how much we have appreciated her assistance and look forward to her visits to us during a retirement which we all hope will be a long and happy one.

Very many Cooperators are better qualified than I to express appreciation of Miss Polley and the services which she has rendered to the International Cooperative Alliance and the World Co-operative Movement during the last half century, but it is an honour and a pleasure for me to place on record in our International Cooperative Review, the appreciation of myself and all members of the staff of the International Cooperative Alliance of this ardent, tireless and inspiring personality.

W. G. A.

## WHY COOPERATION?

By Indira Gandhi.

*Address delivered by Mrs. Indira Gandhi, Honorary President of the ICA Regional Office & Education Centre Advisory Council, at the Regional Conference on the Role of Cooperation in Social and Economic Development, held in Tokyo during April 1964.*

IT is indeed a pleasure for me to visit once again this beautiful country. Who can come to Japan without being filled with admiration for her beauty, and respect for her achievements? The beauty is not only that with which nature has endowed her, but comes from the innate sensitivity and artistic skill of the Japanese people. It permeates all spheres of life and I would say, it is connected with their sense of discipline and exactitude

It is fitting that this Conference should be held in Tokyo, for in the field of Cooperation also Japan has made notable strides in various sectors. I am told that the agricultural cooperatives pay special attention to farm guidance and technical training in order to stabilize farm production and prices.

Cooperation in its simplest form was not unknown in India, for our ancient village set-up and usages had in them the elements of its principles. But in its modern form, cooperative organisation took shape during the British period and was run by the Government as one of its departments. In spite of many handicaps, this situation did bring to the fore certain outstanding personalities whose selfless service and devotion to the cause laid the foundation of cooperation in India.

Since the attainment of our Independence in 1947, our basic aim is the establishment of an integrated and just society, providing individual liberty in its widest sense, equality of opportunity and a basic economic minimum for all. The most urgent and overpowering problem is that of poverty — abysmal and abject poverty.

### Community Development

Because seventy per cent of the population lives in rural areas it becomes imperative to raise the level of village life. But how could this be done? Since we have chosen the path of democracy, there can be no coercion and the spirit and practice of working together for common gain must be inculcated by education and example. It was with this in view that the community development movement was initiated. Already it has reached 454,000 villages and hopes to cover the entire country by October of this year. The community development movement places major emphasis on the cooperative as the economic unit of the village, just as the *Panchayat* or village council is the political unit. These two institutions along with the school form the basis of rural reconstruction. Through these institutions,

community development aims at providing certain facilities to the village for selfgrowth and also to inculcate in the villager the desire for change and improvement.

There is the realization that the economy of the country can improve only by increased production especially in agriculture. Apart from the necessity of feeding a vast and growing population, agriculture is most important as a base for industrial development. But it is not easy to get through to the farmer who is conservative and tradition bound. While there are training programmes, they do not always meet the needs of the situation. Integrity and sincerity are just as important as knowledge. Once a farmer loses faith in a programme, he does not look for reasons or excuses and it becomes very difficult to reach out to him again and to overcome his suspicions. Difficulties arise which are inherent in our situation, for instance there are still remnants of feudalism, or communalism and of the caste system.

### **Maintaining a balance**

Other complications are the price of progress: for example, (i) the shifting of traditional social controls which are bound to accompany economic and educational changes and urbanization; (ii) the population explosion which is not due only to a rising birth rate, but to better health and longer life expectancy; (iii) the people's rising expectations.

Cooperatives are sometimes exploited by individuals for financial or political gain. There are also the challenges posed by political groups who make capital of all troubles and mistakes.

Our attempt is to maintain a balance between preserving individual freedom



Mrs. Indira Gandhi speaking at the Regional Conference in Tokyo

and avoiding the clutches of an acquisitive society. The cooperative movement seems to offer a method of approach which aims at this kind of social pattern. It also provides a means for diminishing largescale ownership by individuals and groups, without sacrificing the advantages of big units which are essential for the application of modern science and technology. The cooperative thus bridges the gap between small units and modern technology.

The need is for multipurpose cooperatives which would bring small farmers together and promote joint action. The majority of our land holdings are so

small that the farmer is caught in a vicious circle. His field is limited, his manpower is wasted. He just cannot afford better seeds, manure or the many other services necessary to get the utmost from his land or to make an adequate living.

Hence our desire to promote joint cooperative farming. Such collaboration would be a tremendous help in the creation and use of storage facilities, of marketing and buying, of storage and distribution of water, of transportation of produce and supply, and eventually the use of modern equipment. The land would continue to belong to the farmer. Needless to say, cooperative farming, as we had envisaged it, has nothing in common with collectivization. However, there was much propaganda against this and it is not as widespread as it should be. Wherever the method was tried, it produced good results. At the end of 1962 we had 2,712 cooperative farming societies.

#### **The changing scene**

There are many examples of cooperatives completely changing the look of a whole district. In 1925, an uneducated farmer in Maharashtra started a cooperative society and there are now in existence a total of 20 cooperative sugar factories in that state. Similarly, in Gujarat, the Kaira District Cooperative Milk Producers' Union has brought prosperity to one of our most backward areas, besides providing excellent milk products for the rest of the country.

I have spoken of India because I know it best, but I should think that other developing countries are facing the same sort of problems. We welcomed the setting up of the Regional Office of the International Cooperative Alliance and its Education Centre for they meet a real need. They form a link with the

national cooperative movement, they help all of our countries with technical information and assistance and maintain liaison with the United Nations Specialised Agencies as well as other nongovernmental international organisations. The Regional Office gives facilities for training and research.

The Advisory Council provides a requisite platform for South-East Asian cooperators to meet and discuss problems of mutual interest.

Our decade has made tremendous advance in the fields of science and technology. We can be justifiably proud of our achievements, but as our President, Dr. S. Radhakrishnan, has said, technology is for man, not man for technology. The material things of the world are to be used for expanding man's knowledge and enriching the treasures of the spirit. This wonderful progress can have meaning only if it contributes to the welfare of mankind. The conception of investment in human resources is one which is now recognised by economists. But little has been done to translate the idea into practice. With the knowledge now in our possession there is no reason why we should not be able to combat hunger and disease, to provide better education and greater employment in those countries who have so far been denied these fundamental human rights.

#### **Investment in the future**

In reality, however, in the international sphere, it is the most advanced and wealthy countries which are best able to utilise this new found knowledge in order to become yet richer and more prosperous. In India too, it has been our experience that many plans and schemes undertaken by the Government for the uplift of the least developed areas or classes of people, are in fact taken ad-

vantage of by those who are already at the top within that particular category, since they have comparatively greater drive and capacity to make use of the new opportunities provided. Thus it becomes exceedingly difficult to raise the level of the most backward and to achieve the kind of equality at which we aim. Cooperation is the only way in which the more advanced can combine with the less developed for mutual benefit, both in the national and international spheres. In the world of today, no country can be entirely self-sufficient. There is interdependence between the developed and the developing countries. Thus help to those who need it is not philanthropy, but an investment in the future.

We are on the treshold of the space age. There is the exciting endeavour to reach other planets. It seems strange that we should advance so far in one direction without consolidating unity and progress on our own planet. What is the value of conquering other worlds if we lose our own? If we can physically transport ourselves to the heavens, can we not attempt to lift our minds and hearts above the entanglement of pride and prejudice and of limited self-interest?

We all believe in peace but peace does not come by wishing but by working for it. Faster communication has brought us closer together and made us all neighbours. Travelling has increased and many people go round the world. But they rarely have the time or the inclination to stop and to try and understand. It is through cooperation, through working together and helping one another that we can gain the understanding and friendship which can lead to peace.

I should like to end with a well known verse from one of the world's old-

est scriptures, the *Rig Veda*, because it seems appropriate to this occasion:-

*Common be your prayer,  
Common be your end,  
Common be your purpose,  
Common be your deliberation.*

*Common be your desires,  
Unified be your hearts,  
United be your intentions,  
Perfect be the union amongst you.*

### **Reformulation of the Rochdale Principles**

The Twenty-Second Congress of the International Cooperative Alliance, held at Bournemouth, England in October 1963, passed the resolution on the

#### **“Reformulation of the Fundamental Principles of the Cooperative Movement”**

In order to facilitate the work of its affiliated Organisations arising from this resolution, the International Cooperative Alliance thought it to be useful to make available to its members the report entitled

#### **“The Present Application of the Rochdale Principles of Cooperation”**

approved at its Fifteenth Congress at Paris in September, 1937. Copies of this off-print are available in English, French and German and can be ordered from its Publications Department at the cost of 2s. 6d. including postage.

## STATE PROMOTION OF COOPERATION IN INDIA

INDIA was the first country in which government promotion of Cooperation was attempted on a large scale. The administrative system which was inaugurated by the first Indian Cooperative Act sixty years ago has grown enormously during that period, and probably never so rapidly as in the last dozen years when the growth of the Cooperative sector in the Indian economy has been stimulated and driven forward under the three Five Year Plans.

The method of Cooperative promotion applied in India was adopted simultaneously in the present Pakistan, Burma and Ceylon and later copied in Malaya and other Asian, African and Caribbean territories then under British rule. It has therefore played an important part in Cooperative development in many parts of the world. The fact that a committee, appointed by the Government of India to examine the administrative system applied to Cooperation, has recently presented its report, is of widespread interest to Cooperators everywhere.

The administrative machinery built up in the various provinces of British-ruled India and in certain princely states was naturally taken over by the new States established under the constitution of the Indian Republic. It was, however, inadequate in one notable respect. In the transition to independence Cooperative promotion was a function transferred to the provincial governments. Central government took no more direct responsibility for it and it was several

years after independence before the new central government at New Delhi created for itself an organ for Cooperative development, apart from the Ministries such as Food and Agriculture which had to deal with cooperatives in their respective fields. At the time of the present writer's first visit to India in 1952, this vacuum still existed at the centre and the only bodies capable of surveying the Cooperative Movement from a national viewpoint were the Association of Cooperative Institutes, the Conference of Registrars and the All-India Cooperative Union which convened its first congress in that year and operated from an office in Baroda.

Although today Cooperation, combined with Community Development, is the responsibility of a Minister of the Central Government, the main burden of Cooperative promotion is still borne by the States. That must necessarily be so and, if Cooperative development is to match the expectations of the economic planners, the quantity and quality of the resources the States can devote to this work are vital considerations. When the I.C.A. Delegation visited Madras in 1958 the members were astonished when the Registrar of Cooperative Societies, in answer to a question, stated that he had a staff of over 2,000 officers of various grades, under his direction. That was of course, in a State where the Cooperative Movement was already two generations old and numbered its adherents in millions. Even then, however, India had its Cooperative "deserts" and some of the



younger States have years of unremitting spade-work before them.

The Conference of State Ministers responsible for Cooperation held at Lucknow in February 1963 accordingly requested a report on measures to strengthen the administration in charge of the Cooperative Department in various States. In response the Ministry of Community Development and Cooperation appointed a committee, under the chairmanship of one of the most distinguished of Indian Cooperators, Shri Vaikunth L. Mehta, consisting of four leading officials of the chief organisations financing Cooperative development and a Joint Secretary of the Ministry. The Committee's terms of reference were, broadly, to make recommendations for the strengthening of the staffs of the State Cooperative Departments at all levels and for various special types of Cooperative promotion, both as to their numbers and as to training and procedures for recruitment.

When the Committee came to examine the departmental structures, it discovered a considerable lack of uniformity. This was the result, not only of differing ideas about the internal organisation and managing of the departments, but also of differences in the lines of Cooperative development between one State and another. One common feature, however, is negative in character, in that in no State is there in the Secretariat, which links the administration to the government, a department entirely and exclusively devoted to Cooperation. It is invariably administered along with other subjects which may be as closely related to it as agriculture or small-scale industries, but which may be as distantly related as forests or public-health.

Inevitably as the Cooperative Move-

ment began to build up, on the basis of credit organisation, various special forms of Cooperation for farmers, artisans or fishermen, its activities became interesting to the government departments severally responsible for the respective branches of the economy. In several States the consequence has been that the supervision of these special cooperatives has been transferred from the Registrar of Cooperative Societies to other departments with a resulting loss of unity in the Cooperative sector. In some cases special commissioners for particular branches of agricultural or industrial development have been invested with the powers of Registrars. It is interesting that, after discussing the cooperative advantages and disadvantages, the Committee pronounces in favour of allocating the principal responsibility for supervision to the Registrar's department because of its superior knowledge of the proper functioning of Cooperative societies and federations. Technical guidance must of course come from the technically competent personnel of other departments which may be obliged to make use of the field organisation of the Cooperative Department because they have no such organisation themselves. In the extreme case where a group of Cooperatives is removed from the supervision of the Registrar, the Committee insists that it should still be subject to his responsibility for audit.

The all-round effectiveness of the Cooperative Department depends on the qualities, qualifications and status of the Registrar more than on any other factors. Calvert in his day described the Registrar as the very foundation of the Movement and so long as the main responsibility for Cooperative promotion is borne by the States, he is likely to remain so.

The Registrar has in fact so many diverse functions that no one without highly-developed all-round ability, to say nothing of considerable Cooperative knowledge and experience, could possibly discharge them with competence. In its simplest terms the choice before government is between a member of the Indian Administrative Service with his scholarship and experience of high-level administration on the one hand, and the Cooperative specialist with years of field and administrative experience with a Cooperative Department in which he has risen to the position of assistant, deputy or joint registrar. Much depends on whether the Cooperative Movement in the State is in its pioneer stage, in which case the candidate with field experience may be the best, or whether the Movement's many-sided development requires coordination and collaboration with a series of ministries and authorities, in which case the I.A.S. man would appear on balance to have the advantage. Too often in the past there has been no choice. The exigencies of promotion in the service have thrust into the Registrar's chair an able and ambitious man who occupies it for a time before promotion to higher office. More recently this has been mitigated by introductory training courses for registrars, but these do not meet the need of the Movement for long-period, devoted and far-sighted service.

In the later chapters of the Committee's report some attention is directed to federal Cooperative institutions. Everyone recognises that if Indian Cooperative Societies and their secondary organisations are ever to become democratically self-governing, there must be a transfer of functions, especially supervisory and educational, from the Cooperative Departments to these federal

institutions. At one time audit would have been and, in the case of the Punjab, actually was, included in the transferred functions. More recently, however, opinion appears to have veered against the exercise of auditing functions, as in several European countries, by Cooperative unions. As the I.C.A. Seminar emphasised over three years ago, the possibility of "de-officialisation" or effective autonomy for Cooperative organisations depends on the advance of education, especially for ordinary members, and the emergence from them, by the normal democratic processes, of true leaders. The need for the Registrar's supervisory functions is in inverse ratio to the development of education and training within the Cooperative organisations themselves.

For several years past and still today the pace and amplitude of Cooperative development under the Five Year Plans has been outstripping the increase in the available supply of the right kinds of ability for managerial and administrative posts in the Movement. As a result government officials have been appointed on loan to posts in the direction and management of Cooperative organisations, a state of affairs which the Committee rightly regards as undesirable. At a late stage in its enquiry it was requested to undertake an additional investigation into the possibility of training cadres for Cooperative institutions but, while recognising that this might mean an important step forward in self-government, it was obliged to recognise that the idea is beset by many practical difficulties and may be premature.

De-officialisation, which Ramadas Pantuku was advocating for the Indian Cooperative Movement thirty years ago, still lies in the future. Its advent may

## IN COMILLA AGAIN

by Emma Gilbert,  
Karachi.

*The writer is the wife of Dr. Richard V. Gilbert, head of the Harvard Advisory Group to the Government of Pakistan, who has been in that country for the past four years. This is an excerpt from a longer letter to her daughter and son-in-law in Chicago.*

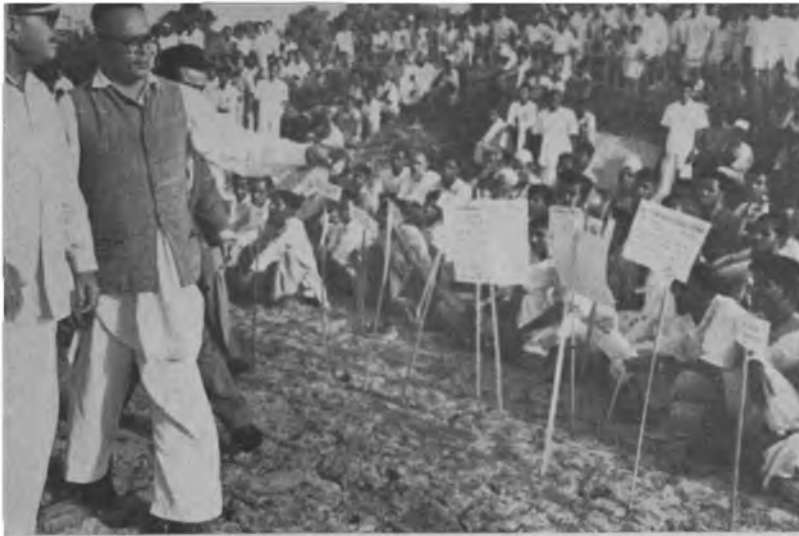
THE high point of our visit east was—as always—the visit to Comilla. I don't know whether I have told you about that before. It is my favorite place in Pakistan . . . Comilla is thrilling for anyone to see—and people are beginning to come to it from all over the world. The man responsible for the cooperative movement there is Akhtar Hameed Khan, who is a very great man . . . Akhtar Hameed understood immediately what a "work program" meant—and went right ahead last year with a pilot demonstration program in his area. The result was that, this year while we were there, the villagers reaped an *amman* crop (that is the second rice crop) for the first time in five years. They had lost the others by flood, but this year, in spite of the heaviest floods in a long time, their district was untouch-

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even have been postponed by the Five Year Plans and their emphases, in the words of the Committees, "on Cooperation being made an instrument of State policy both for promoting the economic welfare of the under-privileged sections of the community and for bringing about a change in the social structure".

W. P. W.

ed because of the protective work they had done in the works last winter. Aerial photos taken during the flood show the surrounding districts under water, with the rice crop brown and dead, and Comilla Thana without flooding, the water all in the canals and the fields green. All of it looks like a sudden miracle, but the slow years of educational work and building of cooperatives there was what made it possible to get a quick mounting of a cooperative works program. And the payoff is sensational because the villagers had learned to use Japanese methods from a demonstration team that Akhtar Hameed has had working at his Village Academy, so not only do they have a crop, but it is fifty percent higher in yield per acre than anyone in those parts has ever seen. By now the word has got around and people from all over the Province are coming to see how it was done. The Governor visited—and since then he has ordered that all government field officers should be sent through the Village Academy for indoctrination and training. There were 60 "circle officers" (the lowest rank of the civil service) there during our visit and we had a chance to talk with them. The local politicians from other areas



At the visit of President Ayub Khan to Comilla in 1963, the cooperative members held placards showing the achievements of their local cooperative groups

have been coming to see what is going on since the Comilla ones all got reelected and those in other areas have not been so lucky. "Politicians" there are the local "basic democrats"—and are actually deeply involved in whatever is done in channels, roads, etc. We visited in the villages and sat in on some of the meetings. The village elders, who only two or three years ago were saying the "will of Allah" when the crops failed, are now talking about soil testing, fertilizers, pesticides, water control. Even in the short time we have been here, there have been changes that are so dramatic to the eye. I saw one of those villages before, when it had just been organised as a cooperative. It was destitute, the question was how many people could survive the winter and the villagers had been talking of abandoning the village and simply going off somewhere—they did not know where. The children were dirty and sickly and shy—hiding behind the bushes when we came through. You should see them now! A group of them were going down the road to school when we were leaving—with their hair oiled and groomed, clean and shining

faces, clean clothes and their books. They clustered around the jeep and after some teasing and laughter we took about eight of them into the jeep. I had six little girls in the back seat with me and they were like little flowers.

But the high point of our experience was a night meeting of the Rickshaw Pullers' Cooperative. The most common method of transport there is by bicycle rickshaw and the rickshaw boys are among the poorest of the poor. They were dedicating a meeting hall they had built and asked Richard to cut the ribbon (string) barring the door and be the first to enter. The building was of bamboo and thatch, with a packed mud floor. They had found a few benches for us to sit on and a small table for the chairman to stand behind. The members sat on straw mats on the floor or stood. I wish I could make you see what it looked like in the light from the single lantern. The thin, dark, alert faces, some bearded, the poor and old, but colorful lungis or loin cloths and against the chill air of the evening the wide shawls thrown over the shoulders. Since this was not a regular meeting but a cel-

An experiment in preparing seedbeds with different tractors; the old-fashioned hand-operated plough drawn by a pair of bullocks, and a hydraulically operated tractor doing the work of ten or more pairs of bullocks



eburation, Akhtar Hameed suggested that the chairman tell the history of the co-operative. As he spoke each sentence in Bengali, AH translated for us and I watched the men listen to their story. "I used to have a tea shop in this town" he stated. But AH said, "start further back" at which there were sly grins and nudgings among the members. The chairman, Yasin, seemed a little taken aback, but after a moment he started over, saying "in 1950 I joined the police force. In 1955 I was dismissed from the force for organising a union. Then I opened a tea shop". Most of his customers were rickshaw pullers, who never had two paisa to rub together: Their families were always hungry, but the slightest illness or difficulty meant complete disaster. (As came out later, when Richard was asking them questions, a rickshawpuller, if he is lucky, can earn as much 4 rupees a day, but most of them average three. Of this he has to pay  $1\frac{1}{2}$  to the owner of the rickshaw and take care of repairs, etc.) As Yasin watched them drink their seven or eight or nine cups of tea a day and smoke bidis, he began to be bothered by the idea that if

they saved even that little together they could begin to do something for each other. But at night he would say to himself, the last time you stuck your head out for someone else you got it knocked off. Why don't you keep quiet. Then he would see them again and say to himself, they are after all my brothers (not in the literal sense, widely as that word is used here for distant relatives). So he did not win the argument with himself and he began to talk to his customers about how if, instead of buying a cup of tea, they put the money in a pot, after a while there would be enough money there to do something with. But they said to him, if we put the money in a pot, somebody will steal it. And, at this, I could see the members nodding at each other. Still, the discussions went on and finally nine men decided that they would try it and they began to put any coin they would have spent on tea or cigarettes into the pot. And Yasin kept accounts and deposited the money in the Cooperative Bank. And after a time they had 600 rupees (\$120). With that they decided to buy two second hand bicycle rickshaws. They lent them to the two men who had

saved the most—and these men then began to pay the cooperative the rupee and a half a day they used to pay the boss. By this time the membership was growing and savings increased much more rapidly. By now they have 65 rickshaws, of which 52 are completely paid for. These belong to the individual men, not the cooperative. But they decided to save the rupee and a half a day anyway, so they continue to pay that into a savings fund and by now each of them has the comfortable feeling of money in the bank, which no rickshaw puller has ever had. For things that they want to do individually, like fix a roof or buy a cow, the cooperative allows them to make a loan, pledging the rickshaw, and then pay that off. By now they are beginning to accumulate real savings and the discussion that night went in terms of what to do with it. They are not ready to make a decision, but from the way the talk went it seems that they will buy a second hand truck. Akhtar Hameed has offered to train two of their young boys as drivers and mechanics at the Academy, and the Thana will be building roads in this year's works program. As they considered and talked and nodded at each other you could see the dream in their faces. Needless to say, Yasin no longer has a tea house. He talked himself out of business too effectively. He is now on a tiny salary from the Academy as an organiser of cooperatives, and in this last year ten other rickshaw cooperatives have been formed in the district. I don't know how this story reads, but hearing it was one of the heartlifting experiences of all time . . .

\* \* \*

THE retirement early in July of Dr. h.c. Rudolf Hartmann from the Presidency of the *Deutsche Genossenschaftskasse* affords a suitable opportunity of reviewing the development of this central finance institute of the Co-operative Movement not merely since its reconstruction in 1949, in the Federal German Republic, but also from its 19th century origins.

The *Genossenschaftskasse* is one of the half-dozen largest banking institutions of Western Germany. Its expansion during the last fifteen years is due, more than to any other factor, to the experienced and entirely dedicated leadership of Dr. Hartmann who had been a member of the Directorium of the pre-existing *Deutsche Zentralgenossenschaftskasse*, and also for several years on the staff of the Dresdener Bank. His wide knowledge of banking, together with his intimate knowledge of the Co-operative Movement and the firm backing he received from the respective leaders in the 1950's of the agricultural and the artisanal Co-operative Movements, Dr. Andreas Hermes and Dr. Johann Lang, enabled him to equip and train the *Genossenschaftskasse* for the role they had in mind for it when they began in 1948 to prepare for its establishment.

#### Earlier institutions

As may be gathered from the preceding paragraph, the *Deutsche Genossenschaftskasse* replaces an older institution of the former German *Reich*, officially styled the *Deutsche Zentralgenossenschaftskasse*. This grew out of a still older institution, the *Preussische Zentralgenossenschaftskasse*, created by the

## THE EVOLUTION OF THE DEUTSCHE GENOSSENSCHAFTSKASSE

former State of Prussia in 1895. What is of great interest and of considerable value from the standpoint of many developing countries in which cooperative credit is promoted and fostered by their governments, is to observe how this institution in the space of about a century evolved from a central bank for cooperatives into a central bank of cooperatives.

The *Preussische Zentralgenossenschaftskasse* was founded in a period of economic depression which was especially marked among the peasantry and the small handicraftsmen. Its purpose was to provide supplementary credit resources over and above what these two classes of people had already built up in their *Raiffeisen* credit societies and central banks and their *Schulze Delitzsch* peoples' banks respectively. There were not wanting authorities, chief among them Henry Wolff, Chairman of the Executive of the International Cooperative Alliance, who viewed this step with misgiving. They recognised its good intentions but feared the effects and methods of state action as well as some of the political reasons advanced to justify them. The *Kasse* was created by a law passed by the Prussian Parliament and endowed with a capital of 5 million marks. It was subject to the directives of the Finance Minister and the state supervisory Authority which could appoint or remove its directors. During the first twenty years of its existence the directors of the *Kasse* and the different Cooperative

credit and banking institutions which had grown up entirely on a self-help basis and enjoyed full independence, learned by trial and error how they could most effectively work together and serve the interests of the Cooperative Movement.

It proved impossible in practice to confine the operations of the institution to the Kingdom of Prussia, and its evolution into an all-German financial institute was recognised by the Ordinance in 1932 which made it an institution of the *Reich*. At the time it possessed own capital amounting to 98 million marks, of which only 18 million marks were held by cooperative organisations. However, its directorate, instead of being a subordinate part of the Finance Ministry, was given something like the freedom of action of the board of a company. The shareholding cooperative organisations had practically no influence; the committee on which they were represented had no more than advisory powers.

### **An indispensable link**

Nevertheless, they began to find the *Zentralgenossenschaftskasse* increasingly useful, not simply as a source of credit, but also as a centre for the deposit of temporarily idle funds. This led to the further discovery that the credit needs of different branches of the Cooperative Movement were to a considerable extent complementary. In particular, the needs of the peasants and the handicraftsmen created demands for

credit at different periods of the year and the repayment of loans by the one group help to provide finance for the other. Thus in the spring, the peasants' requirements for short-term loans would cause an outflow from these village savings and loan associations which would drain money from their district and central banks and ultimately from the *Zentralgenossenschaftskasse*. In the autumn as crops were harvested a flow would set in in the opposite direction, at the very time when the artisans and small manufacturers were borrowing to produce for the Christmas trade. In the New Year, when these repaid their loans, funds would accumulate for the peasants to borrow when the yearly cycle began again. The role of the *Zentralgenossenschaftskasse* as a link between the financial systems of the different branches of the Movement and as a consolidating factor for the whole Cooperative sector this became in time indispensable and self-evident.

In a Germany divided into four Occupation Zones it became impossible for the *Zentralgenossenschaftskasse* operating from Berlin to play its proper role, even though the different branches of Cooperation were liberated from the straitjacket the Nazi system had imposed upon them. The consolidation of the three Western Zones into a simple economic unit, with a German Economic Council, pointed the way to the reconstitution of the *Kasse* with headquarters in Frankfurt on Main. The Ordinance of the Economic Council, passed on 11th May 1949, which provided for the new *Deutsche Genossenschaftskasse* revealed how much had been learned on both the Government and the Cooperative sides during the preceding 20 years.

#### **A self-governing organisation**

The *Deutsche Genossenschaftskasse* is,

like its predecessor, constituted as an institution subject to public law, but it is effectively self governing. The former directorate appointed by the Minister of Finance has been replaced by a Board, headed by a President appointed by an Administrative Council with similar functions to the supervision council of a joint-stock company. In the Administrative Council representatives of the Federal and *Land* Governments form a minority, the Cooperative representatives the majority. The *Deutsche Bauernverband*, *Deutsche Bundesbank*, *Kreditanstalt für Wiederaufbau* and *Landwirtschaftliche Rentenbank* have one representative each. Similarly in the foundation capital, the holdings if the Federal and *Land* Governments may never reach 50 per cent and are at present about 25 per cent, the rest belonging to cooperative organisations. All four main branches of the Western German Cooperative Movement, the Agricultural, Artisanal, Consumers' and Housing Societies contribute to its share capital and are represented on the Administrative Council. The public interest in the activity of the *Kasse* is represented by the appointment by the Federal Government of a Commissioner whose duties consist chiefly in verifying that its business operations are conducted in conformity with the law and its own statutes.

The working capital of the *Kasse*, which greatly exceeds the foundation capital, was obtained through a complementary Ordinance providing for an allocation of DM 60 million (later DM 64 million) from the interest paid to the Land Mortgage Bank: This was not inappropriate, as the greater part of the operations of the *Kasse* were intended in any case for the benefit of agriculture. Nevertheless, it proved at the beginning



somewhat of an obstacle, because it prevented the realisation of one of the co-operators' main objects, namely, the inter-flow of capital between the different branches of the Cooperative Movement. The Ordinance, to become operative, had to receive the approval of the Occupying Powers. Unfortunately, the advisers of the U.S. High Commissioner held that as so much of the working capital came from agriculture, the lending operations of the *Kasse* should be restricted to agricultural and rural welfare purposes, and he would only give his consent on these terms.

#### **Access to the capital market**

The Cooperators thus had to be content at first with half a loaf, but this was enough to permit Dr. Hartmann to take premises in Frankfurt, assemble staff and begin business. All the powers that were desired, and others that could scarcely be hoped for in 1949, were granted in subsequent years by the Federal Government. The basic functions of the *Kasse*, as before, were re-financing, the holding of liquid reserves, and the maintenance of a clearing system for cooperative operations. A specially important enlargement of its powers was made in 1957 when it was granted the right to issue bonds. The *Kasse* was thus able to secure for the cooperatively organised farmers, traders and handicraftsmen access to the capital market hitherto denied to them. Simultaneously, its role in support of cooperative trading operations has been greatly enlarged. It has secured the business which the large purchasing Cooperators formerly entrusted to banks outside the Movement and also built up a large foreign department to support the import and export trade of the German Cooperatives in all parts of the world. It is in this enterprising manner

that the *Deutsche Genossenschaftskasse* has expanded its business volume between 1949 and 1963 from DM 92.8 million to DM 3924.3 million and its balance sheet total from DM 39.6 million to DM 3669.3 million.

Besides its financial services, the *Deutsche Genossenschaftskasse* assists the Cooperative Movement in other ways. Its bulletin, now in its ninth year of publication, has become an important medium of cooperative, financial and economic information, while it has given generous financial support to the research work and training organised by the Cooperative institutes of a number of German universities. A notable project to be realised in the next few years, with the help of the *Kasse*, is an international handbook to Cooperation.

W. P. Watkins

## **Group Health Care in France**

On the 27th April, 1964, in the small French market practice—a new medical centre was opened.

This new centre marks a new stage in the development of co-operation between the five general practitioners in Sablé, for it was in Sablé that the two doctors, Marçais and Lambert, first introduced the idea of group health care to France, a quarter of a century ago. Their example has since been followed elsewhere, and currently some six hundred doctors cooperate in two hundred groups, which include sixty communal medical centres.

The centre in Sablé comprises an entrance hall, an X-ray room, and the doctors' own offices. A separate consulting room is used by the doctor on duty. The building is owned by a specially-created company of which the shares are held by the doctors and their families.

However, the doctors themselves work as a cooperative organisation, and it is this cooperative society which owns the equipment, manages the employed personnel, and deals with all administrative, financial and fiscal matters. The society was financed mainly by a loan from the "Crédit coopératif" and by the doctors themselves. The net surplus of the cooperative is divided equally among the five doctors.

The success of the group health care in France, which particularly attracts young doctors, is likely to be officially recognised. A decree will be published soon which will enable medical cooperative societies to receive financial aid from the Treasury.

With acknowledgements to "Le Monde".

## **Fifty Years of Cooperation in Kadinar Taluka**

The Indian Society of Agricultural Economics published an interesting case study at the beginning of 1964, giving a résumé of fifty years of cooperation in Kadinar Taluka. The review of the progress of the cooperative movement in that area during the last five decades shows a steady advance in all directions. The movement now covers all the villages and the town area of Kadinar and there is more than one society per one thousand inhabitants and more than fifty per cent of the population is served by cooperatives.

It is interesting to note that between 1951-1962 the number and membership of primary agricultural credit societies have increased by 3 per cent and during 1962-1963 the average membership per agricultural society

## COMMENTARY

### **Close of an Era at Geneva**

THE transfer to the Geneva Consumers' *COOP Genève*, of the business of the Dairy Union, *Union Laitière*, brings to an end one of the most remarkable episodes in the history of inter-cooperative economic organisation. The *Union Laitière*, founded in 1933, was a joint enterprise of the Consumers' Society and the *Laiteries Réunies*, the federation of milk producers of the Geneva district. Its establishment abolished the competition between the consumers' and producers' society, each of which had hitherto possessed its own central dairy, shops selling dairy produce and roundsmen delivering milk from door to door.

This piece of consumer-producer collaboration bore witness to the broad vision and genuine cooperative spirit of Louis Maire, manager of the *Laiteries Réunies*, and of the late William Grandjean, manager of the consumers' society, and perhaps even more to the confidence both consumer and producer cooperators had in Dr. Fauquet, who acted in a sense as midwife to the project. Owing something to the ILO's own Inter-Cooperative Committee, the Dairy Union acquired well-merited international renown in the 1930's.

Its development was at first restricted by legislation limiting the opening of new shops and later by war-time shortages, but a sixfold increase in its turnover since 1945 was evidence of its power to expand its services as the city of Geneva itself added to its population. The revolution in retailing, however, resulted in the decline of the specialised trade in fresh milk and dairy products which were more and more sold in conjunction with other food-stuffs. The obvious solution was to allow the consumers' society to absorb the business. Pride in a splendid example of inter-co-operative relations is mingled with regret that the *Communauté des vendeurs de lait*, the roundsmen's cooperative existing within the larger enterprise, has also been dissolved, each member henceforward working on his own account.

was 87, and the average working capital per society Rs. 96,411. The average deposits per society and per member amounted to Rs.3,145 and Rs. 36 respectively. The average amount borrowed per member was Rs.805.

The average working capital of the Cooperative Banking Union at Kadinar was Rs.70 per head of the population and there were no overdues. Short term loans constituted over 73 per cent of the total loans advanced by the Union.

The spirit of cooperation has, however, not yet reached all classes of the people in this area, particularly the low-income farmers. There is an urgent need for providing subsidiary occupations in this community. Much ground remains to be covered before the cooperative movement reaches all people, and reforms in land, education, and administration are necessary to create the effective machinery needed to carry a cooperative programme successfully to its end. Circumstances are favourable, if all the main forces of cooperation, namely, education and the village *Panchayats*, move together as a team making a concerted programme from year to year directed to their objectives.

This little case study of Kadinar Taluka would be worth reading for anyone interested in cooperative work in India, since it is by taking a small area of this vast country under a magnifying glass that one can begin to see the problems of India as a whole.

**Agricultural  
Cooperatives in the  
Member States of  
the European Union**

One of the best known among the group of German economists passionately devoted to cooperation, Professor Hans Jürgen Seraphim (whose obituary appeared in the *Review of International Cooperation* in December, 1962), wrote, with the help of his fellow-workers, a most interesting book entitled "*Das ländliche Genossenschaftswesen in den Mitgliedstaaten der EWG*", which was posthumously published early this year. It deals with the integration of agriculture, especially agricultural cooperation, within the framework of the European Community. Up to now it is the only book of its kind to give details of agricultural cooperation in the European Community, and is of interest not only to those engaged in agricultural cooperation, but also to people who work in advisory or administrative capacities within the European Community. The book makes clear how much help the cooperative agricultural organisation in the European Community can give to the community at large.

### **Anglers' Cooperative Association**

A most interesting cooperative association, the A.C.A., has recently been founded in England.

For over 100 years the number of private fishermen in England has been increasing and in the same period the amount of available fishing water has grown less. Today, many hundreds of miles of water have been seriously contaminated or completely destroyed by pollution. In the past, various voluntary associations have tried to fight pollution but their work has always been hampered by lack of funds. The A.C.A. was formed as a militant body to which every angler in the United Kingdom can belong.

Its founder was a London magistrate who not only knew how to catch fish, but also knew the law, especially the difference between criminal and common law. He realised that criminal law, under contemporary legislation particularly in connection with the pollution of rivers, was a dismal failure, but that common law, if properly applied, could bring the polluters of water to heel. Since its registration, the A.C.A. has dealt successfully with over 500 cases of river pollution.

### **Cooperation helps to improve living conditions**

Mr. R. H. Boyan, the Cooperative Specialist of the South Pacific Commission, is to be congratulated on the preparation of the latest guide booklet for study groups entitled *How Cooperatives can help improve living conditions*. The South Pacific Commission has had a continuing programme assisting the development of cooperatives throughout the region. One of the terms of reference for the cooperative project is "to prepare simply-written, practical training and instruction manuals and materials on cooperative enterprises situated in the region". The booklet is designed as a short and very simple guide to Pacific Islands people who wish to learn more about cooperatives and ways in which cooperatives can help towards better living for them. It is recognised that it is difficult for a Pacific Islander living in a village to get specific knowledge of Cooperation, and the one way used successfully over a great number of years in various parts of the world has been to organise study or discussion groups of 10 to 12 people. The people involved may already be members of cooperatives or may be thinking of starting a cooperative. It is for this type of audience that the booklet has been prepared, to help such groups to improve their knowledge with a minimum of assistance from cooperative departments or central bodies. The booklet gives questions for discussion at 20 meetings fol-

lowed by information which will help those discussing the question or questions set down for each meeting. References are given at the end of each information section for the benefit of those desiring further elaboration. The questions for the first two meetings are intended mainly for groups who are considering starting new co-operatives and those for succeeding meetings apply largely to existing co-operatives, although these will also be of interest to members of proposed new societies. The discussions relate mainly to trading co-operatives, but thrift and credit societies, including credit unions, are also considered. Mr. Boyan is to be congratulated on having succeeded in what is the most difficult task—teaching people in simple language.

### **Students' Cooperative**

A handsome and interestingly produced hand-out by the Ministry of Community Development and Cooperation, has reached us advertising the advantages of building up student co-operatives in India. Children are advised to learn Cooperation through action, explaining how practical experience in the running of cooperative societies will be more lasting and useful than theoretical knowledge, and how to start a school co-operative. Books and stationery are the primary requirements of students and there is a good margin of profit in these articles to the booksellers and stationery merchants. If students start their cooperative stores, they can keep the margin for themselves and the profits thus earned can then be distributed among them as dividends or spent for the benefit of poor students. Again, canteens are of great importance and are generally run by contractors who are interested in making profits. As a consequence, students not only have to pay more for their meals, but have to be satisfied with substandard food which may affect their health. This again can be remedied by the organisation of cooperative canteens in hostels and colleges. Also a number of students in universities and colleges come from far distant states, receiving money from their parents at intervals. If they organise the cooperative rupee banks they can enjoy many facilities. They can deposit money at interest and withdraw it when required by issuing cheques on the rupee bank. Also, the bank can grant short term loans. The bank should be managed by a committee of student members, who will thus gain practical experience in handling money and in banking. All such student ventures must, of course, be registered

under the Cooperative Societies Act. They will then receive guidance from the officers of the cooperative department and all accounts will be audited. The pamphlet, which should be widely distributed, is illustrated with a number of helpful drawings.

**“Good Friends’  
Picture Album,  
1964”**

Eight years have passed since the Ie-No-Hikari Association started making an annual collection of pictures painted by boys and girls at home and abroad, and again the 1964 picture album is immensely interesting and shows the very high level the children have attained. This wonderful cooperative effort brings the world’s children in touch with one another. Different countries have different languages, but through pictures people can make themselves understood and it is for that reason that the pictures painted by children were published. The Executive Director, Masao Sugata, must be congratulated on the number of paintings published in 1964. The booklet is published by Ie-No-Hikari Association, 11 Funakaware-cho, Shinjuku-ku, Tokyo.

**In Memoriam**

**Dr. Vahan Totomianz — 1875-1964**

In the early years of the present century the British Cooperative Congress was accustomed to receive its fraternal delegates from abroad at a special evening session. At one of these sessions, in 1908, the president, Mr. T. W. (later Sir Thomas) Allen, introduced a delegate from the Russian Cooperative Movement and invited the audience to give him a specially warm reception. The deep sympathy which has always prevailed amongst British working people for the people of Russia in their struggles to rid themselves of Czarist despotism (a sympathy on which others later cashed in who fastened new fetters on them) was manifested at once. The audience rose to its feet, receiving the young Russian Cooperator with applause and cries of “Vive la Duma”. The delegate was Dr. Vahan Totomianz, Professor at the University of Tiflis and general secretary of the Russian national committee for the propagation of Cooperation.

Totomianz was then 33 years old. He had been a convinced Cooperator some dozen years, for during his student years in Switzerland he had come under the influence of Stefan Gschwind, Franz Staudinger and other convinced advocates of consumers’ cooperation. He added to his direct knowledge of cooperation in Western Europe by subsequent studies in Brussels, Berlin and

Paris. His return to Russia coincided with a period of tentative liberalisation which permitted him to write freely on cooperation for newspapers and periodicals, as well as to play an active role in propaganda and organisation. He was for example, one of the founders of the Moscow Narodny (Peoples') Bank. He was also a well-known figure at international cooperative congresses until the outbreak of war in 1914 confined him to Russia. A possibly worse calamity, from a personal point of view, was the loss of his sight in 1917 as the result of a nervous shock. In search of medical treatment, he left Russia in 1918, and the rest of his life was spent in various places, mostly in Western Europe.

Despite the handicap of his blindness, Totomianz did his utmost to contribute to cooperative enlightenment by teaching and writing. He will probably be most widely remembered for his *Anthology of Cooperation*, a collection of important passages and extracts from the works of many great exponents and teachers of cooperation, and for his *International Dictionary of Cooperation*. Both these useful aids to cooperative study and teaching appeared in the 1920's, the latter with the editorial assistance of Professor Charles Gide, and contributions by a large number of specialists. His dream of publishing revised editions of these works was never realised owing to his disability. He died at Paris on the 9th May, 1964.

W.P.W.

**Dr. E. U. Corona  
Martinez —  
1897-1964**



On 26 June the sudden death occurred of Dr. Enrique Corona Martinez, member of the Executive Committee of OCA for Argentina. Death occurred immediately after Dr Corona had finished speaking at a commemorative programme of the Attorneys' Association of Buenos Aires; there was no forewarning of the tragedy.

Dr. Corona Martinez was born in Concepción de la Sierra, Province de Misiones, Argentina, on 2 April, 1897. He was an attorney and graduate from the School of Law of Buenos Aires in 1920. He founded and was the first president of the Attorneys' Association of Buenos Aires. For many years he was a member of the board of directors of the Hogar Obrero Cooperative, one of the most important Argentinian Cooperatives in the field of housing, credit and consumer supply.

He also was a member of the board of directors of the Argentine Federation of Consumer Cooperatives; president of the Argentine Federation of Electrical Coopera-



tives; and vice-president of the National Council of Cooperatives of Republic of Argentina. He was the only Latin American member of the Central Committee of the International Cooperative Alliance.

With the death of Dr. Corona Martinez the cooperative movement of America loses one of its most outstanding figures, and OCA a most effective collaborator.

**Emile Bugnon —  
1880-1963**

As founder in 1918 of the "Union des Coopérateurs de Lorraine" which very soon became the most important French Society and one of the most outstanding in the world (1,300 shops, sales worth over a million Francs with 440,000 membres) the name of Emile Bugnon is linked for all time with a spectacular Cooperative achievement.

As creator in 1928 of the Central Office of School Cooperatives, which has grouped together, coordinated and stimulated thousands of school co-operatives Emile Bugnon has a place in the gallery of teachers who perceived in Cooperation a valuable educational tool.

As initiator of many cooperative experiments and achievements in fields as widely different as agriculture and housing, Emile Bugnon is one of the group of professors who, at the beginning of the twentieth century and between the two wars, knew how to make of the Cooperative Movement a sound economic entity without sacrificing any of the ideals which they spread with such skill and to which they were completely dedicated.

A fine and attractive personality, Emile Bugnon will be long remembered by all cooperators.

**Orazio Bardi —  
1899-1964**

The Italian Cooperative Movement has suffered a severe loss in the death last June of Orazio Bardi, a great Cooperator and an ardent fighter for democracy and social justice. After the end of the fascist era, Signor Bardi played a prominent part in creating a new spirit of progress and social justice in Italy and in rebuilding the *Lega Nazionale delle Cooperative e Mutue* of which he became Vice-President. He was also President of the Association of Consumers' Cooperatives.

In 1948, Signor Bardi was elected to the Central Committee of the International Cooperative Alliance and remained a member until his death.

## COOPERATIVES IN PAPUA-NEW GUINEA

by Norman Bartlett

**A**FTER World War II, local communities in Papua and New Guinea showed a growing interest in cooperatives as a method of managing their own affairs. The Administration, which regards cooperatives as one of several suitable means of economic development, assisted this movement and placed it on a firm basis under appropriate legislation. As a result, cooperative societies have grown rapidly and play an increasingly important part in the economic advancement and commercial education of the people of the Territory.

There are three classes of cooperative societies in Papua-New Guinea—primary, secondary and tertiary organisations. The primary category consists of marketing and/or consumer retailing bodies dealing at first hand with individual members. The secondary category consists of societies joined together in associations to increase purchasing power in retail consumer store operation and to obtain volume in marketing agricultural production. The association performs various functions that individual societies cannot adequately or economically carry out for themselves. There is also one credit society, the Kuanua Thrift and Building Society, and an insurance society is being formed. The Federation of Associations, a tertiary organisation, performs functions requiring a larger scale or more specialised operation than the associations are able to perform themselves.

In Papua, there are now 124 societies

and seven associations and in New Guinea 118 societies and six associations. In Papua, 101 societies combine the dual purposes of marketing and retailing and 101 New Guinea societies also have a dual purpose.

### A fundamental change

The growth of cooperative societies in Papua-New Guinea has coincided with a fundamental change in the pattern of local agriculture. For centuries the native peoples were gardeners. They farmed their lands on a traditional basis, using a simple type of jungle fallow rotation which served the same purpose as modern fertilisers and manures. Complex customary tenures, under which the land was cultivated, were suitable for subsistence agriculture and for short-term cropping or food gathering. They were not suitable for any system of agriculture which aimed at permanent improvement of the land.

Before the establishment of the Australian Administration the small groups into which the people were divided were often at war with each other. There was always the threat of an enemy raiding party attacking a community and driving the weak from the land. The victors would burn the houses, kill the pigs, and destroy the gardens. They either returned to their own village or settled on the land by right of conquest. In the latter case

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(All Figures are expressed in Australian currency  
£A125 = £100 Sterling)

the losing party would seek refuge with friends.

But, although fighting was frequent, trade along defined routes was already an established part of the tribal way of life. From the coast, salt, gold-lip and black lip pearl shell, clam and cowrie shells and other commodities were carried along traditional trade tracks into the mountains and exchanged for yams, taro, sweet potatoes, bird of paradise plumage, game and weapons. The Motu people, from the area surrounding Port Moresby (the present administrative centre) lived through trade.

The most remarkable change in this pattern of life has been the transition from subsistence farming to cash crops—mainly copra, cocoa and coffee for export. This change has resulted from the desire of the people for an improved life—a desire that has been assisted by the work of officers in the Division of Agricultural Extension of the Department of Agriculture, Stock and Fisheries, in promoting agricultural advancement.

#### **Cooperatives a stabilising influence**

In this advancement, cooperatives have proved to be a stabilising influence. The initial advent of modern ideas tended to upset the traditional pattern and restlessness and demoralisation too frequently followed. But the cooperative movement is now helping to restore the balance. It tends to keep people in their own villages, gives them the opportunity to earn money of their own, and offers them an incentive for social development. It helps them towards a stable future, and being fundamentally an educational process, assists them to take their place in the modern world.

A Cooperative Education Centre at Port Moresby trains cooperative in-

spectors, secretaries, storemen, book-keepers and office workers. The building was financed by contributions from cooperative societies throughout Papua and New Guinea and a grant from the Australian Commonwealth Bank. The Administration provides the teaching staff and meets the boarding expenses of students. Societies pay the cost of fares and pocket money for the students they nominate. Trainees are coached in all aspects of commercial book-keeping with special emphasis on the records required by both secondary cooperatives societies and their component primary societies. Trainees also receive a full explanation of cooperative principles, cooperative legislation and the rule of registered organisations.

According to the latest published report of the Territory of Papua the cooperative movement there is still hampered by three main difficulties: (i) illegal extension of credit; (ii) shortage of capital; (iii) failure to understand fluctuations of the world market.

#### **Shortage of capital**

The results, as far as the extension of credit in society operations is concerned, are usually disastrous. For credit being illegal, there is first of all the need to keep such transactions hidden from Administration officers. Shortage of capital in all cooperative societies is an accepted state of affairs. It is almost impossible at times to make a society member appreciate that a commercial organisation undergoing vigorous development continually requires more capital for expansion. The member feels that having subscribed his initial £5 share he can sit back. Depressed produce prices have a noticeable effect on society turnover, and tend to result in a falling-off in member participation in cooperative

activities. The indigenous cooperator finds it difficult to understand the ramifications of world market trends. At the same time he is naturally very conscious of patronage rebate, or "profit money" as he calls it. He is considerably upset and discouraged when a surplus distribution for the year is lower than that for the previous 12 months.

Despite these normal difficulties, there has been continued consolidation and strengthening of financial resources among established societies. Societies generally have been able to raise sufficient funds from their members. When further capital is needed for copra driers, store buildings, road or water transport, registered societies are usually able to obtain loans of up to £5000 under the Native Loans Fund Ordinance 1955-60. They can also negotiate for

loans and overdrafts with commercial banking institutions.

In Papua, largely owing to the policy of encouraging the fullest possible distribution of available surpluses, rebates to members had increased from £8708 to £20,913 over recent years. Earlier the practice had grown up among societies of allowing surpluses to accumulate and investing the cash equivalent in fixed assets.

Cooperative societies as a whole have withstood a decline in world prices for tropical products. Indeed, many of them have made definite advances. Rising standards of living and education are leading to an increasing appreciation of the value of cooperation. There is also a steadily growing knowledge of the operation of societies and cooperative organisation generally.

## NEW COOPERATIVE FORMS IN THE DEVELOPING COUNTRIES

by **M. Radetzki,**

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**S**INCE the middle fifties, the Congresses of the ICA clearly reflect the ever-increasing interest of the Western cooperators in cooperative problems in the developing countries. There are several reasons which explain the greater focus of attention on these areas. Since the war, the membership of the ICA has been increased mainly by the admittance of cooperative organisations in Africa, Asia and Latin America. Today, therefore, cooperators from these parts of the world constitute, at least numeri-

cally, the majority of the Alliance. The world has grown smaller, and intensified travel activities contribute to our interest in conditions of other parts of the world. Finally, the fast developing technical assistance activities of the ICA and its member organisations create an immediate need for factual information and an analysis of the cooperative situation in the developing countries. Such analysis might throw some light on future development prospects of different types of cooperative organisations, and

might also indicate their overall importance in the socio-economic development of the country. With this information available it would be easier to decide on the use of the scarce resources available for technical assistance.

In this article two newly emerging organisations will be described, which call themselves cooperatives, although they show considerable dissimilarities with traditional cooperative organisations. With this background it will be considered whether possibly a re-examination and re-definition of the cooperative principles would be advisable adapted to the conditions under which cooperatives work in the developing countries.

#### **Different conditions— different methods**

Cooperative organisations in the developing countries cannot always be evaluated according to the same rules which have been applied in the industrialised world. The social and economic situation in the poor countries does not seem to be equal to that of any development stage in the already industrialised countries and, consequently, the problems faced by the cooperatives will be different too. While poverty and lack of resources are widespread in the developing countries, a great abundance of technical know-how is made available from the more developed areas. This condition is likely to create frustration, particularly when it is realised that financial resources are lacking to adopt methods and techniques which are known, and which would contribute considerably to the wellbeing of the society. A good illustration is the case where the cooperative in a highly underdeveloped country requests technical assistance in the form of one or two mo-

del shops with all the most modern equipment, although it is quite clear from the beginning that this type of shop would be able to serve only a very marginal group of people in the society and is completely uneconomic under the prevailing conditions.

While in the West cooperatives usually concentrate their interest on a particular aspect of life where they try to improve the individual's conditions, many cooperatives in the poor countries must assume a much more comprehensive role. The cooperative society in the developing country will have to touch all aspects of life of the poor farmer in order to break the sovereignty of the money-lender-trader. It would not be just to measure its achievements only in financial terms. The impact which its activities can have on the social structure in the village and the society as a whole, must also be taken into consideration.

#### **Role of government**

The Government naturally plays quite a different role in the development of cooperation in the developing countries than it ever did in Western Europe or North America. Like democracy, cooperation has a high positive emotional value. Politically, therefore, the Government usually supports the Cooperative Movement. This is very widely done, sometimes to such an extent as to prevent any independent growth of cooperation at all. Illiteracy, lack of leadership and inadequate funds necessitate active Government participation to initiate any cooperative activities at all. With this heavy involvement, it naturally follows that the Government desires to use the cooperative organisations to pursue its own objectives.

From the above it is apparent that

it would hardly be just to judge the cooperative organisations in the developing countries entirely in accordance with rules and principles emerging from the experiences of the West, which have adhered to the principles of independence, democratic control and cash trading. Although these have proved most successful, it is not quite certain that cooperatives in Asia must necessarily follow the same pattern. Cooperatives are created to solve current problems, and as the problems differ, so also the organisations might evolve in a modified shape.

Besides their great practical value, the cooperative principles have proved very helpful to define what should be considered cooperation. If it is accepted that cooperative organisations need not necessarily follow the cooperative principles, then the problem of definition immediately comes up: General usefulness and a social objective are hardly sufficient qualifications to call an institution cooperative.

Below, two instances will be given of useful organisational forms, which themselves claim that they are cooperatives, although they deviate in important respects from what is regarded as traditional cooperative practice.

\* \* \*

NEPAL is a small country, with bad communications, low per capita income, high illiteracy rates, and a small group of rich, well educated and very influential people, employed by, or in other ways closely connected with the government. Due to the socio-economic conditions and the long isolation of Nepal from the rest of the world, cooperative development has not been very far-reaching. Under the present circumstances it is unrealistic to expect any sponta-

neous cooperative activities on a large scale from among the people themselves. The cooperative department of the government has been working to promote cooperative development. In this situation a group of influential persons, foremost among whom was the King, stepped forward and contributed financially to a fund of Sajha, a newly formed institution.

Sajha is said to be a cooperative organisation, set up to promote cooperative development. In a way it resembles a cooperative union, but the deviation from the traditional cooperative unions is considerable. Anybody can become a member of Sajha by a token membership fee of about 2 US \$. As wide membership as possible is sought for Sajha. The wealthy members are requested to contribute grants to Sajha. The money is assembled in a common fund. Each member has one vote, but for the time being a board has been set up from among the initiators to manage Sajha's activities.

#### **A better bus service**

After some money had been collected, Sajha started to look for a suitable project to support. It was found that bus services in and around the Kathmandu valley were not satisfactory, so it was decided to start a bus service on cooperative lines. Sajha would contribute 60 per cent of the capital, while the employees of the transport organisation and the general public were invited to subscribe the remaining money. For the time being the management remained with the Sajha itself. The employees were given wages above market rates, but through their share purchases they became co-owners of the organisation. Thus the general public acquired a more satisfactory transport system.

As and when the transport organisation becomes a running concern and gains the public confidence, it is planned that Sajha will withdraw its capital contributions which will then be taken over by the employees and the general public completely. The voting and management structure in the transport organisation is not yet quite clear. But when the Sajha has secured its money back, it will start looking for another project where its support, guidance and finance might be needed. Eventually, it is hoped, a major share of the Nepalese economy will come under the influence of Sajha. Both the consumers and producers of goods and services will participate. The economy will thus have a democratic structure, and avoid the evils of extreme capitalism or state socialism. The economy will run on a cooperative basis.

\* \* \*

After MALAYSIA had achieved its independence, a number of foreign estate owners did not want to continue investing their capital in that country, and therefore they tried to dispose of their estates. Many of these estates were huge units, employing a labour force of several thousand people. On the whole, the estate workers constitute a very homogenous group where families have in most cases been settled on the same estate for very long periods, often for several generations. Now that the foreign capital was being withdrawn, the Malayan purchasers seldom possessed sufficient capital to acquire an estate in its entirety, so that in many cases the estates were divided into relatively small plots, which the buyers intended to till themselves. Thus, a far-reaching problem was created in connection with the old estate workers' re-settlement and re-employment in other occupations.

### Cooperative estates

At this stage some influential politicians stepped forward and persuaded the estate workers to contribute their savings to a huge joint fund on a national basis. The management of the fund eventually succeeded in securing large loans from some banking institutions. Now the money is being used to buy up estates which are offered for sale, thus avoiding fragmentation, and ensuring continued employment for the labour force. Through their participation in the fund the labourers are themselves owners of the estates on a cooperative basis. The management of the estates is a highly technical task, and therefore the managers continue to be employed. Managers are permitted to continue also after the estate has been bought by the fund. Labourers' committees are formed on the estates to look after the interests of the workers. Working conditions are improved. The management is made aware of the fact that it is now employed by a cooperative, and that the owners of the estate are now workers themselves.

Up to now the influence over the fund has remained in the hands of the original initiators. The main task at present seems to be to generate enough money to be able to purchase all estates offered for sale. Labourers from estates which are not being sold, are also persuaded to contribute to the fund. Eventually it is planned that the subscribers to the fund will take over more responsibility.

\* \* \*

The two cases just described show great resemblance to each other. Both have been recently started, and their future policy and organisational set-up remains somewhat unclear. It is, for example, not clear to what extent the

transport institution in Nepal, or an individual estate in Malaysia, will be independently managed in the future, and what will be the form of ownership and parliamentary structure. Both are certainly very useful organisations, trying to solve urgent problems in their respective societies. Both have been started by influential and educated leaders, probably in a mixed mood of what seems to be social responsibility and a wish to create for themselves an influential position. Both organisations proclaim that they are cooperative, although in the traditional sense they would hardly qualify to be called so.

Cooperators from the West with special interests in the developing countries would certainly need to give more thought and consideration to the emerging institutions of this and similar nature. The matter is of particular interest to the ICA, as it may be expected that sooner or later organisations of this type will apply for associate or full membership.

#### **New organisational forms?**

It seems unrealistic to assume that the cooperative movements in the developing countries of today will develop along the same pattern as cooperatives in the West. What then should be the criteria for calling an organisation cooperative, or for accepting it for membership of the ICA? The future may prove that the organisations which show important deviations from the accepted cooperative principles, such as the two described above, are only temporary features, and that, with time, they will either prove to be failures or else normalise themselves in accordance with traditional cooperative practices. But it may also be that we have here the beginnings of organisa-

tional forms which will develop and prosper, and which will contribute significantly to the improvement of conditions in their countries. Perhaps we have here the beginning of a new and different cooperative movement? It therefore seems important that the Western cooperators keep themselves fully informed and devote sufficient time for thorough consideration and analysis of the above mentioned problem areas.

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## COOPERATIVES AND CONSUMERS IN 2,000 A.D.

by F. D. Boggis.

**B**Y the year 2,000 A.D. people may be ready to take consumption more for granted and to concentrate their attention on those of their wants that do not involve consumption, distribution or production. If such a situation develops the constraints in living will not be imposed by income, but by time and the ability to learn and enjoy new occupations. The problem of 2,000 A.D. will not be how to find enough money to buy a gramophone recording of the Schubert Quintet, but to find the time and the people to bring together to play and enjoy the music.

Before the end of this century the average home may be one with an ideal climate, pure air and freedom from noise. It could be possible to have on tap colour television, stereophonic broadcasting and recording which would give access to whatever information or cultural atmosphere was desired. Styles of life in the future might find expression not through the ownership of motor cars, air-conditioners or other gadgets but in, for example, works of art and collections of rare books. The output of the individual's study, workshop or studio will form the topic of conversation and centre of admiration, rather than the factory-made product. Of course it could be that the comfort and seclusion of the home, reinforced by the social trend towards the supremacy of the immediate family, may succeed in isolating people from each other to such an extent that there will

only be the slightest contact beyond the family group.

### Advice for consumers

This is a glimpse of the possible future in the developed world. As the Consumer Working Party of the I.C.A. has written in its "Outline Programme of Activity in the Consumer's Interest"<sup>1</sup>: "These economies have moved away from a set of economic conditions in which scarcity ruled people's thinking towards a condition of affluence and a prospect of abundance." On the threshold of a period in which the satisfaction of needs is no longer of pressing interest for the consumer there is, perhaps paradoxically, more interest than ever before in consumption, in the sense of usage and enjoyment, and problems of choice. In part this is because there are more consumers now in a position to exercise choice than ever before. These are consumers with discretionary income rather than people on the edge of poverty struggling to satisfy basic needs.

<sup>1</sup> *Cooperatives as Agencies for Consumer Protection.*

*The Outline Programme of Activity in the Consumer's Interest to be undertaken by Co-operative Organisations* was approved by the I.C.A. Executive Committee at its meeting in Geneva in February 1964. Drafted by the Alliance's Consumer Working Party, the Outline Programme defines the obligations which respect for cooperative principles imposes on cooperative organisations in regard to the protection, enlightenment and education of the consumer. The full text appears in *Consumer Affairs Bulletin*, No. 2, 1964.

To advise consumers in making their choices there are now independent consumer goods testing organisations and public bodies many of which receive state funds to assist their work.

Not only are there more organisations proffering advice and information, but there are more spokesmen for the consumer. The State in many countries has recognised the claim of the consumer to be represented somewhere in the legislative and consultative processes of government.

As a result of this quickening of interest in the consumer, the claim of the cooperative movement for recognition as a consumers' organisation rather than a trading and manufacturing interest has been overlooked in some countries. Where the Movement's claims were set forth early, and clearly and consistently followed through into action in the consumers' interest, the appropriate recognition has been forthcoming. But elsewhere when the Movement's objectives were not seen clearly enough and its action did not identify it with the consumer interest, the claims of cooperatives have been swamped by the voluble "new" consumer movement's advocacy.

#### **The "Outline Programme"**

The Consumer Working Party, being aware of the problem which faces cooperative organisations of convincing public authorities as well as uncommitted consumers that it is a consumer organisation, began soon after its formation to consider a document which would provide a checklist of consumer activity which ought to be undertaken by cooperatives claiming to act in the consumers' interest. The document, whose short title is the "Outline Programme", has now been approved by

the I.C.A. Executive Committee. With the aid of the Outline Programme it should be possible for a cooperative movement to make an assessment of its current activity and judge if it can sustain its claim to be an organisation acting in the consumer's interest. In making such an assessment it is important that the current position be reviewed. The "new consumer movement" is a post-1930 phenomenon, it is very much part of contemporary society, rather than of the economy of scarcity. To attempt to balance its claim as a spokesman for the consumer by producing examples of major cooperative achievement from the nineteenth century or even from between the two World Wars, is to invite ridicule. Nor does such a response make for a frank assessment of current activity on the consumer's behalf.

The independent consumer goods testing organisations, by stressing that they do not engage in trade and hence that their approach to consumer information is uninfluenced by its possible repercussions on business interest, have sought to identify themselves as the only consumer organisations worthy of recognition.

As the State begins to take a belated interest in consumer welfare, more public or semi-public bodies spring into existence who act as spokesmen for the consumer, often very ably but frequently without any apparent knowledge of the contribution made by the Cooperative Movement on these matters.

#### **Four headings**

The Consumer Working Party (C.W.P.) groups the matters to be examined as part of the Outline Programme under four main headings: Economic Action; Promoting Laws and Codes; Education, Information and Guidance; Collaboration and Coordina-

tion. In the introductory paragraphs of the section on Economic Action the C.W.P. state: "Through their normal trading operations cooperatives can influence market conditions in favour of consumers. The more efficiently the Movement conducts its trading operations the greater the impact it can have on the price and the quality of the goods and services it supplies for its members' use. A thoroughly efficient cooperative will be able more readily to stand out against the dishonest practices which its competitors may adopt to the detriment of consumers."

"To protect consumers' interests adequately the Movement may need itself to acquire the plant and raw materials required for the production of the goods it distributes. As the purchases of consumers extend into new areas, the Movement must see to it that it is able to supply the appropriate consumers' wants and if necessary intervene on their behalf to secure the production of these goods at reasonable prices and of an acceptable quality."

It will be seen that the argument advanced by some critics of the Movement, that engagement in trade disqualifies cooperatives as consumer organisations is dismissed. In classing the Cooperative Movement as a business interest, like any other, making its living by supplying and serving consumers, the vital difference between it and other economic enterprises is neglected. As Jean Lacroix writes:<sup>2</sup> "The objective of cooperation — in all its diverse forms—is to improve the well-being of men by their participation in the definition of this well-being, and not to accomplish this by promoting the creation of profits for individuals but by

<sup>2</sup> "Progrès technique et bien-être in "Le consommateur face au progrès technique", François Custot and Jean Lacroix: by F.N.C.C. 1962.

extending the general welfare of society." However it is not only on grounds of its contribution to economic democracy that the business interests of the Movement are defended. The Working Party state clearly in their introduction to the Outline Programme that: "Because the Cooperative Movement recognises the inadequacy of merely defensive protection, it offers alternatives to profit systems which generate such abuses, and in this way the Cooperative Movement offers a real solution to consumers' problems. Consumers organised in cooperatives achieve physically what must otherwise be left to the slow process of exhortation and persuasion of manufacturers and distributors whose motivation is orientated towards stockholders rather than consumers. By their past action Cooperatives have improved the consumer's lot, their potential is currently immense and there is no limit to what could be done in the future. While other consumer's organisations may seek to prevent further encroachments upon consumers' welfare, it is only the Cooperative Movement which can basically alter his lot and make his position secure."

### **Efficiency necessary**

Some measure of efficient performance is necessary for the survival of any organisation engaged in trade and it might be suggested that in arguing for "efficient operations" the C.W.P. do no more than rationalise an elementary criterion of business management in consumer terms. However, the purpose of survival is not simply the perpetuation of an institution and the maintenance in their jobs of cooperative employees. The C.W.P. state this clearly when they point out that "a cooperative society is a creative as well as protective consumer or-

ganisation, which must be sensitive to consumers' views about its performance and seek to discover if there are unsatisfied consumers' needs and wants for which it might make provision." But sensitivity to consumers' requirements is an attribute which in being fostered in non cooperative enterprises, and indeed many are seeking to become "consumer-orientated".

The implications of this question are so far-reaching, that one possible line of approach has to be explored here. Nelson Foote has written that<sup>3</sup> "... in time as much effort will be devoted in marketing and merchandising to building permanent relations with old customers as to recruiting new customers. Closer adaptation of manufacturers and merchants to their particular clienteles can prove satisfying. For the seller, the advantage of such a loyal relationship may be received in price premiums or in stable repeat demand and consequent savings in distribution costs. For the buyer, such a relationship would let him take consumption even more for granted than now and turn his attention to other activities." If a relationship of this kind can be built within the private sector an even better relationship should be built in the cooperative sector. Officials of consumer societies have as a primary responsibility to ascertain and satisfy the wants of their membership. But since the principle of economic democracy is central to cooperative ideology, it is surely essential that-cooperative consumers should share with their officials in the shaping of future demand, as well as considering the future possibilities for patterns of living and how cooperators can be prepared for the

<sup>3</sup> "The Image of the Consumer in the Year 2,000", Paper presented to the Boston Conference on Distribution, October, 1963.

coming society. The Cooperative Movement should become engaged in consumer research at two levels, firstly in the area of present consumer needs, and secondly in the area of future life styles and uses of leisure. It must be emphasised here that what is under discussion is not market research concerned with consumers' preferences for goods already on the market, but a more fundamental study of present and future consumers' needs in which cooperative consumers can be engaged at appropriate stages.

### The use of leisure

The issue here was put by the late Harold Laski in his remarkable essay, *The Recovery of Citizenship*. "For most men and women it is the use made of the period of leisure which determines what their lives are to be. It is in that period that their creative energies may best hope for an outlet of release. For them the effort of production is essentially a prelude to leisure. They are buying therein the right to demand. They are achieving the prospect of wants. Their problem, accordingly, is such an organisation of supply that their wants may hope to merge in a full and harmonious personality. That is impossible under a system where, as now, wants are atomic in character. For instead of giving the character to production of felt and expressed need, they wait upon what is offered to them, and take, not what they themselves desire, but what it pays others to produce for them without regard to the consequences of production. An atomistic process of consumption, in other words, is necessarily a process of exploitation. The best is insignificant to the producer unless it pays. The inarticulate remains unknown. Our past experience suggests quite definitely that there is not, in this

realm, any direct relevance of interest between consumer and producer. For the motives of each are so different that their minds can hardly meet, save in exceptional cases, upon the same plane. The one searches blindly and individually to satisfy demands that are inarticulate because unorganised; the other searches only for such a supply as will give him profit from his guess at the nature and intensity of demand.<sup>4</sup>

This is the crucial problem so far as the Movement's future action on behalf of the consumer is concerned. The issue as yet has had little discussion; it certainly deserves much thought. As W. P. Watkins has written; "Consumers need positive ideas, even principles, governing the spending and saving of the household income and the style of living which that income will support. This no doubt is to bring into the consideration of economic problems judgements and values derived from ethics, aesthetics and other realms of thought. But that is precisely what cooperation in its origins was intended to do, cooperation does not attempt to abolish the market and money values altogether, like some extreme forms of Socialism, but it does endeavour deliberately to subordinate economic activity to moral and social principles. It pre-supposes certain patterns of conduct on the part of individuals. The cooperator is therefore not content with the mere satisfaction in itself of physical needs. He asks how far this satisfaction helps to remove the obstacles which prevent people from living fully human lives. If people are liberated from drudgery and insecurity, disease and squalor, the cooperator is still concerned with the manner in which they

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<sup>4</sup> *The Recovery of Citizenship*, published in 1928 by the C.W.S. in the *Self and Society* Series.

spend their time, their leisure as well as their working hours."<sup>5</sup>

The new consumer movement is largely negative in its approach to consumption, accepting the present social system and the choices on offer. Science and technology offer, significant advances within the next twenty to forty years. How the consumer can utilise these opportunities to improve the quality of living should be the Movement's major concern in the next few years. This question deserves as much attention as for example the future location of stores and warehouses.

#### **Economic Education needed**

Some attempt has been made to tackle this question already but only in the context of the current situation. G. D. H. Cole's exhortation to the British Movement in 1953 to become the inspiring teacher of the consumer arts seems to have been heard beyond Britain. Cole wrote:

"The economic education of the consumer is of paramount importance; and in these days, with adulteration no longer the pressing problem it used to be, the most vital part of the consumer's education is in the use made of things rather than in good judgment between rival brands. The consumer needs more than ever, now that there is more opportunity for the use of leisure, and now that on the average incomes are larger and more regular than they used to be, to learn how to make the best use of what she or he buys — to cook attractively and without waste or undue mess, to get round the household chores with as little waste of time and expenditure

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<sup>5</sup> "Tasks and opportunities for the Cooperative Movement in our Time", by W. P. Watkins. International Conference on Cooperative Science, Erlangen 1957.

of effort as possible, to look after the children sensibly, and to shop well. If the cooperative movement could make itself the inspiring teacher of these arts, it would get a great deal more loyalty than it will by any amount of preaching about cooperative ideals, or any amount of exhortation to buy only cooperative goods, irrespective of their merits as compared with capitalist products."

Through study group programmes, exhibitions and training courses for staff, the Movement is developing its role as "the inspiring teacher of the consumers' arts". But the wider issues of life styles and the organisation of leisure remain virtually untouched. This point has been dealt with at some length since it is an area of enquiry and action where the Movement can expect to make a contribution.

#### **In other countries**

In other areas the recently created testing and advisory organisations offer a consumer service which it would be foolish for the Movement to duplicate. Nevertheless, it will be necessary to check their findings and information to consumers and where necessary prod these organisations into more effective action. The Movement's special role in the case of these organisations is to carry their information for consumers into the actual shopping situation. The Swedish Movement's "Gain by Knowing Campaign" is perhaps the best known example of this technique. The Cooperative Movement should, as the C.W.P. suggests, be ready to collaborate with other consumer orientated organisations to forward the consumer's case. Examples here are the *Consumenten Contact Orgaan* in Holland and the *Arbeitsgemeinschaft der Verbraucherverbände* in Germany.

So far our attention has been directed to problems in the developed economies. The Outline Programme is equally applicable in the underdeveloped countries. Judging by the Action Programme appended to a paper in "Cooperatives and Consumer Protection" presented at the Fourth Indian Congress, action in the consumer interest is vital in that country. There is adulteration of foodstuffs and drugs of a widespread and serious character. The Movement in India was recommended to press for "more effective implementation of legislative measures pertaining to the adulteration of food, drugs, as well as the necessary measures for standardisation, certification marking, comparative testing, etc." This illustration adds point to the C.W.P.'s observation in the section of the Outline Programme dealing with legislation that, "since slackness in enforcement is a major defect, even in countries with a comprehensive set of laws defending the consumers' interest, this aspect of the question will require particular attention." In its battle for the Indian consumer's interests the Indian Movement is advised to carry through an intensive programme of consumer education.

There are innumerable lines of inquiry which might be developed in following through the implications of the C.W.P.'s Outline Programme. One question, however, is possibly the key to many answers: "Has the role of the Movement as a consumers' organisation been the subject of a specific policy decision within the central management structure, and has this decision been translated into action through the trading, production and educational units?" Perhaps the consumer orientated approach is so ingrained that no positive policy decision is needed. But

if upon assessment in the light of the Outline Programme the performance of individual cooperative organisations is not what the present situation demands, then a policy decision and follow-up (even perhaps the creation of a special "consumer task force" for this purpose) is surely warranted.

In 1940 Percy Redfern described consumer's cooperation as "a democratic union against the waste of war, of ta-

riffs, of competition, and not less, of ignorant, technically uneducated consumption"<sup>6</sup> Some 50 years later it has fallen to the C.W.P. to ask in respect of its consumer interest if the Movement can still describe itself thus: it offers the Outline Programme as a tool for making the necessary assessment.

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<sup>6</sup> Percy Redfern "The Conflict of Capitalism and Democracy", The Cooperative Wholesale Society's Annual for 1910.

## NEW DEVELOPMENT OF AUDIO-VISUAL AIDS

**T**HE development of audio-visual aids in education generally and in cooperative education is a matter of great importance and much concern to those who still with a piece of chalk in their hands have to face their classes in all parts of the world where now cooperative education is undertaken.

This is especially the case in the urgent task facing cooperative teachers teaching adults who had not the opportunity of entering into the know-how required for running the modern Movement. There are training schemes on grand scales required for those who are mature adults but who are non-schooled or only have four years of primary schooling in the development areas and it is those who have to be made to take full responsibility in their local governments and cooperative societies. It is here that the impact of audio-visual aids would be one of the great aids to the cooperative teacher. Recently I read with great interest an article published on this very subject in the publication *Rural Life* by the Director of the Overseas Visual Aids Centre, London. The

Director, Mr. Rusbridger, introduces his article describing a new type of audio equipment, saying: "The new equipment consists of a master-controlled unit from which a teacher can transmit direct to one class or to a whole college, or from which recordings from a radio, tape-recorder or record player can similarly be transmitted. The transmission goes through a "learning loop" consisting of a piece of wire encircling the classroom walls or ceiling. By means of earphones and a small transistorised wireless, students can tune in to the transmissions and use them in three ways:—i. they can merely listen to them, make notes and write answers to the question they hear; ii. with the use of a microphone, they can make their own responses, as for example in a language transmission, and hear their responses amplified in their earphones; iii. by means of a small instrument called an audio-notebook, which weighs only 7 lbs., and rests on the lap or on the table in front of them, they can receive and record up to 22 programmes each of which can last up to 15 minutes. In

addition, each student has one spare channel on which to record his own comments, by means of a selector switch, the student is able to switch to any one of the 22 recorded programmes at will; the teacher, as he walks round the classroom, can plug in to individual student's head sets or in to the audio notebook.

This latest teaching aid machine is of course expensive, the cost would be £4,000 for a 30 student installation." Naturally it is the newest and best, but most of us have some fleeting acquaintance with similar gadgets such as language laboratories, self-teach programmes often incorrectly described as teaching machines, and of course the use of television.

The great excitement and interest aroused by the increasing use of the new aids in developing countries should not lead one to overlook the needs of hundreds of teachers, who, in colleges of all kinds, still have to teach with very limited resources in the way of equipment and who are most likely to have to do so for a great many years to come.

There are perhaps two basic problems to be faced: how can effective and inexpensive aids be obtained? and, far more important, how can teachers be encouraged to use them? There is surely today a rapidly growing awareness of the value of teaching aids, and practical steps are being taken in many countries to provide them, but if one's observations and reports from overseas are correct the main drawback very often is the lack of knowledgeable staff to operate the gadgets which often can be found also on the part of teacher trainers. Naturally perhaps, shortage of money is a major factor in all this but is not the only one.

The wider establishment of national

and regional audio-visual centres has been strongly recommended by educational authority in almost all lands. This in turn demands the training of specialists in the production and application of teaching aids, and the institution of courses in the theory and practice of communication is a must if this new method will successfully establish its place. There are some examples from overseas which have worked extremely well, such as the provision of local or travelling workshops that have been set up in some countries at centrally convenient education centres and training colleges in West Africa. One point which is sometimes minimised in all this is cost. Television—and to a lesser extent radio—involve huge initial expenditure in equipment. Both these media are greedy consumers of money if there are large geographical areas to cover, so that the cost of programmes, where they are supplied from outside or produced in the countries, in television particularly, can be expensive. Language laboratories may cost up to £2,500 for a 16-booth unit. The more complicated programme learning devices, which involve the use of machines, are from £200 to £500, plus programmes and an individual programme costing anything from £15 to £50 would represent a formidable obstacle in developed country use. However, many lectures have pointed out that with developing countries becoming more established, problems of initial costs will be overcome and so will also be the drawback of specialists available for servicing and maintenance of equipment. Teaching by television and radio is still not fully used by development areas but training for this kind of communication to the student is given in some of the areas and there are a great number of students in



England at the moment training at the Centre for educational television overseas situated in London. Teaching by the use of films has added a new impetus to the new devices with Technicolor 800E Projector which costs only £50 to £55 and projects short 8 mm. films on a selfcontained screen and requires no black out. Other advantages of this machine are that the film is loaded on to a cassette which is plugged in to the projector. The most essential need in this field is for programmes and courses devised by local people to meet needs which imported material from other parts of the world cannot do. This applies to all audiovisual aids whether in television, radio, language laboratories, films, or self-teach programmes. It is here that the institutes of education attached to local universities must play an enormously valuable part in serving as centres of research and experiment,

and the local cooperative union should be of great help there. There have been innumerable conferences during the past ten years on the use of audio-visual aids both at international and national level and a great number of resolutions have been passed. It is no longer a question of having to convince institutions like governments, cooperative unions, and others, that aids to teaching and training are vitally important. The great task is the translating of all that has been said into action. New channels will call for pioneering and imaginative planning and only through efficient adult and community education can the work of building new nations on the principles of Cooperation be undertaken, and in overcrowded and understaffed classrooms one way to overcome shortages is the employment of modern audio-visual aids.

J.H.O.

## BOOK REVIEWS

### **Simple Reading Material for Adults: its Preparation and Use.**

*By Various Authors. No. 3. of Manuals on Adult and Youth Education. Published by Unesco. Paris. 1963. 95 pages. \$1.25 or 6 shillings.*

This is a brochure which can be wholeheartedly recommended to those who understand the importance of providing useful and suitable books and brochures for people of all ages who have recently learnt to read, but who need practice to develop facility as well as to master the art of using the printed word as a source of knowledge. It is also to be recommended to those well-intentioned Cooperators who talk airily in congresses and elsewhere about supplying translations of books on Cooperation for circulation in the developing countries, in order that they may learn something of the obstacles to be surmounted, the pitfalls to be avoided and the time required to produce a really appropriate and useful book.

The brochure is the outcome of the coope-

ration of a number of minds, the final text being drafted by Charles Richards, Director, East African Literature Bureau. Its purpose is to serve as a working guide for those writing, illustrating and publishing reading material for the newly literate. Its guidance is derived from the experience of many who have learnt by trial and error how to make sure, not simply that what they produce will be read, but also that it will be correctly understood.

In this kind of production it is obviously the "consumers' theory" which must apply. The prospective readers, what they like, what they need, what they can absorb, determine both the choice of subject and the style of writing, as well as the type of picture or other illustration needed to reinforce the text. It is for the very reason that experienced Cooperative field workers know the ideas, statements and background of the people they aim to convert that they usually write the best simple explanations of Cooperation, of which the ICA has a small but growing collection. Knowledge of the reader

is usually more important than a profound knowledge of the subject. The remark of the authors that "a vast majority of technical books for new literates on agriculture, health, nutrition and many other important subjects, all over the world, cannot be read, still less understood, by people of limited education" provokes sobering reflections. Conversely, of course, the mere translation of Cooperative classics can only reach a relatively small circle of Cooperators who are already fully literate in one or another of the world languages.

Yet the job of presenting Cooperation clearly, accurately and in a practical manner to the newly literate in the developing countries must be tackled and as soon as possible done really well under the auspices of the ICA. The ICA may take the lead but it cannot undertake the whole responsibility, for the organisations and governments in the developing countries should also help and collaborate. The Education Centre at New Delhi could make a valuable contribution, but solutions which are good for Asia are not necessarily good for Africa or America. As the authors point out, reading material for south and south east Asia must be of first-class quality because "oral knowledge of the highest forms of literary expression is widely and deeply rooted". If the work of Cooperative education in the field is to be effectively consolidated, if the newly-created organisations are to throw up Cooperative leaders out of the ranks of their membership and become truly democratic rather than fraternalistic in spirit, the right kind of Cooperative literature in book or periodical form must be brought within reach of every Cooperator who can read. Unesco, by publishing the handbook here reviewed, has provided excellent practical directions which will not make the task easy but which will enable those willing to take pains and follow the guidance given to accomplish it with success. W.P.W.

#### Cooperation in Nottingham.

*A History of 100 Years of Nottingham Co-operative Society, Ltd. By F. W. Leeman. With photographs and index. Published by Nottingham Co-operative Society, Ltd., Nottingham, 1963, 176 pages, 7s.6d.*

The number of centenary histories of cooperative societies is likely to grow in the next few years because the 1860's were notable for the formation of cooperative societies, notably on the Rochdale model, in several European countries. In order that these histories shall have more than a local interest, however, they must do more than record local events or the services to the Cooperative Movement of local worthies.

The Nottingham Cooperative Society has been fortunate in being able to enlist as its historian one of its most active elected officers who is also a scholar with a sense of history and a

talent for writing. Its history is therefore more than usually readable both because it is well written and because the events which are chronicled are seen and described in the light of contemporary changes in England and the world at large.

For more than half a century the voices of leaders of the Nottingham Society have been well-known in the congresses and other assemblies of British cooperators. More recently the Society and its general manager have become known in the international Cooperative Movement for their enterprise and progressive ideas in retail distribution, as well as their active participation in the work of the I.C.A. Committee on Retail Distribution. Cooperators of other countries who have met representatives of the Society or visited it on some occasion and wish to know more of its historical background can read Mr. Leemann's book with interest and profit. W.P.W.

### Some I.C.A. Publications

*International Cooperation*  
—Reports on the Cooperative  
Movements in 38 countries  
between 1949-57.

In English—Price £1.15.—

*Cooperation for Fishermen*  
—a study of Fishing Cooperatives,  
published in conjunction with  
FAO. By Margaret Digby.  
In English, French and Spanish.  
Price 5sh. 75 US cents.

*The Place of Cooperation*  
*in the World Economy,*  
by Thorsten Odhe.  
Price 4sh. 6d.

*Directory of the World*  
*Cooperative Press*  
7th edition published in 1963.  
Price 5sh.

*Cooperative News Service*  
*Agricultural Cooperative Bulletin*  
(monthly in English)  
10 sh. a year each.

**ICA, 11 Upper Grosvenor Street,  
London, W.1.**

- Associazione Generale delle Cooperative Italiane,  
Via Milano 42, Rome.
- JAMAICA:** The Jamaica Cooperative Union, Ltd.,  
74½ Hanover Street, Kingston, W.I.
- JAPAN:** Nippon Seikatsu Kyodokumiai Rengokai,  
(Japanese Consumers' Cooperative Union),  
Rokin-Kaikan, 5, 2-chome, Shiba-Tamuracho,  
Minatoku, Tokyo.
- Zenkoku Nogyokyodokumiai Chuokai,  
(Central Union of Agricultural Cooperatives)  
11, Yutakucho, 1-chome, Chiyoda-ku, Tokyo.
- Zenkoku Gyogyo Kyodokumiai Rengokai, (National  
Federation of Fishery Cooperative Associations),  
Sankaido Building, Akasaka-ta meikomachi,  
Minato-ku, Tokyo.
- KOREA:** National Agricultural Cooperative Federation,  
75, 1st street, Chung-jong-Ro, Sodaemun-ku,  
Seoul.
- JORDAN:** Jordan Cooperative Central Union Ltd.,  
P.O.B., 1343, Amman.
- MALAYSIA:** Cooperative Union of Malaya,  
8, Holland Road, Kuala Lumpur.
- Federation of Cooperative Housing Societies,  
8, Holland Road, Kuala Lumpur.
- Sarawak Co-operative Central Bank Ltd.,  
Kuching, Sarawak.
- Singapore Cooperative Union, Ltd., Post Box 366,  
Singapore.
- MALTA:** Farmers' Central Cooperative Society  
Ltd., New Building, Middleman Street, Marsa.
- MAURITIUS:** Mauritius Cooperative Union,  
Dumat Street, Port Louis.
- MEXICO:** Confederación Nacional Cooperativa de  
la Republica Mexicana, C.C.L., Av. Cuauhtemoc  
60, 5e Piso, Mexico 7, D.F.
- NIGERIA:** Cooperative Union of Eastern Nigeria  
Ltd., Cooperative Bank Buildings, Milverton Ave, Aba.
- Cooperative Union of Western Nigeria, Ltd., c/o  
Cooperative Buildings, New Court Rd., Ibadan.
- NORWAY:** Norges Kooperative Landsforening,  
Organisasjonsavdelingen, Kirkegaten 4, Oslo.
- Affiliated societies (1962): 1,037; membership: 320,000;  
turnover of local societies: Kr. 1,600 mill.; of N.K.L.:  
Kr. 458 mill.
- BB L A/L Norske Boligbyggelags Landsforbund,  
Trondheimsveien 84-86, Oslo.
- PAKISTAN:** East Pakistan Co-operative Union,  
Ltd., 9/D-Motijheel Commercial Area, Third Floor,  
Dacca, 2.
- West Pakistan Co-operative Union, 31, Lower  
Mall, Lahore.
- Karachi Central Cooperative Bank, Ltd., 14,  
Laxmi Building, Bunder Road, Karachi, 2.
- Karachi Central Cooperative Consumers' Union,  
Block No. 53, Pakistan Secretariat, Karachi, 3.
- Karachi Cooperative Housing Societies Union,  
Shaheed-e Millat Road, Karachi, 5.
- Karachi Cooperative Institute Ltd., 4. Bandukwala  
Building, McLeod Road, Karachi, 2.
- Karachi Fishermen's Cooperative Purchase and  
Sales Society Ltd., West Wharf Road, Karachi.
- Sind Regional Cooperative Bank Ltd., Provincial  
Cooperative Bank Building, Serai Road, P.O.Box  
4705, Karachi 2.
- ROUMANIA:** Uniunea Centrale a Cooperativelor  
de Consum „Centrocoop”, Calea Victoriei 29,  
Bucharest.
- SCANDINAVIA:** Nordisk Andelsforbund (Scandinavian  
Co-operative Wholesale Society),  
Njalsgade 15, Copenhagen S.
- SWEDEN:** Kooperativa Förbundet, Stockholm, 15.
- Affiliated retail societies (1963): 400; membership:  
1,271,000; total turnover of distributive societies:  
Kr. 4,347 mill.; total turnover of K.F.: Kr. 3,090 mill.  
(Kr. 2,055 mill. sales to affiliated societies); own production:  
Kr. 1,630 mill.; total capital (shares and reserves)  
of K.F. and affiliated societies Kr. 1,024 million, surplus  
included
- Kooperativa Kvinnogillesförbundet, Stockholm, 15.
- Hyresgästernas Sparkasse- och Byggnadsföreningars  
Riksförbund (H.S.B.), Flemminggatan, 41,  
Stockholm, 18.
- Affiliated Building Societies: 189; with individual members:  
215,000; number of flats administered by local societies:  
202,000; value of real estate: 7,100 mill. Kr.
- Svenska Riksbyggen, Box 19028, Stockholm, 19.
- Folksam Insurance Group, Folksam Building,  
Stockholm, 20.
- Sveriges Lantbruksförbund, Klara Ostra  
Kyrkogata, 12, Stockholm, 1.
- SWITZERLAND:** Verband schweiz. Konsumvereine  
(V.S.K.), Thiersteinallee 14, Basle.
- Affiliated societies (1961): 540; shops: 3,300; membership:  
723,000; retail turnover of affiliated societies:  
Fr. 1,346; wholesale turnover: Fr. 853 mill.
- Verband ostschweiz. landwirtschaftlicher Genossenschaften  
(V.O.L.G.), Schaffhauserstrasse 6,  
Winterthur.
- Schweiz. Verband Sozialer Baubetriebe, SBHV.,  
Postfach Sihlpost, Zurich, 1.
- Genossenschaftliche Zentralbank, Aeschenvorstadt  
71, Basle.
- COOP Lebensversicherungs-Genossenschaft  
Basle, Aeschenvorstadt 67, Basle.
- TANGANYIKA:** Cooperative Union of Tanganyika,  
Ttd., Avalon House, P.O. Box 2567, Dar es Salaam.
- UGANDA:** Uganda Co-operative Alliance, Ltd.,  
P.O.B. 2212, Kampala.
- U.S.A.** The Co-operative League of the U.S.A.,  
59, East Van Buren, Chicago Ill. (60605), and 1012,  
14th Street, N.W., Washington 5, D.C.
- U.S.S.R.:** Central Union of Consumers' Cooperative  
Societies of the U.S.S.R. „Centrosoyus”,  
Ilyinka Tcherkassy pereulok 15, Moscow.
- Consumers' societies (1961): 17,500; members: 43,1  
mill.; stores: 321,000.
- YUGOSLAVIA:** Glavni Zadruzni Savez FNRJ.,  
uL Knez Mihajlova 10. Belgrade.



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**INTERNATIONAL COOPERATIVE ALLIANCE**

# **REVIEW OF INTERNATIONAL COOPERATION**



**VOL. 57 No. 6 . . NOVEMBER 1964**

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# THE INTERNATIONAL COOPERATIVE ALLIANCE

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

It comprises organisations in every continent, and its total affiliated membership through national organisations exceeds 174,000,000. The consumers' movement accounts for about half the membership, the other half consisting of agricultural, credit, workers' productive, artisanal and fishery societies.

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

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

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

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

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

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

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

## AFFILIATED ORGANISATIONS

- ALGERIA:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 8, rue du Cercle Militaire, Oran; also at - 21, rue Edgar Quinet, Algiers, and 9, rue Mathurin Régnier, Paris, 15.
- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, Avda. Suarez, 2034, Buenos Aires. Intercoop, Editora Cooperativa Limitada, Florida 32. Oficina 42, Buenos Aires.
- AUSTRALIA:** Cooperative Federation of Australia, 45, Mandolong Road, Mosman, Sydney, N.S.W.
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, Vienna VI.  
Membership (1963): 427,459; turnover: consumers' societies: Sch. 2,954 mill.; wholesale (G.Ö.C.): Sch. 1,432 mill.; department stores: Sch. 475 mill.; own production: consumer societies: Sch. 352 mill.; G.Ö.C. and subsidiaries: Sch. 426 mill.  
Bank für Arbeit und Wirtschaft, A/G, Seitzergasse 2-4, Vienna I.  
Zentralkasse der Konsumgenossenschaft, Theobaldgasse 19, Vienna VI.  
Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösendorferstrasse 6/11, Vienna I.  
(1961): Member Societies: 218, Assocs. 108; No. of members: 89,000; Dwellings administered: (socs.) 76,348; Assocs. 100,851; Total Balance: (Socs.) Sch. 6,677,096,800; (Assocs.) Sch. 8,409,217,600.  
Österreichischer Genossenschaftsverband, Peregringasse, 4, Vienna 9.  
Österreichischer Raiffeisenverband, Seilergasse 16, Vienna I.
- BELGIUM:** Société Générale Coopérative, 17—21, Place Emile Vandervelde, Brussels.  
Affiliated consumers' societies: 27; membership: 340,000; turnover (1961): Frs. 3,400 mill.; shops: 1,400; Wholesale society turnover (1961): Frs. 827 mill.  
Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151, rue Royale, Brussels. Premiums (1961): Frs. 922 mill.; reserves: Frs. 4,000 mill.; insurance funds, life: Frs. 12,000 mill.; fire: Frs. 155,000 mill.  
Fédération Nationale des Coopératives Chrétiennes, rue de la Loi, 141, Brussels.  
Société "Bien-Etre": 1,320 shops; turnover Frs. 1,251 million; dividends: Frs. 60 million; Savings Bank: 1,800 branches; 320,000 members; deposits: Frs. 5,500 mill. Insurance Society: 160,000 policy holders; premiums: Frs. 193 mill.; reserves Frs. 500 mill.  
L'Economie Populaire, 30, rue des Champs, Ciney (Namur).  
Branches (1961): 445; membership: 74,956; turnover: Frs. 687 mill.; savings deposits: Frs. 404 mill.; capital and reserves: Frs. 77 mill.  
Institut Provincial de Coopération Agricole, 42, rue des Augustins, Liège.  
OPHACO (Office des Pharmacies Coopératives de Belgique), 602, chaussée de Mons, Brussels.  
Union of 28 cooperative societies owning 330 pharmacies, 50 optical departments and counters, 7 drug stores, 15 wholesale depots. Turnover (1961): Frs. 1,000 mill. Surplus distributed to 400,000 members: Frs. 82 mill.
- Société Coopérative Fédérale de Belgique, 83-85 rue Vanderschrick, Brussels.
- BRAZIL:** Centro Nacional de Estudos Cooperativos, Av. Franklin Roosevelt 39, 12<sup>o</sup>, Sala 1216 Rio de Janeiro.
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., Ministry of Education and Social Development, 41, High and Cowen Streets, Kingston, Georgetown.
- BULGARIA:** Union Coopérative Centrale, 103, Rakovski, Sofia.
- BURMA:** National Cooperative Council, 290-300, Lewis Street, (2nd. Floor), Rangoon.
- CANADA:** Co-operative Union of Canada, 202, Queen Street, Ottawa 4, Ont.  
A national association of English-language cooperatives, the principal members of which are provincial cooperative unions and inter-provincial cooperatives; organised in 1909.  
Conseil Canadien de la Coopération, 2030, Bd. Hamel, Quebec 8.
- CEYLON:** The Co-operative Federation of Ceylon, Co-operative House, 455, Galle Road, Colombo 3.
- CHILE:** Federación Chilena de Cooperativas de Ahorro, Ltda., Huerfanos 1639, Clasificador 760, Santiago de Chile.
- COLOMBIA:** Cooperativa Familiar de Medellín, Ltda., Calle 49, No. 52-49, Medellín.
- CYPRUS:** Cooperative Central Bank Ltd., P.O. Box 411, Nicosia.  
Cyprus Turkish Cooperative Central Bank Ltd., P.O. Box 791, Nicosia.  
Vine Products Cooperative Marketing Union Ltd., P.O. Box 315, Limassol.
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, Tesnov 5, Prague II.
- DENMARK:** De samvirkende danske Andelskaber (Andelsudvalget), H. C. Andersens Boulevard 42, Copenhagen V.  
Representing 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1961): D.Kr. 11,300 mill.  
Det kooperative Faellesforbund i Danmark, Frederiksborggade 60, Copenhagen K.  
Affiliated societies (1960): 626; total sales: D.Kr. 1,050 mill.; employees: 11,000; comprises: consumers' workers', artisans', productive and housing societies etc.
- DOMINICA:** Dominica Cooperative Credit Union League, Ltd., 14, Turkey Lane, Roseau.
- EGYPT:** Société Coopérative des Pétroles, 94, Kasr el Eini Street, Cairo.
- FINLAND:** Suomen Osuuskappojen Keskuskunta (S.O.K.), Vilhonkatu 7, Helsinki.  
Affiliated societies (1962): 358; members: 504,298; wholesale turnover: Fmk. 887.98 million; own production of SOK: Fmk. 216.09 million.

- Yleinen Osuuskaupojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki.*  
 Affiliated societies (1962): 358; members: 504,298; turnover of societies: Fmk. 1,557,15 million; total production of the affiliated societies: Fmk. 35,11 mill.  
 Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki.*  
 Affiliated societies (1963): 106; members 528,343; turnover of societies Fmk. 1,271 mill.; production of societies 199 million.
- Ossustukauppa (O.T.K.), *Hämeentie 19, Helsinki.*  
 Affiliated Societies (1963) 106; turnover Fmk. 808 mill.; own production Fmk. 233 mill.
- Pellervo-Seura, *Simonkatu, 6, Helsinki.*
- FRANCE: Fédération Nationale des Coopératives de Consommation, F.N.C.C., *89, rue de la Boétie, Paris VIII.*  
 Affiliated societies (1960): 572; membership: 3,242,567; shops: 9,530; turnover: NF. 2,624,785,132.  
 Société Générale des Coopératives de Consommation, *61 rue Boissière, Paris XVI.*  
 Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, *88, rue de Courcelles, Paris VIII.*  
 Confédération Générale des Sociétés Coopératives Ouvrières de Production de France et de l'Union Française, *88, rue de Courcelles, Paris VIII.*  
 Banque Coopérative des Sociétés Ouvrières de Production de France, *88, rue de Courcelles, Paris VIII.*  
 Confédération Nationale de la Coopération, de la Mutualité et du Crédit agricoles, *129, Bd. St. Germain, Paris VI.*  
 Caisse Nationale de Crédit Agricole, *30, rue Las Cases, Paris VII.*  
 Fédération Nationale de la Coopération Agricole, *129, Bd. St. Germain, Paris VI.*  
 Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, *Foyer Cooperatif, 17, rue de Richelieu, Paris Ier.*  
 Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", *31, ave Pierre Ier de Serbie, Paris XVI.*  
 L'Association Bâticoop, *6, rue Halévy, Paris 9e.*  
 Confédération des Organismes de Crédit Maritime Mutuel, *18 bis, Avenue Hoche, Paris VIII.*
- GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., *Besenbinderhof 43, (2000) Hamburg I.*  
 Affiliated societies (1962): 249; membership: 2,586,960; turnover: D.M. 3,503,6 mill.  
 Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof, 52, (2), Hamburg I.*  
 Total turnover (1961): D.M. 1,726,300,000; own production: D.M. 593,7 mill.  
 Gesamtverband Gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4 (22a), Cologne.*  
 "Alte Volksfürsorge", *Gewerkschaftlich-Genossenschaftliche Lebensversicherungs A.G., An der Alster, (2) Hamburg, I.*
- Deutsche Sachversicherung "Eigenhilfe", *Steinstrasse 27, (2) Hamburg 1.*
- GREAT BRITAIN: The Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester 4.*  
 Affiliated Societies (1963): 769. Membership: 13,203,306. Retail Societies' share capital: £ 247,566,464. Retail sales: £ 1,086,636,256.  
 Co-operative Wholesale Society Ltd., *1, Balloon Street, Manchester 4.*  
 Affiliated societies (1963): 821; sales: £ 480,187,395; Bank turnover: £ 6,969,860,810; reserve and insurance funds: £ 38,476,302; total assets: £ 292,670,853.  
 Co-operative Insurance Society, Ltd., *Miller Street, Manchester 4.*  
 Assets exceed £ 187 mill.  
 Scottish Co-operative Wholesale Society Ltd., *95, Morrison Street, Glasgow C. 5.*  
 Affiliated societies (1963): 166; sales: £ 88,393,732; reserves and insurance funds: £ 8,087,326; total resources: £ 19,062,105.  
 The Co-operative Productive Federation, Ltd., *138, Charles Street, Leicester.*  
 Sales: £ 4,645,717; employees: 3,021; societies: 23.  
 Co-operative Permanent Building Society, *New Oxford House, High Holborn, London, W.C. 1.*
- GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), *6, Othonos Street, Athens.*
- HOLLAND: Coöperatieve Vereniging U.A., *Centrale der Nederlandse Verbruikcoöperaties, "CO-OP Nederland", Vierhavensstraat 40, Rotterdam 7.*
- ICELAND: Samband Isl. Samvinnufelaga, *Reykjavik.*
- INDIA: National Cooperative Union of India, *72, Jorbagh Nursery, New Delhi-3.*  
 All Bombay Consumers Cooperative Societies, Federation, Ltd., *3rd Floor, Military Square Lane, Fort, Bombay I.*  
 National Agricultural Cooperative Marketing Federation, Ltd., *34, South Patel Nagar, New Delhi, 12.*
- IRAN: Cherkate Taavoni Masrafe Artèche (Army Consumers' Co-operative Society), *Avenue Sevvom Esfand, Rue Artèche, Teheran.*
- ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv.*  
 Affiliated societies (1962): 1,679, including 660 agricultural, 465 producers' and services, 69 consumers', 232 housing, and 253 pension and provident funds.  
 "Merkaz" Audit Union of the Cooperative Societies or Loans and Savings, *P. O. Box 75, Tel-Aviv.*  
 "Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, *8 Harkrya Street, P.O.B. 209, Tel-Aviv.*
- ITALY: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome.*  
 Confederazione Cooperativa Italiana, *Borgo Santo Spirito, 78, Rome.*  
 Associazione Generale delle Cooperative Italiane, *Via Milano 42, Rome.*



# Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

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

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## I.C.A. MEETINGS IN BELGRADE - JUGOSLAVIA

28th SEPTEMBER—5th OCTOBER, 1964.

### The Auxiliary Committees

THE International Cooperative Housing Committee and the International Cooperative Petroleum Association having met previously elsewhere, the Auxiliary Committees which held their meetings in Belgrade were the Agricultural, Banking, Insurance, Wholesale and Workers Productive and Artisans Committees. The management sub-committee of the Committee for Retail Distribution also met. It is not intended in this account to give details of the meeting of each Auxiliary Committee, but it may be mentioned before passing to the meetings of the I.C.A. Authorities that the Agricultural Committee has sketched out a new programme of activity consequent upon the appointment of an Agricultural Secretary with effect from October 1964, and the management sub-committee of the Retail Distribution Committee is preparing a plan of activity in the retail field, and has appointed representatives to meet representatives appointed by the Cooperative Wholesale Committee to discuss the possibilities of future collaboration in the light of the interests of both Committees in retail trading matters.

### The Technical Assistance Sub-Committee

- (i) The work of the I.C.A. Regional

Office and Education Centre for South East Asia was reviewed and the Director reported that the demands made at the Tokyo Conference in April 1964 for a commercial officer to work with the I.C.A. Regional Office had been referred to the Cooperative Wholesale Committee for advice. The initial reactions of the Wholesale Committee were not favourable, but the problem is receiving further consideration, and the Director will keep in touch with the Wholesale Committee until a final recommendation is received.

A publication, *The I.C.A. in South East Asia*, is now available. This is a special adaptation of *The I.C.A., its Aims and Work*, for use in South East Asia, where the education centre which forms part of the Regional Office has many activities which are not described in the latter publication.

A mimeographed report is available on the *Regional Seminar on Youth and Cooperation*, which the I.C.A. organised in collaboration with the *World Assembly of Youth in Kuala Lumpur* in January 1964, and the *World Assembly of Youth* is planning to issue the report in printed form.

The full report of the *I.C.A. Regional Conference on the role of Cooperation in social and economic development in*

*South East Asia, held in Tokyo in April 1964, has now been issued.*

*The National Seminar on Cooperative Member Education was held in Dacca (East Pakistan) in June 1964. A further National Seminar on "The Role of Cooperation in Agricultural Development in Nepal" was held at Kathmandu in September 1964, in which month the Regional Seminar was also held in Lahore (West Pakistan) on Cooperative Marketing.*

*The National Seminar on Cooperative Employee Training, followed immediately by a Conference of Cooperative College Principals from South East Asia, was held in East Pakistan during October, and two further Seminars are planned to take place before the end of this year, one a National Seminar on Member Education planned for Colombo (Ceylon) and the other a Regional Seminar on Cooperative Housing to be held in Kuala Lumpur (Malaysia).*

*Three people have been selected from Thailand, South Korea and India for the annual I.C.A. Fellowship programme in South East Asia. The three Fellows study from September until March, and the subject for the current programme is Cooperative Marketing .*

*Research is in progress on Agricultural Cooperative Marketing in South East Asia, and on the main features of Cooperative Laws in South East Asia. A review of research in Cooperation in India has been collected, compiled and issued. A further edition of the Annotated Bibliography of Cooperative Literature has been issued.*

*The Regional Officer is collaborating with the Government of India on a review of Cooperative education at the State and National levels, and assistance has been given to the Department of Cooperation in Malaysia in the prepa-*

*ration of a manual for study circle leaders.*

*Assistance was given to a number of important conferences in the region, and a consultant was provided for the Asian Regional Workshop on Cooperative Management organised by the World University Service in May 1964 in Bombay (India).*

*The I.C.A. member education specialist is collaborating with representatives of the Cooperative League of the U.S.A. and Local Government and Cooperative bodies in study circle experiments in rural and urban conditions in India.*

(ii) *The Indian Cooperative Development Corporation which is responsible for setting up a national consumer cooperative management training institute and at least one city demonstration project connected therewith, is considering the appointment of six specialists from outside India to act in an advisory capacity. To assist the Development Corporation, the I.C.A. has submitted a list of names of qualified Cooperative specialists from Canada and Sweden available for such work in India.*

(iii) *The I.C.A. collaborates with Member organisations over a wide field of Bilateral Cooperative technical assistance. Readers will have followed a number of such projects, such as the Swiss and Norwegian assistance to Dahomey, and the assistance of the Cooperative League of the U.S.A. to South East Asia and Latin America. Collaboration of the Swedish Cooperative Movement with the I.C.A. Regional Office in New Dehli is well known. During 1964 the I.C.A. has also been assisting the Cooperators of the West German Consumers' Cooperative movement in pursuing two projects in the field of modern machinery and*

*technical advice for cooperative dairies and agricultural cooperatives.*

*Under the Scandinavian Technical Assistance programme, two Cooperative specialists from Denmark and two from Finland are assisting "Cosata" in Tanzania and two Swedish Cooperative education specialists have been established at the Scandinavian education centre at Moshi, Tanzania. The Cooperatives of the education centre are supported financially by the Scandinavian governments and the Scandinavian Cooperative movements half and half, and the Swedish government is offering a long term credit to the government of Tanganyika to assist in the development of a new site of buildings at Moshi for the Cooperative College and the education centre, for which an expenditure of about £148,000 will be required over a period of two years. The Danish government and cooperative movement continue to give valuable assistance in Pakistan and the Swiss government has sent a cooperative specialist to Ruanda-Urundi to investigate the possibilities of consumer cooperative development.*

*The Cooperative Federation of Western Australia is offering assistance through the I.C.A. to the cooperative movement in Malaysia, and consideration is being given to the form which the assistance should take in the first instance.*

Although it may seem invidious to mention some Bilateral Technical Assistance projects without mentioning others, these were the particular items which arose for discussion at this meeting of the Technical Assistance Sub-committee.

*(iv) Under the programme of Direct Multilateral Technical Assistance from the I.C.A. some seventeen projects were reviewed, and a few examples from these may be given.*

*Mr. Cheesman's Handbook for Cooperative Personnel has been translated into Arabic and published in Jordan, and the Austrian cooperators have approved that the funds subscribed by them to the I.C.A. Technical Assistance programme may be used for this project. The printing equipment sent to Kenya is now in use for cooperative publications. The Asia Foundation has approved a grant of travelling expenses from Korea to Europe and return for Mr. Yung Ho Kim of the National Agricultural Cooperative Federation of Seoul, and the I.C.A. has approved a scholarship grant to cover the cost of Mr. Kim's studies at a suitable Cooperative College in Europe. The I.C.A. member organisations in Austria, France, Germany, Italy and the United Kingdom have offered to assist with study visits for a student from India, whose expenses are being covered by the government of India. The I.C.A. has been asked to study a project for the provision of a mobile cinema unit for the Tanganyika Cooperative Union. This project is being considered in the light of the use which is now being made of similar units supplied to other national unions in Africa, and of the practical programme for such a unit were it to be available for use in Tanganyika.*

*The I.C.A. has given its advice to the Oxford Famine Relief Fund on two cooperative projects in Brazil and one in North Pakistan, which were for consideration by the Oxfam Committee. Consultation is being arranged on matters of cooperative development in Morocco. The Director was authorised to give advice to the government and cooperative movement of Mauritius, but it was not found possible for him to visit Mauritius as requested by the Mauritius government.*

*The Director and Education Secretary are collaborating with the International Centre for Educational Television to investigate the possibilities of providing basic cooperative television programmes which could be issued as part of an educational programme library now being developed and made available to newly developing television organisations throughout the world. The Uganda Cooperative Alliance is now using the printing press provided by the I.C.A. A number of smaller projects are to be referred to the Norwegian cooperative movement for consideration.*

#### **The I.C.A. Executive Committee**

The Executive Committee met on the 1st and 2nd October, and confirmed the Minutes of their previous Meeting in July. The Minutes of the Executive Sub-committee and the Technical Assistance Sub-committee were received, the former being mainly staff and financial matters.

It was noted that the Sub-committee, authorised to appoint a Secretary for research and statistics, had appointed Mrs. L. Stettner, whose very high qualifications made her an outstanding candidate for the post. In addition to her research experience, and publications in the fields of cooperatives and social and economic affairs, Mrs. Stettner is a National of the U.S.A. living permanently in London, speaking French, German and English, and being able to read literature and documents in the Dutch and Scandinavian languages. Many applications for this post were received from Ceylon, and some from India, and one well qualified candidate from the U.S.S.R. withdrew his name on account of new commitments in his own country.

The Director was authorised to appoint a Secretary for Women Cooper-

ators from the short listed applicants before the end of 1964.

At the instigation of the National Cooperative Union of India a substantially increased subscription on a collective basis was proposed and accepted by the Executive Committee, subject to further review after five years to ensure that the subscription will be equitable for all concerned, and will take into account any further changes in the character and composition of the National Cooperative Union of India.

The Danish Cooperative Wholesale Society, FDB, was accepted as a direct member of the I.C.A., subject to satisfactory arrangements about the subscription from the Danish cooperative movement.

A lengthy discussion took place about the recommendation to be made to the Central Committee for the appointment of a commission to study the fundamental principles of the cooperative movement, their application under modern conditions, and a reformulation of principles, should such be considered necessary. The Executive felt that the number of persons on the commission should be restricted, and the costs kept within reasonable boundaries if possible. It was recognised that whilst it might not be possible to include every desirable background and experience in the membership of the Commission, the national cooperative movements would also be considering the matter, and submitting their views. It was thus finally agreed by a majority to recommend the appointment of five persons, and specific names were mentioned for consideration from amongst those persons who had already been approached to ascertain if they would be willing to serve if required.

The nominations of Mrs. M. Buresova (Czechoslovakia), and Mrs. M. Rupena

(Yugoslavia) were approved for membership of the I.C.A. Advisory Council for Women Cooperators.

The work of the I.C.A. Consumer Working Party was reviewed, and it was noted that a meeting between the Working Party and leaders of the British co-operative movement would take place in Manchester, England, on the 26th and 27th October 1964. Further news is awaited from the French consumer movement about a meeting with the Consumer Working Party in 1965. These meetings are by invitation of the national consumer movement concerned, and the I.C.A. Working Party is ready to consider holding discussions with any national movement which may be interested in consulting on the extent of consumer orientation within its own movement. On the 28th October, the Working Party met to discuss further the plans for a consumer conference to be held in Switzerland in October 1965. The Working Party's document on informative labelling was referred to the Cooperative Wholesale Committee, and it was learned that the Secretariat of the Wholesale Committee had referred it to member Wholesales for comments. These comments may be available by the end of 1964.

In reviewing the detailed account of the South East Asia Regional Office activities for 1964, it was noted that national movements may be requested to collaborate from time to time with the work in the region. The support of the Swedish Cooperative movement and the ready cooperation of the three members of the staff of the Cooperative League of the U.S.A. working in India have become a regular feature of the I.C.A.'s work in South East Asia. From time to time, however, opportunities may occur for other national movements to colla-

borate, and the I.C.A. will bring such opportunities to their attention for consideration.

#### **I.C.A. and the United Nations**

Collaboration between the I.C.A. and the United Nations was reviewed, and reports were received on meetings attended and to be attended. The results of the United Nations Trade and Development Conference were discussed, and detailed consideration was given to the plans for follow-up action on the report of the committee of experts on finance for agricultural development through cooperatives and similar institutions in developing countries. It was agreed that the Unesco Conference from the 22nd October to the 11th November 1964 should be covered by Mr. Barbier (Switzerland), Mr. Kérinec (France) and Mr. Davies (I.C.A. Education Secretary) who would attend various stages of the Conference by arrangement.

For United Nations International Cooperation Year, 1965, national cooperative movements and the International Cooperative Alliance will need to give as much publicity as possible to all activities of cooperation beyond national boundaries during the calendar year of 1965. It is not intended by the United Nations Committee responsible that special events should mark 1965, but rather that special publicity should be given to all aspects of International Cooperation during that year.

The efforts of the I.C.A. and its European member organisations on behalf of the Freedom from Hunger Campaign, European Freedom from Hunger Week, 22nd — 29th November 1964 were discussed.

Other cooperation with the United Nations bodies was discussed briefly, and came up for further discussion at

the Central Committee meeting.

Most of the extensive collaboration with other international non-governmental organisations came under review at the Central Committee meeting, but nine separate items were discussed by the Executive Committee, including the British Commonwealth Agricultural Conference, the inter-American Cooperative Housing Congress and the Housing for Millions Conference, for all of which meetings suitable representation of the I.C.A. had been arranged.

#### **The I.C.A. Central Committee**

The Central Committee met on the 3rd, 4th and 5th October, and was attended by eighty members from twenty-seven countries. The I.C.A. President, Dr. M. Bonow, (Sweden), presided over the meeting.

The toll of famous Cooperators both in national and international fields who have died since the last Central Committee Meeting in October 1963 is a sadly great one. No less than eleven names were mentioned by the President and the Central Committee stood in silence respecting the memories of Pandit Nehru, Edgard Milhaud, Emile Bugnon, Grazio Bardi, Sir V. T. Krishnamachari, N. P. Sai, Dr. Y. Hasumi, Andreas Hermes, Dr. E. U. Corona Martinez, Chief Akinpelu Obisesan, and Dr. Vahan Totomianz.

The Central Committee noted seven organisations admitted to I.C.A. membership by the Executive Committee, and then admitted to membership the Polish Central Agricultural Union of Peasant Self-Aid Cooperatives as recommended by the Executive Committee by unanimous vote.

After receiving the Balance Sheet, Accounts and Auditor's Report for 1963, a detailed forecast of the estimated in-

come and expenditure for 1964/67 was followed by a decision to increase all subscriptions by 35 per cent as recommended by the Executive Committee.

During a review of I.C.A. publications, it was noted that a special reprint in English, French and German of the *Present Application of the Rochdale Principles of Cooperation* as reported in the 1937 I.C.A. Congress Report (Paris) is now available, the current interest in the application of the principles to-day having exhausted stocks of the 1937 Congress Report.

A report was received on the activities of the I.C.A. Regional Office and Education Centre for South East Asia, for which the total annual expenditure now exceeds £80,000 per annum and for which the Swedish Cooperative Movement meets more than three quarters of the cost.

The need to continue the International Cooperative Schools was expressed by many speakers, and various suggestions were put forward for reducing costs and maintaining effectiveness.

The terms of reference for a Commission to review the Rochdale Principles and their application throughout the world to-day were approved, and the decision was made to appoint five members to this Special Commission. The five persons named are A. Bonner (Great Britain), H. A. Cowden (U.S.A.), Prof. R. Henzler (German Federal Republic), Prof. D. G. Karve (India) and Prof. Kistanov (U.S.S.R.).

The Central Committee reviewed action taken by the I.C.A. and National Cooperative Movements on Resolutions passed by the 1963 I.C.A. Congress, and also on other important matters raised or discussed at the Congress. Approval was given for research work and coordinating work to be carried out in the

field of bilateral and multilateral technical assistance to cooperatives in developing countries. The I.C.A. Executive Committee and its Executive Sub-committee were asked to study and report on the most suitable number of members for the Executive Committee in the changed situation with the increased membership of the I.C.A.

Reports on the Auxiliary Committees and Working Parties were received, including the Committee on Agricultural Cooperation, the Banking Committee, the Cooperative Wholesale Committee, the Housing Committee, the Retail Distribution Committee, the Workers Productive and Artisans Committee, the Research Officers Meeting, the Librarians Working Party, the Insurance Committee, the Consumer Working Party, and the Capital Budgeting Seminar.

I.C.A. collaboration with the United Nations and its Agencies, and also with other International Non-Governmental Organisations was reported on, and reviewed. Special reference was made to the 1965 International Labour Conference of the I.L.O. at which one of the main items for discussion will be the *"Role of Cooperatives in Social and Economic Development in Developing Countries"*. Within the policy approved, the need was stressed for Cooperative representation on Government delegations for this Conference. I.C.A. action in support of the F.A.O. included the latest developments in current studies and reports on the need for finance for agricultural developments through Cooperatives and similar institutions. The results of the recent Joint Working Party of the I.C.A., the ICFTU and the IFAP on World Food Surpluses were noted, as also the plans for submission to the United Nations and its Agencies of the Joint Statement of the three interna-

tional organisations. The future relationship between Cooperative Movements and Consumer Unions in different countries and at the international level received consideration.

The Central Committee approved that the next I.C.A. Congress be held in Vienna, Austria, from the 5th to the 8th September 1965, with vertical integration as its special theme.

W.G.A.

### **Reformulation of the Rochdale Principles**

The Twenty-Second Congress of the International Cooperative Alliance, held at Bournemouth, England in October 1963, passed the resolution on the

#### **"Reformulation of the Fundamental Principles of the Cooperative Movement"**

In order to facilitate the work of its affiliated Organisations arising from this resolution, the International Cooperative Alliance thought it to be useful to make available to its members the report entitled

#### **"The Present Application of the Rochdale Principles of Cooperation"**

approved at its Fifteenth Congress at Paris in September, 1937. Copies of this off-print are available in English, French and German and can be ordered from the Publications Department at 2s. 6d. including postage.





## INTERNATIONAL COOPERATIVE HOUSING COMMITTEE

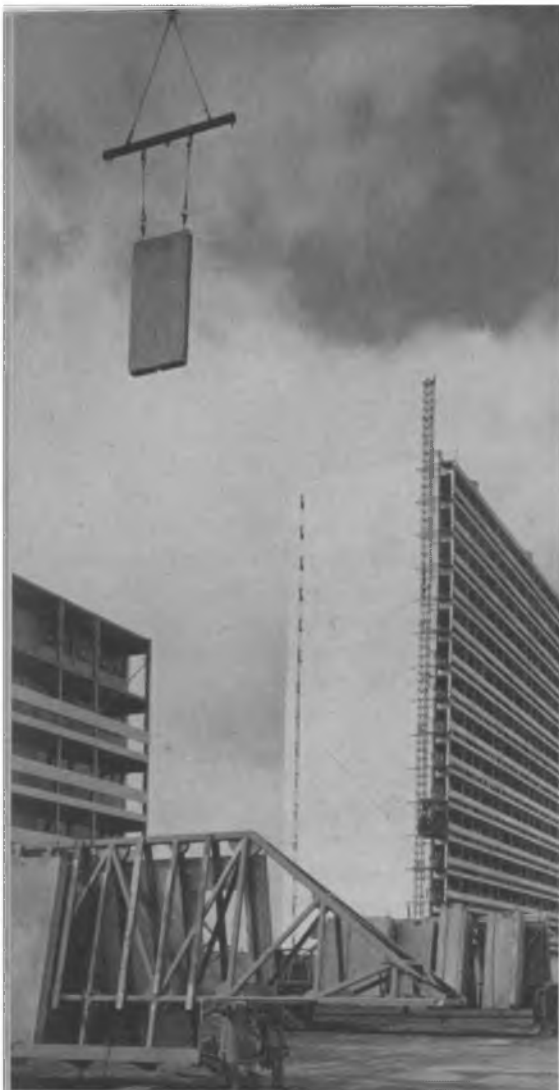
A meeting of the I.C.A. Auxiliary Committee for Housing was held recently in Copenhagen when Mr. S. Kypengren (chairman) presided. After approving the financial report and budget, consideration was given to a review of trends in housing in various countries with special reference to cooperative housing. The review was undertaken by means of monographs which were introduced by various members of the committee.

Common problems affecting cooperative housing are the shortage and cost of land in urban areas, as well as competition from other developers for land, rates of interest on borrowings, rising costs of construction, and the difficulty facing low income groups in raising down payments. So far as land cost and interest rates are concerned, the problem appeared to be one for governmental action either by way of legislation or selective subsidy. The problem of building costs was being tackled by methods using pre-fabricated parts of construction which reduced the number of man-hours required to complete a dwelling. Various methods had been evolved to help with down payments, the usual one being to lend the deposit over a period of years, using reserve and other

funds for the purpose. One way of creating such reserves was by means of a levy per room on the rent of existing tenants. Changes of governmental policy regarding non-profit housing associations, which were often due to internal economic conditions, created uncertainty and had an adverse effect on the number of units completed.

It was reported that Mr. D. Townsend had intervened on several occasions at Meetings of ECOSOC following the resolution on housing of the I.C.A. Congress in 1963. As a result, our demand for a specialised housing agency was being taken seriously and only the lack of finance prevented its realisation. As an interim measure, a specialised housing centre within the UN was proposed. Pilot projects were to include cooperatives for guidance in developing countries.

Dr. W. Ruf reported on housing matters affecting ECE whose method was one of inquiry, discussion and seminar. Dr. Ruf stressed the importance of integrating our work with ECE and said we had the opportunity to respond and submit cooperative ideas if we wished. It was important that we replied to requests for information. On land acquisition, Dr. Ruf had prepared a paper for



Prefabricated construction methods are used in this housing project outside Copenhagen

consideration. The ECE inquiry about land was at government level and the problem was one of the methods to be employed for acquisition. If we could show that cooperatives could mobilise their own means, this would be a major factor. The possibility of collaboration between states and cooperatives in acquisition was mentioned with a view to ex-

tension, but the problem here was interest rates and the duration of leases. A future ECE seminar would discuss land purchase, and Dr. Ruf urged participation by the I.C.A.

The I.C.A. Housing Bulletin continues to be published in three languages. The I.L.O. has now issued a brochure on cooperative housing which covers some of the material the I.C.A. had intended for inclusion in its brochure. The Housing Committee agreed to continue the collection of information for a brochure with special reference to developing countries. Dr. Ruf consented to continue with the task of compiling this brochure.

On the question of assistance to developing countries it was reported that the executive committee had decided to appoint a small working party to consider a programme. This would enable future budgets to be specific in any provision thought necessary for work in developing countries. Details were given of the programme for a seminar at Kuala Lumpur from 30th November to 12th December 1964 to be arranged jointly with the I.C.A. Regional Office and Education Centre for which funds had been contributed specially by the Swedish Movement with a special contribution by HSB. Lectures at the seminar would be provided by representatives from Europe and S. E. Asia.

Reference was made to activities in Latin America and the growing demand for cooperative experts. It was felt that account would have to be taken of this demand in future staffing policies. Members agreed to keep the special secretariat informed of the work they are doing to assist developing countries.

A study tour was made of Danish non-profit housing projects at Albertslund South and Gladsaxe, both outside

## SOVIET COOPERATORS

### THE HELPMATES OF KOLKHOZ PEASANTRY IN THE MARKETING OF AGRICULTURAL PRODUCTS

by G. Ivanov,

*Chairman of the Board of  
Centrosoyus, Moscow.*

WITH the development of trade and improvements in trading methods in the Soviet Union, mainly in agricultural areas, Soviet Consumers Cooperation has been called upon to organise the marketing of surplus agricultural produce belonging to collective farms and farmers.

For this purpose autonomous Agricultural Clearing Sections for marketing surplus agricultural produce have been formed in the various regions and Republics of the U.S.S.R., as well as within *Centrosoyus*, with the participation of Consumers' Societies as members of the Sections created within the Regional Consumers' Union.

The organisations of consumers' cooperation buy all available surplus agricultural products from the collective farms and farmers at agreed prices. The total value of the products bought from farmers is paid to them immediately on delivery of the goods to the collecting stations. Accounts with collective farms are settled on the commission basis in

force; i.e. on receipt of the produce the farms are paid up to 75 per cent of the agreed price in advance and the balance after the sale of all the products has been completed.

The prices agreed upon with collective farms at the time of purchase include a commission at a rate fixed by *Centrosoyus*. This commission payable by the collective farms goes to the cooperative organisation to cover the cost of handling, storage, transport and sale of the products to the public, to form a minimum profit for the cooperatives and a fund for financing expenses in connection with the establishment of a buying centre and the development of urban cooperative trade.

Expenses in connection with delivering agricultural produce to the place of sale, loading and unloading, and natural losses in transportation are borne by collective farms at rates not exceeding existing tariffs. These expenses are not included in the commission, but are deducted from the amount due to the farms for agricultural products delivered.

Most cooperative organisations have established satisfactory relations in their dealings with both farms and farmers for the purchase of surplus produce. An adequate number of receiving centres

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Copenhagen, where one storey and flat developments respectively are being undertaken on a large scale, including extensive use of pre-fabricated construction methods.  
J.G.

has been set up, appropriate agreements concluded, and the order and conditions of purchase are made known through the press and radio.

The Cooperative Marketing Section of the Consumers' Union, in Stavropol Kray, may serve as an illustration of this form of activity. In the last 2-3 years workers of Regional Cooperative marketing sections, purchasing centres and consumers' societies in this region have considerably increased the number of purchases of available surplus produce from collective farms and farmers, as can be seen from the following table.

GOODS	Amount	
	1960	1963
Meat	1900 tons	6,200 tons
Poultry	7,700	300,000
Eggs	461,000	21,000,000

By increasing the sale of surplus produce to consumers' cooperatives, the collective farms in this region have reduced the number of independent sales on collective farm markets from 38 mill. R. worth of goods in 1960 to 14 mill. R. in 1962.

In the same year the people of Stavropol Kray sold 14 mill. R. worth of various agricultural products in the towns. It follows that produce sold in the markets by collective farms, farmers and other citizens amounted to 28.7 mill. R., whereas agricultural products bought by Consumers' Cooperative organisations amounted to 34 mill. roubles, i.e. more than had been sold on the markets by collective farms and farmers. Surplus produce bought from collective farms and farmers is sold in the areas of production and purchase. When local needs have been satisfied, the surplus is transported outside the region to be sold in larger regions (*oblast*) and Republics.

Due to the successful efforts of cooperators of the Estonian S.S.R., a much more important part is now played by consumers' cooperation in the marketing by collective farms and farmers of their surplus produce. In 1963 the total sales in collective farm markets of the Republic amounted to 3.7 thousand tons of potatoes, 548 tons of meat, 4.5 mill. eggs and Cooperative Marketing Sections bought 13.4 thous. tons of potatoes, 3070 tons of meat and 7.2 mill. eggs.

A network of stores, shops, tents and stalls are set up by Cooperative Marketing Sections for the sale of these goods in towns, settlements and regional centres. In every inhabited locality goods of similar kinds are sold at uniform prices which are fixed by the boards of the cooperative organisations concerned and reviewed to correspond with current market prices.

Selling prices are fixed by cooperative organisations taking into account the purchase price, handling, transportation and selling expenses, plus the required minimum profit for the cooperative organisations concerned.

In fixing prices of products received from other regions and Republics, consideration is also given to the current market prices in the locality where the goods are to be sold.

Within the network of urban cooperative trade, goods are sold at prices considerably lower than those of collective farm markets, though slightly higher than the State retail prices. By purchasing goods within the network of urban cooperative trade, the country's population gains 200-250 mill. R. per annum.

Thus, the whole practical activity of cooperative organisations in buying  
(Concluded on page 269)

## EDGARD MILHAUD —

1873-1964

THE cause of International Cooperation, in every important sense of the term, lost one of its greatest, as well as its oldest advocates when Professor Edgard Milhaud died on the 4th September at Barcelona. He was in his ninety-second year. Milhaud was very probably the last of a generation of French scholars, more or less contemporaries in their studies at the Sorbonne, who made an inestimable contribution to building up the Cooperative Movement. In this connection we may recall Paul Fauconnet, in his time a leading figure in the National Confederation of Consumers' Cooperatives of France: François Semiand, the creator of its first Technical School; Marcel Mauss, a regular contributor to its journal, *Le Coopérateur de France*.

While their work was chiefly done in France and their influence limited to countries where the French language is spoken, Milhaud, like his somewhat younger friend and colleague, Dr. Georges Fauquet, won international renown as a thinker and teacher. He will be long remembered for his fervent internationalism, his unshakeable belief that mankind would turn from war and war-like preparations to peace, and his power to inspire his pupils to dedicate their lives to Cooperation and other causes for the betterment of mankind.

The cremation at Geneva on 11th



Professor Edgard Milhaud

September was preceded by a ceremony in the Aula of the University where Milhaud was Honorary Professor after holding the Chair of Economics for 46 years. The assembly included representatives of the academic and political world, the Cooperative and Labour movements and other humane and liberal causes which owed something important to Milhaud's vision and energy, or had been touched by his influence.

The International Cooperative Alliance was represented by Mr. Ch.-H. Barbier, a member of its Executive Committee and for many years a close friend of Professor Milhaud. In a moving speech

Mr. Barbier referred to Milhaud's concepts of Cooperation and its tasks. He saw in cooperative methods and activities the only means by which the economic system could reconcile freedom with organisation. He assigned to the Cooperative Movement the indispensable task of complementing the guarantees for peace provided by the great international organisations by other guarantees, at once economic and moral. Mr. Barbier also recalled what was probably Milhaud's last "lecture", delivered to the little friends whom his grandchildren had invited to tea, when he told them in a few simple sentences that they were really brothers. "You are brothers," said Mr. Barbier. "Is not that what he told us? Is it not what he said, in one form or another to all mankind? Is it not to the creation of a world in which we could all become brothers in fact that he devoted the whole of his life?"

Professor Paul Lambert, upon whom, as Director of the International Centre for Information and Research in Collective Economy, the mantle of Edgard Milhaud has now fallen, in paying tribute to his memory, sketched the development of his labours to spread an understanding of the value of public enterprise in the economic sphere, whether nationalisation or municipalisation, and to defend it when unjustly attacked by a venal press in the service of capitalist interests. It was with this object in mind that he founded in 1908 the review which later became so well known as the *Annals of Collective Economy*; and for which, for years on end, he did virtually everything except print it. When Dr. Fauquet expounded his ideas of the Cooperative Sector and the relations of the different forms of Cooperation within it, Milhaud went further and examined the relations which did and should sub-

sist between the Cooperative and the Public Sectors of the economy. Professor Lambert also described how during the world economic depression of the 1930's Milhaud was among the few economists perspicacious enough to see that what was needed for recovery was an expansion of effective demand, not a contraction through wage-cuts. At the same period he invented the "Milhaud Plan" for a world monetary organisation based on compensation which was repeated in the Keynes plan of 1943 and the Triffin plan of to-day.

It is a curious coincidence that Edgard Milhaud was born at Nîmes, but he was never reckoned to be a member of the famous "School" which occupies so important a place in French Cooperative history. A much more remarkable coincidence is the one which placed the seat of the League of Nations at Geneva, where Milhaud was already Dean of the Economics Faculty in the University and where he had been advocating since 1914 the establishment of a league of nations as an alternative to war. In the early 1920's as the League and the International Labour Office were building their Secretariats and solving their administrative and operational problems, Milhaud endeavoured to give substance and direction to their work. As research director of the ILO he carried out the world enquiry into production which was not merely animated by the concept of world economy already expounded by Milhaud in his inaugural lecture at Geneva University, but also provided the bases for the World Economic Conference of 1927.

Almost a decade before the Kellogg Pact, Milhaud was campaigning for the outlawing of war and in the 1940's he was one of the first to perceive that if the United Nations Organisation was to

become a really effective instrument for peace, its Charter would have to be amended so as to limit the Great Powers' right of veto, provide international control of atomic weapons and establish an international police force. Throughout, Edgard Milhaud's concept of peace was never simply the negation of war. In his mind, war could only be banished by positive cooperation in every important field of human endeavour. For this reason it was a great disappointment to all his friends and colleagues when his candidature for a Nobel Peace Prize in 1957, which was supported by the ICA and a large number of its affiliated organisations, did not succeed.

Only a full-length biography could do justice to Milhaud's multifarious activities. It never ceased to astonish how much physical and intellectual energy his small frame could develop. His great preoccupation in the last period of his life, and even before his retirement from regular university duties, was the establishment of an international organisation which should continue beyond his own life-time his work for collective economy. This he realised in the present CIRIEC and it was an unforgettable experience, at one of its Congresses, to hear his concluding address. At Vienna, for example, when he was eighty-eight, he rose exactly at noon, placed his watch on the table before him, and traced for the spell-bound delegates the course of his own thinking and activity on behalf of collective economy, without hesitating for a word or apparent effort. Punctually at 1 p.m. he resumed his seat.

This apparently inexhaustible energy was matched by an astonishing buoyancy and an optimism which, because it sprang from true insight, was never disillusioned or defeated. The fact that men failed

to perceive, or through selfishness or cowardice turned away from, the right course to pursue, did not make the course or the goal to which it led in his eyes any less right. In these days, when it is almost fashionable to call in question the traditional principles of Cooperation, it may be worth recalling what Milhaud said on this subject "The Cooperative Idea", he said, "is expressed in a series of principles which are, without a doubt, the principles of the economy of the future, if that is to be the economy of liberty, organisation and peace. These are: free personal effort to cope with the necessities of life—self-help, mutual aid, equality of rights, distributive justice, management as service to the community, federalism, organisation of economic relations". Truly, Edgard Milhaud was one who, in the words of Robert Browning, "never doubted clouds would break, never dreamed, though right were worsted, wrong would triumph".

W. P. W.

### **CO-OPERATIVE STATISTICS 1963**

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

Price 10s., by post 10s6d. from the

**Co-operative Union Ltd.,  
Holyoake House,  
Hanover Street, Manchester 4.**

## COOPERATIVES IN BARBADOS

By S. E. Parris,

*Cooperative officer, Barbados*

COOPERATIVE activities started about 1947 with Credit Unions which were introduced into the territory by way of the Roman Catholic Faith and Canadian and United States of America influences. These societies came under Government supervision from 1949 when legislation for the control and organisation of Cooperative Societies was first made. The responsibility for supervision was then with the Department of Science and Agriculture and the Director of Agriculture was Registrar of Cooperatives.

This system continued until March 1961, when a full time Registrar was appointed and he had one Cooperative officer working under him. The present staff comprises the Registrar, three Cooperative officers, and a temporary clerk/typist.

In the evening the Cooperative officers travel to meet members of old societies for supervision, education and checking of accounts; and to help in the organisation and education of new groups. Auditing is done by a part-time audit clerk as directed by the Registrar.

The Island is divided up into four areas with a Cooperative officer in charge of each of the three outlying areas and all three working together in the central area.

There are some 50 societies made up of the following six different types: Savings; Credit Union; Irrigation; Mar-

keting; Fisheries; and Consumer. Total membership is about 5000.

### **Savings Societies**

All societies start off as Savings Societies which are organised first to enable the members to raise capital while they avail themselves of the opportunity for education in the principles of Cooperation. The members agree to save by regularly contributing a small fixed sum. These members meet weekly to receive instruction from officers of the Cooperative Department or those of more advanced Cooperative societies.

### **Credit Societies**

Nearly half the Island's societies are Credit Unions. This type of society has grown much faster than any other, partly due to the fact that for many years field representatives of the Credit Union National Association of the U.S. have been in the area regularly and have given great help in their promotion.

### **Irrigation Societies**

An Irrigation Society was formed for the purpose of obtaining underground water for irrigation of sugar cane and garden vegetables. The plans were for the Society to purchase a plot of land from one of its members who owned the most central area, have a well dug with financial assistance from the Government granted under a Small Farmers



Irrigation Scheme, and obtain the necessary equipment with capital subscribed by the members. This society has, unfortunately, ceased to function because interest waned after the secretary, who was a schoolmaster in that area, was transferred to another area and was unable to assist any longer with the work of the society.

### **Marketing Societies**

Marketing societies were formed for two types of produce, sugar cane and vegetables. Sugar cane marketing societies were organised for the purpose of obtaining benefits under what is known as the Domestic Sugar Agreement, an agreement made between the Barbados Sugar Producers Association on the one hand and the Barbados Government on the other on behalf of the small producers. The agreement states inter alia "that any person or persons growing sugar cane who delivers to a sugar cane factory a minimum of 500 tons of sugar cane would receive a higher price per ton". This served as a great incentive to cane farmers and many groups were formed, and are yet being formed, to benefit from this higher price. These societies have been very successful.

### **Fisheries Societies**

These have received much attention from the Government since fishing is being developed as a supporting industry. Two plots of land on the sea coast have been rented to societies at a nominal rent for the installation of fuel tanks and jetties. A cold storage plant has been built recently. This was very much needed in view of the fact that, during the period when there were large catches the price of fish was very low. The fishermen made little profit and a large part of the catch had to be thrown

away or disposed of extremely cheaply. This new storage facility will allow Cooperatives to buy from fishermen at a minimum price, sell to consumers for a profit at a fixed price, and have the excess stored or cured.

### **Consumer Societies**

There are only two small consumer societies.

### **Legislation**

The first Act to provide for the formation and to regulate the operation of cooperative societies was passed in November, 1949. There was an amendment to this in August, 1962 to include provision for cooperatives in schools and in general for junior cooperators.

A set of rules made under the Cooperative Societies Act was drawn up in 1950. Model bylaws to suit each type of society have been made which societies are required to use in drawing up their rules.

### **Education and Training**

Weekly classes are held by all societies for the purpose of training their officers and educating their members in Cooperative principles and practice. From time to time the Cooperative Department conducts seminars for members of cooperative societies throughout the Island.

Experts from the I.L.O., the Credit Union National Association, and similar organisations visit the Island, give lectures and conduct classes for the staff of the Cooperative Department and members of cooperative societies.

The Cooperative Division has a small library and in the Ministry of Agriculture, Lands and Fisheries, there is a film projector which is used by all sections for assisting with the education of far-

## A LONDON MEMBER VISITS INDIAN COOPERATORS

by Hebe Spaul.

**D**URING the past four or five years some striking developments have taken place in the Indian cooperative movement and still further plans have been scheduled to take place during the next year or two. It was, therefore, a very opportune moment in which to spend a few weeks visiting some of these cooperative undertakings and this was my privilege during the summer of 1964.

The story of the Indian cooperative movement goes back about half a century. It is largely the story of agricultural credit societies that have helped the Indian farmer to escape the clutches of unscrupulous moneylenders. The agricultural credit society is still the main-spring of cooperative effort in most parts of India today. Many new services are, however, being developed, often

linked with the credit society, and a quite remarkable programme of cooperative education is being carried out.

Although some of the new developments are taking place in industrial areas, the village is still the focal point. This cooperative development in the village is taking place alongside other developments in village life that date back to 1959. In that year the State of Rajasthan introduced what is now universally known as the *Panchayati Raj* system of village government, one of three "grass roots" described by the late Prime Minister, Pandit Nehru, as the basis of democracy in India, the other two grass roots being economic democracy through cooperatives and social democracy through community development.

With a high degree of illiteracy in the

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mers. There are very few Cooperative films and these are mostly devoted to credit unions.

### Finance

Prior to 1961 Cooperative societies were financed solely by members' savings.

During 1961 an Act was passed to enable the Agricultural Credit Bank, otherwise known as the Peasants' Loan Bank, to make loans to agricultural cooperative societies. This puts cooperative societies in the same category as peasant farmers and so the societies may

receive the same benefits as the individual farmers.

### Celebrations

Cooperators' Day is celebrated on the first Saturday in July, while Credit Union day is celebrated in October. Every year for these two functions representatives of all societies meet at a different centre to hold memorial services, exchange reports and to renew their pledges of loyalty to the Movement. Both occasions provide free social intercourse and help to improve the solidarity of the Movement.

villages and with more than 80 per cent of the population still village dwellers, it has been a task of almost insurmountable difficulty to extend village cooperative services to include such things as marketing and cottage industries. Hence the emphasis that has been placed during the past two or three years on cooperative education. Since 1962 the National Cooperative Union of India has constituted the Committee for Cooperative Training—a task which was previously in the hands of the Reserve Bank of India and the Indian Government. Financial responsibility still rests primarily with the government. The apex of cooperative training, the Cooperative College at Poona, is now reserved for the training of senior officers, but at the same time it has taken on the task of a Research Institute. In addition to the college, there are thirteen intermediate cooperative training centres as well as sixty-eight Training Institutes at a lower level.

Increased emphasis is being placed on membership education which is being developed from the bottom up and to a large extent follows the pattern of local government. Travelling instructors or inspectors supervise the work of 535 instructors. An instructor takes two types of classes, one for managing committee members, which lasts for five days and the other type for secretaries and managers of village cooperatives lasting for twenty-eight days. By this system last year over six thousand senior and intermediate officers were trained and over 37,000 junior officers, whilst those of a non-official type receiving some kind of instruction were more than twenty-five millions!

When in New Delhi I was fortunate in being able to attend a session of a conference of inspectors from eleven

states which was held at the newly opened cooperative training centre on the outskirts of the city. It was from the organiser of the conference that I learned about the future plans regarding membership education. The intention is to attempt to give some elementary training to ten persons in every village. These ten agree to pass on what they have learned to ten other members through study action groups. This system has already been tried out successfully in some centres and it is claimed that increased productivity has resulted.

### **Marketing Federations**

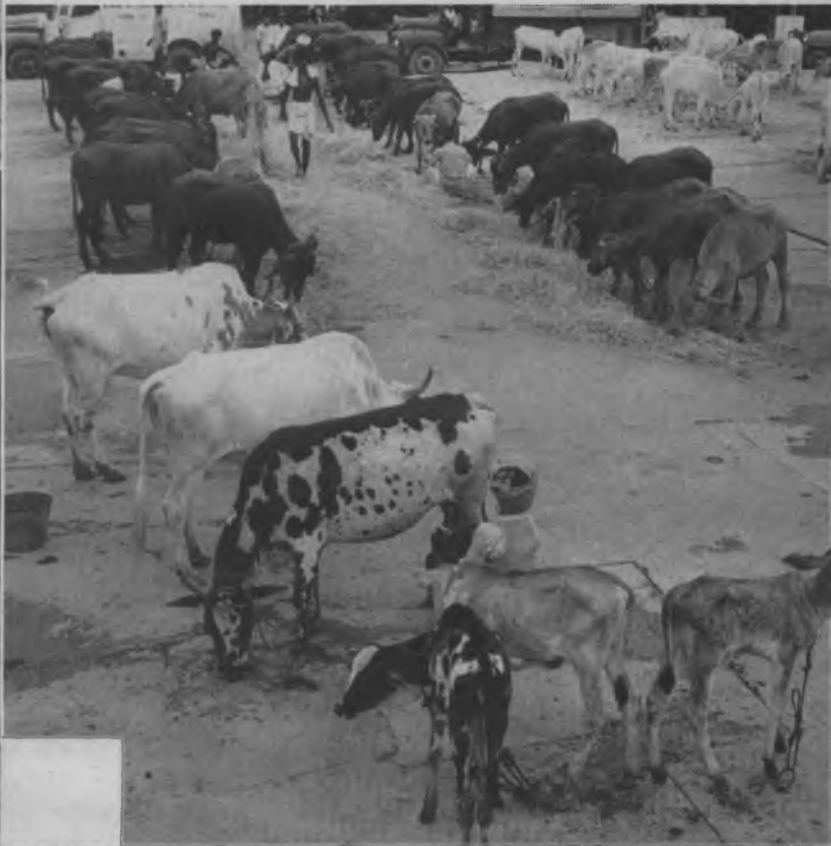
One of the weakest spots in the Indian movement is marketing, although during the past four or five years over 1,600 primary marketing societies were formed or, where they had become moribund, were re-organised. It is believed that this intensive educational campaign will stimulate action in regard to this. There are in fact now over 3,000 primary marketing societies, some for the sale of general produce and others for specific commodities, such as cotton, coconut, bananas, etc. These primary marketing societies are federated to state marketing federations. In some states there is a three tier organisation, the primary being federated to a District secondary society. In Dehli there is an Agricultural Cooperative Marketing Federation to which these federations belong. I had a talk with the Manager of the Federation and learned that its business is concerned with import and export on behalf of the State federations. It receives no financial assistance from the government and its turnover is increasing. The main exports are lentils, beans and jute goods.

Later I was able to visit one of the most successful of the state marketing





On a cooperative farm at Varanasi, Benares



Feeding time for the cattle owned by the Madras Cooperative Supply Union



Selling the catch of the Cooperative Fishermen's Society in Kinlon, S. India



federations, that of Maharashtra. The federation was registered in 1959. It deals with all agricultural produce and manufactures manure mixtures and oil cake on a large scale under technical supervision. The Federation sells produce such as cotton, food grains, etc., on behalf of societies. Since 1959 it has been engaged in the export of bananas to the Middle East on behalf of nine banana societies. Specially chartered ships are used for this purpose under a joint scheme between the Federations of Gujarat and Maharashtra. Last year saw a new departure in this trade when 1,100 tons were exported to the Soviet Union. During the coming year the Federation will be acting as agents for the government for the purchase of food grains from abroad at prices fixed by the government and to be sold at reasonable prices to the consumer.

During a talk I had with Mr. S. K. Dey, the Minister of Community Development and Cooperation. I learned that it is intended to encourage cooperatives to go in for processing of agricultural produce on a much larger scale than hitherto. There have been one or two striking successes in regard to certain commodities, such as sugar. Last year cooperative sugar mills produced sugar to the value of Rs.25 millions. Mr. Dey stated that the cooperative sugar factories are now planning to start by-product industries, such as paper and alcohol. Although as regards textiles the cooperatives only produce handmade materials on a cottage industry basis, these constitute one fifth of all the textiles used in India. Of these all but ten per cent are produced by cooperatives.

### **The Gujarat Story**

But of course the most famous of all the success stories of India's agricultural

processing cooperatives is that of the milk processing plant at Anand in Gujarat. I spent a fascinating day there not only going over the plant but going out of the village cooperatives very early in the morning to see the milk brought in to the little cooperative centre to be measured and tested before it was collected and taken to Anand. It was one of four hundred villages supplying the Anand plant. Over a thousand persons are employed at the plant known as the Kaira District Cooperative Milk Producers' Union.

I was shown two big new plants in course of construction. One of these is a new cattle feed plant, a gift from Scotland under the Freedom from Hunger Campaign. The plant, the first cattle feed plant in India, is to produce nutritionally balanced cattle feed concentrate. The plant, I was told, would be opened by the President of India at the end of October. The manager told me they hoped, with the help of this cattle feed, that in the course of the next two or three years the yield per buffalo would be nearly doubled. Another new factory is in course of construction. This will make milk powder for the Army and milk powder and butter for general sale. Nor is this all. The Union is building two other factories, one at Baroda and the other at Meshana, both of which will be ready to go into production at the end of this year.

Having referred to the fact that, through the cooperative movement, India is about to embark on the production of cattle feed, one should say something about the rôle which the cooperatives are playing in the production and distribution of fertilisers of which I also saw something. Fertilisers in some states are virtually a monopoly of the cooperatives, but one of the officers of the Co-

operative Union told me that there is need for a vast increase in fertilisers. In Delhi I visited a state cooperative federation — a secondary society — to which 350 primary societies are affiliated and this is mainly concerned with fertilisers and seeds. The federation obtains its supplies from government sources. Its turnover is over Rs. 2 millions. At the primary level, I met the officers of a village society and saw the village “go downs” where the fertilisers and insecticides were stored for distribution. Members had the free use of an insecticide pump.

#### **“Package Scheme”**

One of the most interesting developments taking place, at Block level, is the Intensive Agricultural District Programme, popularly referred to as the “Package” scheme. This is being financed by the Ford Foundation on a five year basis. To learn something about this scheme I visited Ludhiana, in the Punjab. The purpose of the scheme is to introduce scientific farming methods, through cooperatives, in a thousand villages, involving 45,000 farming families. Not only fertilisers but irrigation, better quality seeds and other improvements are introduced. Already the yield per acre is 4.6 per cent above that before the scheme was introduced. The scheme is linked with the plant which will undertake processing. It is planned to build at Khanna, on a cooperative basis, a new oil extracting plant of the latest type.

In Maharashtra the State Cooperative Bank has recently appointed extension officers in certain areas to organise the processing of agricultural produce. The first fifteen officers were appointed in 1963 and another fifteen are in training. It has been decided that ground nut

processing would be the most advantageous to the producer and twenty-five ground nut processing societies have already been formed. Six plants are in operations and another ten are expected to go into commission before the end of 1964. The Bank is advancing 60 per cent of the total capital, repayable in seven years. The government is purchasing 20 per cent of the stock and the remaining 20 per cent comes from the producers. At district level a solvent plant has been organised and this society will also do the marketing. In another district rice processing has been undertaken, and in 1965 yet another district will be developed for cotton processing, beginning with ginning and pressing and going on later to spinning.

#### **Handicrafts**

I paid visits to several handicrafts cooperatives. One of these, in Old Delhi, was the Displaced Women’s Production Society, started to help completely destitute refugees from Pakistan. The first industry introduced was embroidery which was the simplest to inaugurate. Then in 1956 a further development took place, with the formation alongside the needlework cooperative of the Vikas Kandra Industrial Cooperative Society for Women with 48 members. This was set up for the manufacture of spices, pickles and flour by the use of handmills. One heard constant stories in India of food adulteration and cooperatives have been waging a war against this by selling goods of guaranteed purity. The women, I was told, were illiterate and quite destitute when they joined the society. Now they earn on average about Rs.60 per month, usually on a part-time basis. Another handicraft society in Delhi, founded about four years ago makes

dolls. This is a skilled job and it takes the members about two to three months to learn under skilled instruction, but they can then earn up to Rs.200 per month.

### **Consumer societies**

There are a number of consumer societies though these are not amongst the most successful cooperative undertakings. Two years ago, through the Ministry of Community Development and Cooperation, 220 consumer stores were established. One or two of the more successful small cooperatives that I visited were run for the benefit of the employees of factories. One of these was the Ajudha Textile Mills Cooperative Consumer Stores with 250 members which only came into being last year. Their paid up share capital is Rs.4,000 plus a grant of Rs.2,000 from the management. The society employs one salesman. Another society of this kind is in Delhi for Rama Handicrafts employees which also has 250 members. It has a considerably larger number of customers and so is able to employ a manager and two or three assistants. The shop attracts customers by its relatively high standard of food purity.

In Bombay I visited the Pragati Mandel Central Consumers Society, one of the oldest established, having been founded in 1947. It has a share capital of Rs.125,00, the state government holding shares to the same amount. The society has five branches. During my visit I had an opportunity of seeing how acute is the food shortage in India. There was a long queue outside the store, waiting to purchase grain at government controlled prices. There were angry protests when it became known that the supply was exhausted, and I was told that the manager had gone to

try to negotiate for the purchase of a further supply. All too frequently grain finds its way to the black markets and is sold at prices quite beyond the reach of the poor man and his family.

Another of India's acute economic problems is of course unemployment and under-employment. This is particularly serious amongst the unskilled and semi-skilled workers. Mr. S. K. Dey told me that his Ministry intended to go out in a big way in the formation of labour cooperatives. These cooperatives will be empowered to accept contracts for certain tasks, such as road construction and the handling of forestry products.

I came away with the impression that the Cooperative Movement in India is facing many difficult problems that may take some years to resolve satisfactorily, but that there are many hopeful signs that these will eventually be overcome.

### **Short Guide for Cooperative Libraries and Documentation Services**

**Compiled by C. Kamp**

As a contribution to the I.C.A. Technical Assistance Programme, this Guide has been compiled by Mr. Kamp, Head of the Documentation Services of "CO-OP Nederland" and Technical Adviser to the I.C.A. Working Party of Cooperative Librarians, following its decision that guidance of some sort was needed for cooperative organisations in the newly-developing countries, which are starting or building up their libraries.

The Guide contains, very clearly and attractively set out, the basic information needed to start a catalogue and classification of books and periodicals, how to organise their circulation, and extract and file press cuttings. There is also a useful appendix on the Universal Decimal Classification.

The Guide is produced by "CO-OP Nederland" and is obtainable free from the  
**ICA, 11 Upper Grosvenor Street,  
London, W.1.**



## COMMENTARY

### *Cartel*

**A**FTER more than fourteen years, the publication **CARTEL** ceases to appear—the issue of October 1964 will be the last.

This does not imply that the International Cooperative Alliance has lost its interest in the problems of monopoly; or that it considers the cooperative contribution to the solution of that problem to be completed; or that the problem itself is any less urgent.

On the contrary, the threat to consumers from abuse of monopoly power is greater than ever with growing industrial concentration, vast new opportunities for international combines, proliferation of restrictive trade practices of an ever more elaborate, systematic and sophisticated kind, and emergence of new forms of “quasi-monopoly” and arbitrary price fixing facilitated by product differentiation, registered brands, ingenious sales gimmicks and fantastic expenditure for advertising.

By the same token, the cooperative movement faces an ever greater challenge in its efforts to protect the consumer through consumer research, information and education; through relentless exposure of deceptive advertising, labelling and packaging; and by exerting its “countervailing force” in the market in order to activate competition and give the customer better quality, service and prices.

The promotion of these activities will continue to have top priority among ICA objectives. The publication of **CARTEL** no longer appears to be the best use of resources to this end. During the 1950's, when there was a dearth of publicity on monopolies, a specialised periodical on this problem met an urgent need. By now, however, the urgency of the task has been widely recognised, and there is an expanding flow of published information and commentary from governmental bodies concerned with monopoly regulation, international bodies like EEC, EFTA, and UN organisations, universities and other private research organisations. This makes it feasible for

the ICA not to withdraw, but rather to concentrate its efforts on the *cooperative* contribution to the task of defining, declaiming and defending the "public interest" in monopolistic situation. This it will do through increasing its coverage of monopoly problems in the pages of the *Review of International Cooperation* and *Consumer Affairs Bulletin*, as well as in the context of the continuing work of the ICA Consumer Working Party and the auxiliary committees dealing with retail and wholesale trade, housing, insurance, banking, petroleum and agriculture.

### **Cooperative Loan Bonds over-subscribed**

Looking for capital urgently needed for expansion, especially for regional warehousing centres and modernisation, all resulting in the strengthening of the efficiency of the V.S.K., this experienced and successful organisation issued a  $4\frac{3}{4}$  per cent (1964) series of Loan Bonds to the tune of 25.000.000 Swiss Francs.

Each Bond issued was for 100 Francs redeemable in fifteen years or at an earlier date.

This Bond Issue had the confidence of all sections of the Swiss population and the Bonds were quoted on the stock exchange of Basle, Zürich and Geneva. All the great banks of Switzerland dealt in the Bonds as well, and by Monday, August 24th, the loan was over-subscribed.

This enterprise by the V.S.K. proved that in spite of boom conditions of the national economy, the Cooperative Sector of Switzerland had the confidence of the market and its standing has been greatly enhanced by the confidence shown in the V.S.K. issue.

### **Dahomey Report**

Many of our readers will remember the interesting article in the *Review of International Cooperation* of April 1962—"Swiss Cooperative Help to Dahomey".

In a report to the patrons of the "Swiss Cooperative Help to Dahomey", Director Barbier recently made a most moving and realistic appraisal of this project for teaching self-help, undertaken by the Swiss Cooperative Movement. After returning recently from a visit to Dahomey, Director Barbier was able to give a first-hand account of the situation in Dahomey since the revolution of October, 1963.

It is, however, his report on the Cooperative there that is so telling. It is a most moving account of human

endeavour, of part-failure and part-success achieved against all possible odds.

Director Barbier asked the members of the Agricultural Cooperatives in Dahomey the simple question: Did they know that they were cooperators? It is true that the people there consented to join and their names were fixed by making a thumb mark on a piece of paper, but have they understood the meaning of Cooperation? The peasant members of the cooperative have not had the privilege of education in French schools and all contact with them must be made through interpreters, people who have themselves often very little understanding of the true aims of Cooperation.

Misunderstandings that delay the programme of planting at the right time occur, resulting often in loss of production. People on whom much time and money has been expended sometimes fail in the field, and unwittingly cooperators may have become exploiters. Yet in spite of failure, mostly on the human level, here and there a great light shines through revealing that the decision to teach others to help themselves was essentially right. The sale of the karité harvest is an excellent example.

The fruit, karité, is known for its fat content, and after harvesting it is bought by private traders and sold to the State Buying Office at a fixed price. Dealers coming to the country areas refuse to buy at the Government price, claiming saturation of the market. The poor peasant, or his wife, who has walked for miles with a heavy load on his head, is frightened at the dealers' reluctance to buy, and after some hesitation he will sell at a much lower price, fearing that he might have to take his load back home.

Cooperation stepped into this situation. Armed with a Government Authority to buy karité, the local Cooperative dealer was at the market from early morning on, offering the fixed price for the fruit. Sales were brisk, and in order not to return empty-handed, the private traders had to pay the fixed price to the peasants as well. In this and other instances, the work of Cooperation is of immense value to the poor and helpless. In whatever else the project may have failed, this example alone has made the effort worth while.

Many more projects are in being in Dahomey, such as Cooperative Fishing, the beginnings of Consumer Cooperatives in towns, and Housewives' Cooperative activities. One other outstanding and important development for

the future is the School Cooperative work. It is not often that children become the educators of their parents, but in developing areas of the world this is quite feasible. Mr. Barbier cites the instance of a School Cooperative of 127 pupil-members, which has also taken on field work and plants its own maize crop. It has been found that the yield of this land is roughly three times higher than that of the parents, thanks to more scientific understanding of agricultural values, and it is from this example that the peasant farmers, the parents of these children, learn something about better agricultural methods. Through such experiments as the "Swiss Help To Dahomey", Cooperation can be brought to other countries and it is reassuring to know that the Swiss effort is strengthened rather than reduced at this critical time for Dahomey.

### **Teaching of Cooperation at University Level**

The Cooperative Union of Canada through its Research Department has collected information from all parts of the world about the teaching of cooperation at university level. This enquiry is welcomed and we congratulate the Director of Research of the Cooperative Union of Canada, Mr. Davidovic, for initiating it.

For many decades the cooperative form of economic activity and its potentialities were largely ignored or underestimated outside the Movement itself. After two world wars however, Cooperation emerged definitely as a defender of the people. After World War Two, especially in view of the economic changes of the times, Cooperation has made great strides and most countries today, as well as the Agencies of the United Nations, have embarked on an active policy of cooperative development.

This new attitude to the Cooperative Movement is also reflected in the teaching of cooperation as a subject at university level. Cooperative economics have become part of the curriculum, chairs for Cooperation have been established and Cooperative institutes and universities are found in many countries. It is now clear that cooperation as an academic discipline is established by universities all over the world.

Unfortunately, there are great variations in the field of cooperative teaching: in some instances Cooperation is taught as part of the traditional economic syllabus, in others it is an independent subject with its own professor and lecturers. Great differences are also found in the contents of the courses offered, so it seems obvious that Co-

operation as an academic discipline has not yet been sufficiently clarified.

The Cooperative Movements themselves can help the teaching bodies greatly by establishing close contacts and by supporting teaching activities. Sometimes a great gap exists between the practical and theoretical.

It is desired by the cooperative movements and the teaching bodies of Cooperation, that there should be better exchange of ideas and the results of research. For this reason the Cooperative Union of Canada has initiated a survey into this field, which would benefit both the cooperative movement and the universities.

A questionnaire in French and English has been devised by the Research Department of the Cooperative Union of Canada, and cooperative educators everywhere are invited to help in this enquiry by asking for a copy of the questionnaire from the Research Department, Cooperative Union of Canada, 202 Queen Street, Ottawa 4, Ontario, Canada.

## **“Cooperative America”**

The first issue of the official publication of the Organisation of the Cooperatives of America has reached us. Its title “*Cooperative America*” was selected as being most descriptive of the nature and objects of the magazine. The publication was made possible through a special grant from the Agency for International Development, Washington, D.C.

The editor is Mr. James F. Torres, formerly of the Motel Service Insurance Companies of St. Paul, Min. Mr. Torres joined *Cooperative America* after two years in Honduras working on behalf of the Cooperative League to develop Cooperatives. *Cooperative America* will be a monthly publication and the official voice of the Organisation of the Cooperatives of America.

Readers of the *Review* will remember the former Director's Report on the Bogotá Conference that appeared in the December, 1961, number. Since then the Organisation of the Cooperatives of America, known as O.C.A., has published its Charter of which the objects are:—

- (1) to represent the Cooperative Movement of America,
- (2) to support and defend the principles and methods of free cooperation,
- (3) to promote the formation and development of cooperative organisations of different levels as well as the formation of needed auxiliary institutions,

- (4) to promote education in general, and all aspects of cooperative and technical education in particular.

Regular members of O.C.A. may be cooperative organisations which are national in scope, confederations of cooperative organisations of different types, federations of cooperatives of particular kinds, or other leagues, unions, or associations of cooperatives of second or third level. Any organisation, which wishes to advance the development of cooperatives in the Americas, even though it itself is not a cooperative organisation, may become a collaborating member of O.C.A.

All members must abide by the declaration of Principles and the Organic Charter, and pay their assigned dues.

The supreme governing body of O.C.A. is its biennial assembly of delegates from its regular member organisations. The assembly elects an executive council which holds office for a period of four years. The executive council selects an executive director charged with the responsibility of carrying forward the work and programme of O.C.A.

A constituent assembly was held at Montevideo, Uruguay, where O.C.A. was officially born on 6th February, 1963.

Many of the statutory members of O.C.A. are, through their organisations, members of the I.C.A. A stronger and more cohesive cooperative organisation in the Americas has for many decades been the aim of the I.C.A., and O.C.A. certainly fulfils this function.

### **Welcome to "Cooperative Circle"**

We welcome into the large circle of Cooperative papers in almost all the world's languages, a new cooperative news letter in Arabic, *The Cooperative Circle*.

In its first issue *The Cooperative Circle* stresses its aim to enlighten all cooperators in South Arabia on cooperative matters and ventures. The Commissioner for Cooperative Development and Marketing in Aden, whose Department publishes this new monthly, is to be congratulated on the readability and make-up of the paper, and for those whose Arabic is a little rusty, an English commentary is given.

The Cooperative Movement in South Arabia is still in its infancy, but over the last decade great progress has been made. Quite a few farmers' and fishermen's cooperatives flourish, and cooperative marketing has proved its value to the communities. The paper covers not only

Aden, but the States and Sultanates of the South Arabian Federation as well.

### **New Director at Nordisk Andelsforbund**

In September last, Mr. Mogens Efholm resigned his appointment as Managing Director of Nordisk Andelsforbund and Nordisk Andelsexport, the Scandinavian Cooperative Trading and Export organisations. He had been in charge of the former society since 1951, and in 1954 became the first Managing Director of the Export society which was established as a result of his own initiative.

Mr. Mogens' successor at NAF and NAE is Mr. Lars Lundin from Sweden who was head of the London branch of both organisations from 1961, prior to taking over at the Head Office in Copenhagen. Mr. Lundin has worked in the Swedish Cooperative Movement since 1945, first in Karlstad and later in the Cooperative Union KF, except for a short period between 1948-52 when he was a member of the Swedish Government Trade Commission and later secretary of the Board of Trade.

NAE already has branches in California, Brazil and Spain, and we hope that Mr. Lundin will find ways to expand its influence into other parts of the globe.

### **Social Medecine for the Underprivileged**

A year ago, the eminent Belgian cooperator, Joseph Lemaire, President of *La Prévoyance Sociale*, was honoured by being appointed a Minister of State, an honour generally reserved for prominent politicians in Belgium. In making this appointment the King of the Belgians recognised not only Monsieur Lemaire's life-long devotion to the social welfare of the Belgian people, but also the work of *La Prévoyance Sociale* in the same field.

The story of *La Prévoyance Sociale* began early in 1949, when medical research had proved the efficacy of thermal treatment for rheumatism and heart diseases. Such treatment was, however, only available to the well-to-do, and little was done for ordinary men and women. In order to help the needy and less privileged, *La Prévoyance Sociale* bought a hotel in Spa where the thermal properties of the water could be made available to all. Thus began the series of curative centres known as "Heures Claires". The newest centre—the Astrid Centre—was recently opened by Queen Fabiola of the Belgians. This centre—the fifth in the series—is intended mainly for the treatment of heart diseases for which the most up-to-date equipment has been installed.

## TECHNICAL ASSISTANCE - A SYNTHESIS OF AID AND TRADE

by **M. Radetzki**,

*ICA Regional Office, New Delhi*

“TRADE versus Aid” has been a central issue in the discussion of the last few years on assistance to developing countries. And it was a key point in the UN Trade and Development Conference in the late spring of this year, where various proposals were made for facilitating trade with the underdeveloped countries, including suggestions with respect to production and prices of raw materials and processed goods, lowering of import duties, and elimination of import quotas. So far, however, there have been no substantial practical results.

The basic problem has been described so often as to become trite. Deteriorating terms of trade of the lesser developed countries as a result of declining prices for their raw material exports and rising prices for their imports of capital equipment and manufactured goods have restricted available foreign exchange and hence capacity to import the essentials required for economic development. And this slowing down of economic expansion has accentuated the chronic problem of unemployment in developing countries.

In large part, the problem stems from the excessive specialisation of the primary producing countries, i.e. the fact that they participate in the international exchange of goods mainly by exporting raw materials. These materials are frequently produced on large-scale planta-

tions, or in mines, which are owned by foreign private capitalists. In other cases the goods are provided by many small suppliers and marketed and exported by large export concerns. The further manufacturing and processing of these raw materials in the developing countries themselves is very limited.

The drawbacks of such a situation are obvious. Imagine, for example, that Sweden exported unprocessed wood products only instead of paper, pulp and prefabricated houses. Or that Great Britain exported iron ore on a large scale and did not itself undertake the production of steel and manufactured goods from the ore produced in the country. What would be the effect on the French economy if its grapes were exported in their fresh form rather than pressed into wine?

Clearly one of the best ways of stimulating the economies of developing countries could be through locating there more processing and manufacturing industries. These industries would be based on locally produced raw materials, and the goods produced would be mainly intended for export. This would have a number of economic advantages.

One would be the saving on transports costs. It is clearly cheaper to transport paper or wine than to ship the timber or grapes necessary to produce the equivalent amount of end products. Moreover, the processing industries give



substantial employment opportunities to the country where they are located. Also the export value of the manufactured or processed product is much higher than that of the equivalent amount of raw materials. Such products would substantially increase the export earnings of the developing countries, especially since manufactured goods have, on the whole, had a more favourable market and price development during the postwar period than have raw materials.

True, many of the developing countries have already entered the field of manufacturing. India is perhaps foremost in this respect. But the industries which have been set up are intended primarily to satisfy the internal market. The production of such industries makes it possible to cut down in imports. However, in many cases both the quality and prices of these products are such that they are unsuitable for export. The argument in this paper centres rather on processing of goods which could be directed mainly or entirely to export markets.

It would not be difficult to find suitable lines of production. The raw materials currently being exported in large quantities could constitute the base for the new industries. Besides, such production industries could also be based on perishable goods, which under present conditions are completely unsuitable for export. For example, many varieties of tropical fruits cannot be exported in their fresh form, and as their availability is seasonal, large amounts spoil. Processing industries for canning such fruit for export would certainly be economically feasible.

And there are other possibilities. India today exports a considerable quantity of hides. These hides are subsequen-

tly used for the manufacture of shoes, briefcases, etc., mainly in the industrialised countries. Although India has recently succeeded in developing a small export trade in shoes, the main leather manufacturing industries in India are working for the internal market. There appears to be room for a significant leather-manufacturing export industry.

One of the main products of the Philippines is copra, the raw material used in the production of margarine and detergents. This copra is processed into consumer products in Great Britain or the USA. It would be a real impetus to the Philippine economy if at least some further processing of copra were located there even though the final blending and packaging of the consumer goods can perhaps, be better done in the country of final consumption.

As a further example, Malaysia, a large rubber producer, exports rubber in its unmanufactured form. Tyres, rubber boots and the innumerable rubber parts for cars are manufactured in the United States or in Germany.

### **Obstacles to Industrialisation**

The difficulties confronting attempts to encourage further processing in the developing countries should not be minimised.

A major problem is that of protectionism in a number of industrialised countries which impose higher tariffs on manufactured goods than on raw materials. This was one of the major issues discussed at the UN Trade and Development Conference, and further progress towards freer trade in this field can be hoped for over the coming years.

Another important obstacle to export of manufactured goods from developing to industrialised countries is the high

and even quality of goods required by the latter. It frequently happens that the purchasing departments of manufacturers and wholesalers in Europe and North America are unable to find the right quality or the required type of product in the developing countries. Producers in Africa and Asia very often lack the necessary knowledge of world markets. Quality specifications and control are inadequate or non-existent. Thus it would appear to be necessary for buyers in the technically advanced countries to provide technical assistance in the form of quality control and market information as a stimulus to expansion of such production activities in the developing countries. The experts provided by the advanced countries to establish and start operating such industries could supervise quality in terms of Western demands. They could also direct production into lines which could be easily marketed in the industrialised countries.

Such a programme would most likely encounter stiff resistance from industries in industrialised countries which would fear the competition from new firms in less developed areas. In quantitative terms, however, the overall impact would be minor and well within the adjustment capacity of highly developed countries. The latter can certainly afford to undertake the structural changes necessary to discontinue production of certain items which could be obtained cheaper from abroad. With their advanced techniques, the industrialised countries ought to concentrate their efforts and resources on further development of production of capital equipment and technically complex goods. Moreover, the increasing export earnings of the developing countries as a result of such a programme would enable the addi-

tional capital equipment produced in North America and Europe to be absorbed by further development.

#### **Who is to take the initiative?**

The industrial concerns which would be affected by the production efforts of developing countries could hardly be expected to promote such activities against their own interests. Thus the initiative in establishing new manufacturing and processing plants in the developing countries would have to come from elsewhere.

One possibility would be the large-scale wholesale and retail organisations in developed countries which are supplying a variety of consumer goods on a mass scale to the general public. Instead of purchasing locally manufactured supplies, these organisations could be encouraged to help establish new sources in underdeveloped countries. They could provide factory managers, production experts and the initial capital required to set up such industrial enterprises. In return they would acquire a reliable supply of manufactured goods the prices of which would compare favourably with those produced locally. For example, industrial assembly plants which are using local sub-contractors for supply of certain parts might be interested in such ventures. Thus a car manufacturer in the United States might assist in establishing a rubber factory in Malaysia. These close connections between wholesalers and manufacturers in industrialised countries and the newly set up manufacturing industries in the developing countries would ensure an export market for these industries.

*Consumer cooperatives in the Western countries might be particularly interested in involving themselves in such activities, since their primary interest is to*

*get quality products at lowest possible prices to the consuming public.*

### **Technical Assistance Boards**

Another source of capital and initiative might be the Technical Assistance Boards in various industrialised countries, particularly since the initial investment for organising manufacturing industries of this kind might in some cases not prove profitable in the short run. In view of the long-term advantages for the developing countries, and thus for the industrialised nations, the Technical Assistance Boards ought to involve themselves in promoting such activities, e.g., by subsidising the necessary experts who would have to be sent out, or by providing capital at advantageous terms.

The industrial establishments proposed here would be involved primarily with production for export. They would be set up with foreign assistance, in some cases even with the collaboration of a foreign government on a technical assistance basis. Already the governments in a number of developing countries give special facilities to export industries or to industrial enterprises set up with foreign collaboration. Hence it should be possible to persuade the governments of developing countries to treat such establishments on a preferential basis, for example, by allowing imports of machinery and other capital equipment duty-free. This would help to keep production costs at a competitive level.

### **Organisational Form**

The ownership of the new industrial enterprises should not remain indefinitely with the sponsoring bodies from the industrialised countries. Since developing countries are, naturally, sensitive about "economic colonialism", where

initial external capital is necessary it should be replaced as soon as possible by internal capital generated within the developing countries. This should preferably be done at the time when the technical management of such enterprises is taken over by local personnel.

One of the aims generally proclaimed by the leaders of the developing countries today is to provide a more even distribution of power and wealth. *To comply with this condition it would be advantageous to investigate the possibilities of using the cooperative form of enterprise wherever possible, enabling producers of the raw materials to participate in these industries in the same way as agricultural producers in the West who are themselves the owners of the agricultural processing industries.*

It is today widely recognised that the scope of technical assistance must be considerably broadened. The suggestion outlined above for combining "trade" and "aid" might, with low initial costs, bring considerable economic benefits to the developing economies. In the long run, it would help to create a more balanced world economy.

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*We regret that in the July number of the "Review", page 180, line 31, the amount of Norwegian help to Dahomey was stated to be 500 million kr. This should be 500,000 kr. Ed.*

## THE COOPERATIVE MOVEMENT IN FIJI

by **Tekoti Rotan,**

*Cooperative Societies' Department, Fiji.*

THE colony of Fiji has a fast-growing population and limited resources, including at this stage, limited capital for development. There is need for new avenues of economic development, for new methods of capital formation and for existing and future resources to be used to the best possible advantage. In meeting these needs, cooperative organisations can play a significant role. This was recognised by the British Government in 1946, when the then Secretary of State for the Colonies issued instructions to all colonial governments to assist in the formation and supervision of cooperatives.

In 1947 the Cooperative Ordinance and Regulations were passed by the Legislative Council, and a government department was formed to assist in the formation and supervision of cooperatives.

### **A Tradition of Cooperation**

Long before 1947 Fijians have practised various forms of cooperation which they inherited from their forefathers. People even today, still live together in villages as a community. They assist one another in the building of their homes, the cleaning of the village compound and the road, or even the making of bridges. As time goes on, the Fijians have learnt to work together to supply all their needs. Through this way of living and working together the people have grown up with certain beliefs and

influences which were discovered later to be in conflict with the principles of cooperation with a capital "C". Some of the influences or beliefs are as follows:—

(a) They take for granted that whatever is produced or done collectively belongs to everyone. They have the right to do anything with it for their community's sake. (b) Where the villagers have lived most of their early lives with traders in their villages, they take for granted that this business of buying on credit is a necessity of life, and (c) the people in their villages are so shut off from the civilised world that the standard of education is low.

When the department was formed, its first task was to reorganise the existing forms of cooperation with a small "c" and make them run on the principles of cooperation with a capital "C". The most common type of cooperative already in existence was the consumer society, due to the fact that merchants were not keen to invest their capital in small businesses well in the interior of the country away from the main centres. Although this is the most difficult form of society to run, the department encourages it, not because the people have made a start on it, but because it was the best type of society to meet their most urgent needs at the time.

### **A different version**

When the gospel of Cooperation based on the Rochdale Principles was preach-

ed to the people, it caused great confusion and mistrust of government. They still maintain that whatever they produce collectively is owned by them collectively. That is true, but what they don't realise is that this new movement, cooperation with a capital "C", is slightly different from what they have been practising. They must be told repeatedly that the funds or the assets of the societies are not meant to be used for community feasting or for gifts to a chief when his daughter is married, or when his wife gives birth to a child. Such things happened and the people must be convinced that it is not in the best interests of economic cooperation to spend money this way. Because of the low standard of education among the people the task of the department was even more difficult, and in the early stages, the officers of the department have to do all the work of the society until such time as the employees are capable of doing it.

The practice of buying now and paying later has done a great deal of damage and deprived many people of their land. The small landowners who have been taken in by the traders in this way are now most unhappy because they have lost their land to pay up their debts. So when cooperation with a capital "C" was introduced, one of its main tasks was to free the people from indebtedness. The following measures were taken. People are encouraged in their cooperatives to buy goods for cash only. Credit is forbidden by law. If a society has debts at the end of its financial year, the Registrar may refuse to approve payment of the bonus. Therefore, if the members want a bonus distribution, they must stop asking for credit, or if they have debts, they must be settled before their annual accounts

are closed. This method has proved successful and the members have realised the evils of credit sales.

### **Convincing Others**

To preach the gospel of Cooperation it is essential to convince others of what you are talking about. Only if you give a practical example of the benefits of cooperation will people take any interest in it and listen. This is the type of difficulty that stops the development of the cooperative movement in Fiji, but now the movement itself has produced a very convincing example.

There is an island 400 miles away from Fiji. All the business on this island was in the hands of capitalists, so powerful as to look sometimes like dictators. The people of the island earn their living by producing copra. The firms dictate to the people what to produce and how much, even if the amount produced will not meet the family requirements. Because of this and many other bad practices, the people decided to form cooperatives to supply the services hitherto provided by the private firms. The movement prospered so well that most of the business went to cooperatives. The firms, therefore, tried every way to stop the flow of business to the societies, but without success. Their last bid was to increase the freight from £4 to £8 per ton on the ships which belonged to them plying between this island and Fiji. The explanation given to the government for their action was that the ships had been running at a loss. As a result of this increase in freight, the cooperatives were running at a loss. Nevertheless, the people did not lose hope, as the fear of being taken over again by the private firms was unbearable. They started negotiations with the firms for the

hire of their ships, but the firms refused on the grounds that the ships were made for freight purposes and not for hire. The members did not stop there, but went further by inviting other shipping companies outside Fiji to provide them with a shipping service on a hire basis. One shipping company was interested. When this cooperative shipping business started, its results were most encouraging and revealing. Although it cost the societies nearly £2,000 each time this ship visited the island, the cost when divided by the total cargo tonnage carried by the ship, only amounted to £2 a ton. If the ship carried less cargo, the rate went up to even £3. It was obvious to both the people and the Government, that the firms were not really running at a loss, but were trying to make as much profit as possible out of the people. This example has really shown the people what cooperatives can do and the type of service they can offer compared with the type of service a company can give.

Faced with problems such as these, the movement limped along slowly. Today, we have more than 200 cooperatives, both registered and probationary societies. The most common types are consumers' and marketing cooperatives. There are also about fifty credit cooperatives, as well as landholding cooper-

atives and a technical school cooperative. Only one fishing society has been registered so far.

### **An expanding movement**

There is now a move to expand the movement. It is proposed to amalgamate the consumers' societies' associations in various parts of Fiji, with a Central Wholesale society in Suva, the capital. With the increased number of credit societies, there is a need for a central bank, where the funds of the credit societies may be pooled together with the surplus funds of the other types of cooperatives and put to good use for the development of the movement.

The need for cooperative assistance among the people and the government's increasing recognition of the value of the movement has resulted in the expansion of the cooperative department. A new post of Deputy Registrar has been created, and the number of Assistant Registrars has been increased by three. The department has also opened new subregistries in various parts of the colony.

It is essential that the cooperative movement should be developed in Fiji, but at present the country's resources in capital and skilled labour are insufficient to meet all the demands on them.

## **BOOK REVIEWS**

### **„... und trug hundertfältige Frucht.“ Ein Jahrhundert konsumgenossenschaftlicher Selbsthilfe in Stuttgart.**

*(And brought forth fruit a hundredfold. A century of consumers' Cooperative self-help in Stuttgart). By Dr. Erwin Hasselman. With illustrations, statistics and maps as end-papers. Published by the Konsumgenossenschaft Stuttgart. Stuttgart 1964. 176 pages.*

The frequent appearance of centenary histories,

besides other commemorations, in the last few years reminds us that the 1860's were an important seminal period in the history of Cooperation. To mention only consumers' Cooperation, the 1860's were the decade in which the Rochdale "System" was effectively transplanted from Great Britain to the continent of Europe. Thanks to G. J. Holyoake's "History of Cooperation in Rochdale", the movements of political exiles many of whom were Holyoake's friends, the travels of social investigators like

Victor-Aimé Huber the unquestionable success of the Rochdale Equitable Pioneers Society became widely known in Western and Central Europe. The progress of industrialisation accordingly led to renewed attempts at cooperative storekeeping by working people and their sympathisers; some of whom had already tried and failed, but found in the Rochdale system better rules and trading methods than those they had previously practised.

It is against this background that Dr. Erwin Hasselman describes the origin and development of consumers' Cooperation in the city of Stuttgart. His book is therefore much more than a story of local effort and success. The first twelve chapters, which cover nearly thirty years and outline the industrial revolution, its social consequences and the growth of the consumers' society as far as the passage of the second Cooperative Act in 1889, form a contribution to European Cooperative History which all serious students of Cooperation in its international aspects will cordially welcome and appreciate.

The principal factor linking the local, national and international is the personality of Edward Pfeiffer, his teaching and practical work. Pfeiffer's name is mentioned with the respect due to a pioneer in most historical accounts of *German Consumers' Cooperation*, but the part he played has probably been somewhat eclipsed for later generations by the new figures who appeared on the scene as, with constantly spreading industrialisation, leadership of the Movement passed to Saxony and later Hamburg. For this reviewer, let it be openly confessed, Pfeiffer was hardly more than a name until Dr. Hasselmann's chapter revealed the full importance of this Cooperative pioneer, who, although his greatest work was accomplished in the third quarter of last century, lived on until 1921 to see its full fruition.

Edward Pfeiffer was in fact one of those social investigators who made the pilgrimage to Rochdale, which he visited in 1862. He was then twenty-seven, had completed his university studies in economics and finance and had already travelled widely in France and Great Britain. His reflections and conclusions appeared the following year in a book on cooperation which bore the sub-title: *What is the working-class in contemporary society? And what can it be?* Dr. Hasselmann's summary with extracts of the argument of this book woke the desire to read the original text. It must suffice for the present to remark that Pfeiffer's conclusions anticipated by three-quarters of a century those of Dr. Georges Fauguet, namely, that the finally satisfactory solution of the social problem could only be reached through the practise of Cooperation and the education of men and women with of a sense of individual and social responsibility. Holding these ideas

Pfeiffer became the inspirer and leader of many efforts to reach higher standards of welfare, of which adult education, consumers' cooperation and low-cost housing were among the most important, in his home city, Stuttgart. But his view reached beyond the city. He looked forward to the formation of cooperatives all over Germany and their federation in a national movement as the Germans themselves attained political unity.

It is rather significant that the first efforts to establish a consumers' Cooperative society in Stuttgart on Rochdale lines were made within a workers' educational association which Pfeiffer had founded in 1863. These efforts resulted in the formation in October, 1864 of the Stuttgart Thirft and Consumers' Association with Pfeiffer as the first chairman of its management committee. This became the pattern society. It rapidly found imitators. Pfeiffer published in 1865 his book on consumers' societies, with practical directions for their formation and establishment. Within three years the societies were sufficiently numerous to contemplate the formation of a union and the organisation of joint purchasing. About the same time Pfeiffer began to circulate a little hectographed bulletin calling itself the *Organ of the German Consumers' Societies*. However the Movement only attained national unity much later and in other ways than Pfeiffer would have wished.

Dr. Hasselmann has quite rightly dwelt at length on the origins and early years of the Stuttgart Society, for, as he is aware, the movement is in danger of forgetting its early struggles and the reason why certain principles and policies referred to others by those who laid the foundations of existing cooperative institutions. After all, if the movement fails to understand its past, it will never control its future. But the author also traces the development of the present Stuttgart Consumers' Cooperative Society through its many vicissitudes and adaptations to its changing environment — the scepticism and ultimate acceptance of cooperation by the Labour Movement, the sectarian hostility to consumers' cooperation of the older cooperative movement of handicraftsmen and small entrepreneurs, the achievement of uniform cooperative legislation for all Germany in the Act of 1889, the foundation of the Central Union of Consumers' Cooperative Societies, the economic and social consequences of the first World War, repression and later dissolution under the Third Reich, revival under the Allied occupation, development in the latest period of economic expansion, the competitive struggle with new forms of distributive enterprise.

One of the great merits of the book is that, as Dr. Hasselman recounts it, the reader can see every important phase of the evolution of the Consumers' Cooperative Movement in Germany

reflected in the history of the Stuttgart society. It is now one of the largest in Germany south of the Rhineland, and the growing population and urban development of the city's environs forecast the creation in the near future of a larger society still through closer union with its neighbours. W.P.W.

#### **Housing Co-operatives.**

*Studies and Reports, New Series, No. 66. By Samuel Ruiz Kujan. Published by the International Labour Office, Geneva, 1964, 154 pages.*

This study of the housing cooperatives of selected European and North American countries together with three developing countries in Latin America, South-East Asia and the Middle East, is a very useful follow-up of the resolution on workers' housing adopted by the International Labour Conference in 1961. The priority assigned to housing in national planning for social welfare has risen rapidly in the last decade. In the opinion of many who speak with the authority of experience, housing is a world problem of the same order of importance as nutrition, demanding the exclusive attention of a special agency. So far it has proved impossible to move the United Nations any farther in this direction than the creation by the Economic and Social Council three years ago of a new Committee on Housing, Building and Planning whose main function is to reinforce and coordinate the action taken by governments and other agencies in various parts of the world. The chief obstacle is said to be cost although a special agency would require only a fraction of the sums governments are willing to spend on setting satellites in space or on armaments which are already obsolete when they come off the assembly lines.

The introduction to Mr. Ruiz' study rightly begins by describing housing as one of the basic needs of men and it later poses a question which penetrates to the very root of what is called "the housing problems". (There are in fact many housing problems). The question is: is it possible for the mass of the workers, alone and unaided, to acquire decent houses of their own if they set aside a reasonable proportion of their incomes for that purpose? The answer, of course, is generally "No". The distressing thing about that answer is that it is true, not only of the newly-developing countries with their poverty and technical backwardness, but also of many industrialised countries in which hosts of workers either cannot house their families decently on what they can afford to pay or can obtain decent housing only by paying an excessive proportion of their earnings for it. There are also, notably in the great cities, still too many working class families which cannot even get decent housing when they pay through the nose.

Even in the advanced countries the supply of good low-cost housing lags behind the demand. There is a perpetual back-log of renewals and slumclearance dating from the early stages of the industrial revolution, when the new manufacturing and mining settlements became the happy hunting grounds of the land speculator and jerry-builder. Despite the example of enlightened employers like Robert Owen, the state, instead of insisting that industry should bear the cost of housing its labour force and levying taxes accordingly, allowed industrialists for generations to place the whole burden on the shoulders of the workers and later when government, national and local, was compelled to take action, part of it on the taxpayer. And when parliaments were disposed to legislate or grant money, the building industry usually had a lobby powerful enough to ensure that its own vested interests were not disturbed. At first, state action brought relief rather than a true remedy, for it was only the most enlightened of Ministers who was capable of recognising that housing was not an independent problem of providing shelter for so many thousands or millions of human beings, but an integral part of the problem of creating healthy and happy communities with a many-sided physical and intellectual life.

Against this background the virtues and achievements of cooperative housing stand out clearly. It is not simply that cooperative housing societies are capable of supplying dwellings, houses or apartments, for rents or purchase-prices which impose no great strain on the members' incomes, or that they pioneer improvements in housing design, fitting and equipment. That is the purely material aspect. Cooperative housing societies encourage true neighbourliness and the community spirit, they provide many kinds of communal service; they concern themselves more and more with the environment of the dwelling, that is, with town-planning, which they are equally capable of carrying out. For this reason they become the natural and most effective collaborators of the state and one of the best channels for whatever finance it can spare for housing and town-planning.

As Mr. Ruiz shows, in a chapter on the characteristics and advantages of housing cooperatives, this cooperative species includes a number of sub-species and varieties. This range of forms enables a choice to be made to suit varying needs and conditions and in the following chapters he gives many illustrations. Naturally special attention is devoted to Sweden and other Scandinavian countries, as examples of advanced development, and he acknowledges the help he received from the Chairman and a member of the International Cooperative Housing Committee of the I.C.A., Messrs. Sven Kypengren and Ake Johnson who are both leading officials of



the Swedish H.S.B.

The chapters on the several countries are constructed on a uniform pattern so as to cover the historical background, the organisation of the Cooperative Housing Movement and the system of financing, concluding with an estimate of the Movement's social significance. Comparison from country to country and even from continent to continent is thus made easy and the study is therefore an excellent practical guide to anyone seriously contemplating action along cooperative lines.

The final chapter attempts to formulate some suggestions for the application of the cooperative formula in developing countries. Mr. Ruiz

rightly deprecates any advocacy of cooperation as a panacea and lays emphasis on the necessity of educational preparation for would-be co-operators, as well as the formulation of national housing policies in which the development of housing cooperatives would have its place. Cooperative housing for wage-earners scarcely exists in the developing countries, although the middle-classes have taken fairly successfully to the cooperative idea. The situation would therefore seem to call for some cautious and well-chosen pilot-projects designed to indicate the safest and most promising lines of advance.

W. P. W.

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(Continued from page 240)

available surplus produce from collective farms and farmers is directed, in the long run, to freeing the peasants from the worries involved in selling their own produce and creating favourable conditions for more active participation in increasing agricultural production.

As a result of the organisation of Cooperative Marketing Sections for the purchase of agricultural produce, many farmers no longer have to travel to markets. They dispose of all surplus produce through consumers' cooperatives.

A characteristic example is the Lenin Collective Farm in the Kopylsk Region, Minsk Oblast. At a general meeting, the farmers of this collective farm decided not to waste any more time and money on trips to the town markets, but to sell their surplus produce exclusively through consumers' cooperatives. A member of the collective farm was specially chosen for this purpose and provided with suitable accommodation, transport and packing materials. The collective farm provides transport facilities for delivering to the consumers'

society the produce purchased by the society. Due to the new management, the farmers at the above collective farm no longer have to travel to market and are able to take a more active part in increasing their production at this farm.

This method also has advantages for consumers' cooperative organisations. For example, the society's official in charge of purchases at the Lenin Collective Farm spends 21 roubles per 1000 units of produce, whereas other consumers' societies have to pay considerably more for the same amount.

The experiment carried out by farmers at the Lenin Collective Farm in the Kopylsk region, their decision to market their surplus produce solely through the consumers' cooperative instead of taking it to collective farm markets is being tried out on an ever-increasing scale. Their example is being followed by dozens of collective farms not only in Belyorussian S.S.R., but also in the R.S.F.S.R., Ukrainian S.S.R. and other allied Republics.

- JAMAICA:** The Jamaica Cooperative Union, Ltd., 74½ Hanover Street, Kingston, W.I.
- JAPAN:** Nippon Seikatsu Kyodokumiai Rengokai, (Japanese Consumers' Cooperative Union), Rokin-Kaikan, 5, 2-chome, Shiba-Tamuracho, Minatoku, Tokyo.  
Zenkoku Nogyokyodokumiai Chuokai, (Central Union of Agricultural Cooperatives) 11, Yutakucho, 1-chome, Chiyoda-ku, Tokyo.  
Zenkoku Gyogyo Kyodokumiai Rengokai, (National Federation of Fishery Cooperative Associations), Sankaido Building, Akasaka-ta meikomachi, Minato-ku, Tokyo.
- JORDAN:** Jordan Cooperative Central Union Ltd., P.O.B., 1343, Amman.
- KOREA:** National Agricultural Cooperative Federation, 75, 1st street, Chung-Jong-Ro, Sodaemun-ku, Seoul.
- MALAYSIA:** Cooperative Union of Malaya, 8, Holland Road, Kuala Lumpur.  
Federation of Cooperative Housing Societies, 8, Holland Road, Kuala Lumpur.  
Sarawak Co-operative Central Bank Ltd., 3-J, Clifford House, Kuching, Sarawak.  
Singapore Cooperative Union, Ltd., Post Box 366, Singapore.
- MALTA:** Farmers' Central Cooperative Society Ltd., New Building, Middleman Street, Marsa.
- MAURITIUS:** Mauritius Cooperative Union, Dumat Street, Port Louis.
- MEXICO:** Confederación Nacional Cooperativa de la Republica Mexicana, C.C.L., Av. Cuauhtemoc 60, 5e Piso, Mexico 7, D.F.
- NIGERIA:** Cooperative Union of Eastern Nigeria Ltd., Cooperative Bank Buildings, Milverton Ave, Aba.  
Cooperative Union of Western Nigeria, Ltd., c/o Cooperative Buildings, New Court Rd., Ibadan.
- NORWAY:** Norges Kooperative Landsforening, Organisasjonsavdelingen, Kirkegaten 4, Oslo.  
Affiliated societies (1962): 1,037; membership: 320,000; turnover of local societies: Kr. 1,600 mill.; of N.K.L.: Kr. 458 mill.  
BB L A/L Norske Boligbyggelags Landsforbund, Trondheimsveien 84-86, Oslo.
- PAKISTAN:** East Pakistan Co-operative Union, Ltd., 9/D-Motijheel Commercial Area, 3rd. Floor, Dacca, 2.  
West Pakistan Co-operative Union, 31, Lower Mall, Lahore.  
Karachi Central Cooperative Bank, Ltd., 14, Laxmi Building, Bunder Road, Karachi, 2.  
Karachi Central Cooperative Consumers' Union, Block No. 53, Pakistan Secretariat, Karachi, 3.  
Karachi Cooperative Housing Societies Union, Shaheed-e Millat Road, Karachi, 5.  
Karachi Cooperative Institute Ltd., 4, Bandukwala Building, McLeod Road, Karachi, 2.  
Karachi Fishermen's Cooperative Purchase and Sales Society Ltd., West Wharf Road, Karachi.
- Sind Regional Cooperative Bank Ltd., Provincial Cooperative Bank Building, Serai Road, P.O.Box 4705, Karachi 2.
- PHILIPPINES:** Central Co-operative Exchange, Inc., P.O.B. 1968, Manila.
- POLAND:** Central Agricultural Union of "Peasant Self-Aid" Cooperatives, Kopernika 30, Warsaw.
- ROUMANIA:** Uniunea Centrale a Cooperativelor de Consum „Centrococop”, Calea Victoriei 29, Bucharest.
- SCANDINAVIA:** Nordisk Andelsforbund (Scandinavian Co-operative Wholesale Society), Njalsgade 15, Copenhagen S.
- SWEDEN:** Kooperativa Förbundet, Stockholm, 15.  
Affiliated retail societies (1963): 400; membership: 1,271,000; total turnover of distributive societies: Kr. 4,347 mill.; total turnover of K.F.: Kr. 3,090 mill. (Kr. 2,055 mill. sales to affiliated societies); own production: Kr. 1,630 mill.; total capital (shares and reserves) of K.F. and affiliated societies Kr. 1,024 million, surplus included  
Kooperativa Kvinnogillesförbundet, Stockholm, 15.  
Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund (H.S.B.), Flemminggatan, 41, Stockholm, 18.  
Affiliated Building Societies: 189; with individual members: 215,000; number of flats administered by local societies: 202,000; value of real estate: 7,100 mill. Kr.  
Svenska Riksborgen, Box 19028, Stockholm, 19.  
Folksam Insurance Group, Folksam Building, Stockholm, 20.  
Sveriges Lantbruksförbund, Klara Ostra Kyrkogata, 12, Stockholm, 1.
- SWITZERLAND:** Verband schweiz. Konsumvereine (V.S.K.), Thiersteinerallee 14, Basle.  
Affiliated societies (1961): 540; shops: 3,300; membership: 723,000; retail turnover of affiliated societies: Frs. 1,346; wholesale turnover: Frs. 853 mill.  
Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), Schaffhauserstrasse 6, Winterthur.  
Schweiz. Verband Sozialer Baubetriebe, SBHV., Postfach Sihlpost, Zurich, 1.  
Genossenschaftliche Zentralbank, Aeschenvorstadt 71, Basle.  
COOP Lebensversicherungs-Genossenschaft Basle, Aeschenvorstadt 67, Basle.
- TANGANYIKA:** Cooperative Union of Tanganyika, Ttd., Avalon House, P.O. Box 2567, Dar es Salaam.
- UGANDA:** Uganda Co-operative Alliance, Ltd., P.O.B. 2212, Kampala.
- U.S.A.** The Co-operative League of the U.S.A., 59, East Van Buren, Chicago Ill. (60605), and 1012, 14th Street, N.W., Washington 5, D.C.
- U.S.S.R.:** Central Union of Consumers' Cooperative Societies of the U.S.S.R. „Centrosoyus”, Ilyinka Tcherkassy pereulok 15, Moscow.  
Consumers' societies (1961): 17,500; members: 43,1 mill.; stores: 321,000.
- YUGOSLAVIA:** Glavni Zadruzni Savez FNRJ., ul. Knez Mihajlova 10, Belgrade.





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