

Alexander Klimov

SOVIET
CONSUMER
COOPERATIVES



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Alliance*

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SOVIET

CONSUMER

COOPERATIVES

An Age-Long Path

Consumer cooperative societies emerged in Russia over one hundred years ago as an economic alliance of the working people of town and country, intended to evade extortionate taxes and mediation of merchants and profiteers.

The tsarist government, afraid of the growing people's activity, hindered the development of consumer societies. The first bourgeois-democratic revolution of 1905 enriched the masses' political experience, and social life in Russia began to develop more intensively. The upsurge of the revolutionary movement and the deterioration of living conditions as a result of the economic crisis, brought forth by the Russo-Japanese and the First World wars, gave impetus to the development of consumer societies throughout the country.

By the end of 1917 there were 35,000 consumer societies with a membership of over 11,000,000 in Russia. This was an organization of workers, peasants, and the middle sections of the urban population in their struggle against the oppression of trade and monopoly capital.

However, consumer societies did not play a notable role in the country's economy before 1917. For instance, in 1913 their share in retail trade came only to some three-four per cent.

After the establishment of Soviet Government in November 1917 the consumer societies became an important factor in socialist construction and economic advance. From an organization representing the interests of a relatively small part of the population the cooperative societies grew into a truly mass organization.

Lenin regarded the consumer societies as a most suitable form of distribution which had emerged in the course of capitalist development, had acquired substantial experience, and what was most important, had been the product of the people's initiative. Speaking at a meeting of the Central Workers' Cooperative Society in Moscow at the end of 1918, he said that the cooperative movement was part of the cultural heritage which should be valued and put to use, that "...there are very many live wires among the people who can display tremendous ability, far greater than might be imagined. It is, therefore, the duty of the workers' cooperatives to enlist these people, to nose them out and give them direct work in the supply and distribution of food. Socialist society is one single cooperative.*

Lenin constantly worked on theoretical problems pertaining to the cooperative movement and directed the development of the Soviet consumer societies. In 1923, already gravely ill and allowed to work only 30-40 minutes a day, Lenin dictated five articles and among them, *On Cooperation*, which completed his theory of ways of drawing the cooperative movement into socialist construction.

Giving foremost thought to the restoration of plants and factories, railways and mines and later, to industrialization, and the collectivization of agriculture, the young Soviet state lacked sufficient means to develop state socialist trade. The consumer societies rendered it invaluable aid in socialization of trade.

The state industry supplied them with a steadily growing amount of goods. At the same time it gradually cut down the sale of goods to private merchants and finally stopped it altogether. The state allowed cooperatives unrestricted transportation of goods by rail and by water while limiting and later prohibiting the transportation of private goods. The consumer societies were given state credits on favourable terms and enjoyed other forms of assistance.

Due to the state economic policy and the work of consumer societies to draw the population into its activities and expand the trade network private trade had been fully eliminated by 1931. The consumer cooperative societies became the basis of retail trade.

By supplying the growing urban population with food-stuffs and industry with raw materials, consumer societies made a notable contribution to putting the agrarian country on industrial lines of development. This ensured the Soviet

* Leniñ, *Coll. Works*, Vol. 28, p. 200

Union's economic independence and allowed for a steady rise of its people's living and cultural standards.

The participation of the masses in the work of consumer cooperative societies gradually turned them into a school of collective management. The peasants saw for themselves the advantage of collective farming. Consumer societies stimulated the economic initiative of the population, developed a feeling of collectivism and mutual assistance, inspired the peasants to join into agricultural artels—collective farms (or *kolkhozes*).

Consumer societies played an important role in the socialist reconstruction of the village. Lenin did not conceive collectivization without the cooperative. Its members took part in effecting the cultural revolution, wiping out illiteracy, publishing and distributing books, building clubs and cinema theatres, installing the wireless in the village and organizing lectures for the rural population with the participation of prominent scientists and workers in culture and literature.

As the state developed its socialist economy it searched for more effective forms of urban trade that would correspond to the new political and economic relationships. Rural trade also had to be adapted to the new conditions of the collective-farm system. Modern shops, warehouses and shopping centres had to be set up in the village. The modernization of trade and the improvement of the cooperative system required considerable finances which could be supplied only by the state. By this time consumer cooperative societies had become the major trading organization in the village, which effected the commodity exchange between town and country.

The state rendered substantial financial aid to the cooperative societies in building rural shops and supplied them with consumer goods including those which were formerly the priority of urban customers.

In 1938 the trade turnover of the consumer societies reached 3,600 million roubles as against 1,600 million in 1935. In the three pre-war years (1938-1940) it increased 45 per cent, while the procurement of agricultural produce went up 34 per cent. By the beginning of 1941 the Soviet villages numbered more than 5,000 urban-type shops. Consumer cooperatives also had 22,900 rural shops and 10,800 enterprises, twice as many as in 1937.

During the Second World War consumer societies did their best to help rout the enemy. The people who could not fight at the front worked at home supplying the front

and the rear with foodstuffs and industrial goods. Despite the shortage of workers the cooperative societies developed subsidiary economies and built enterprises producing consumer goods.

The war caused great damage to the Soviet economy, hence, to the consumer societies. On the occupied territories the fascists destroyed 35,000 shops, canteens, bakeries and other enterprises, and thousands of administrative buildings damaging some 25,000. Over 17,000 consumer societies (more than half of all the local cooperatives) and 1,700 district unions of consumer societies were eliminated. Total damages stood at 6,000 million roubles.

As the fascists were being driven from Soviet territory the cooperative societies began restoration work wherever possible. Between 1943 and 1944, 28,000 cooperative shops and 3,000 public catering establishments were built. The consumer societies of Russia, Kazakhstan, Georgia and Azerbaijan rendered considerable financial aid to the societies in the Ukraine and Byelorussia, that had suffered most from the fascist invaders. This assistance was a living embodiment of the principles of mutual aid, cooperation and solidarity which form the basis of the Soviet cooperative movement.

After the war Soviet cooperative societies took an active part in restoring and developing the national economy. In 1947 their retail trade doubled as against 1945. The pre-war level of food and raw-material purchases was topped and the cooperative enterprises greatly increased the output of consumer goods.

In the first post-war years considerable attention was given to purchasing agricultural produce from farmers and collective farms at local market prices. These products were sold in towns and workers' settlements through the town cooperative trading network. In the difficult economic situation this made possible to accumulate farm products in towns, gradually abolish food rationing which was introduced at the beginning of the war, and cut retail prices.

As the Soviet economy reached its pre-war level consumer cooperative societies steadily expanded their sphere of activity. Beginning with 1952 they took charge of all the egg, potato, vegetable and other purchases. In 1956 they began to handle purchases of wool and furs and in 1957, the sale of books in the countryside.

Today Soviet consumer societies form a powerful public and economic organization, numbering 59,000,000 and accounting for 30 per cent of the country's retail trade.

The consumer cooperatives service more than half the country's population through a ramified trading network consisting of over 370,000 shops, 70,000 restaurants, canteens and cafes and more than 1,600 wholesale trade centres, storages and warehouses. Seventy per cent of them cater to villages and the rest, to towns. Moscow, Leningrad, Kiev and other cities have modern cooperative firms, whose shops are highly popular with the customer. The total trade through cooperative shops for 1969 stood at 43,000 million roubles.

Consumer societies handle all the purchases of wool and eggs, honey and wild fruits and berries, 36 per cent of fur, 46.5 per cent of potatoes and 36 per cent of vegetables. Their yearly purchases come to over 6,000 million roubles.

The country boasts 14,000 cooperative bakeries, a large number of canneries, slaughter-houses, non-alcoholic beverage plants, sausage factories and other enterprises whose total yearly output is worth more than 3,000 million roubles.

Cooperatives and the State

Among Soviet public organizations consumer cooperative societies hold a prominent place. Their legal status is fixed in the USSR Constitution, which protects their property rights and ensures conditions guaranteeing their independence and economic efficiency.

Article 126 of the Constitution reads: "In conformity with the interests of the working people, and in order to develop the initiative and political activity of the masses of the people, citizens of the USSR are guaranteed the right to unite in mass organizations—trade unions, cooperative societies. . ."

In the Soviet Union consumer societies, like all the other public organizations, can be established freely. No official permission is required. It is sufficient that a meeting of founders (not less than 30) adopt the Rules of the society, elect its board and auditing commission, fix the name of the society, establish the region of its activity and its headquarters and decide upon the size of the admission share. After the Rules have been adopted by the founders or by a meeting of all the members, the society acquires legal power. Cooperative societies do not require registration in any state agency.

The consumer societies take an active part in drawing up and discussing draft state laws and in settling questions of national economic and cultural advance. Thousands of cooperative members are elected to government bodies.

Soviet consumer societies possess considerable finances and movable and immovable property. They have the right to own any property with the exception of land, minerals,

waters, forests, etc. which are state property. However, the state places these at the disposal of consumer societies for durable or perpetual use.

According to Soviet law local authorities and higher co-operative organizations cannot have command over the property of local cooperative societies. To ensure favourable conditions for the development of consumer societies their fixed assets are protected against financial claims of the creditors. Protection covers enterprises, buildings, transport means and other assets. To safeguard the share funds of the cooperative societies and the interests of their members any action brought against members cannot affect their shares. These shares are at the disposal of the society as long as membership is retained.

In the Soviet Union consumer societies function on a planned basis, under a single state economic plan. The state directs their activity, sets them concrete tasks that serve the interests of society and helps carry them out.

Several resolutions of the USSR Council of Ministers regulate economic activities of consumer societies. For example, the resolution "On Deliveries of Products and Commodities," the Rules of USSR Railways, the Rules of Inland Shipping and other resolutions of the ministries and departments of the USSR and Union and Autonomous republics, are obligatory for cooperative societies when dealing with state industrial enterprises. The state standards for commodities must be observed by all consumer societies. They are also obliged to adhere to the instructions of the State Arbitration Commission concerning the purchasing procedure, as well as to all labour and wages laws issued by the USSR State Committee for Labour and Wages and the Presidium of the All-Union Central Trade Union Council.

The Soviet state renders the consumer societies all-round aid. They enjoy extensive credit at 1-2 per cent annual interest at the State Bank for developing trade and procurement and building shops, catering establishments, bakeries, canneries, etc.

Regarding working capital which is indispensable to any trade organization, consumer societies enjoy favourable terms as well. Thus wholesale trade establishments are required to finance only (but not less than) 10 per cent, retail trade establishments, 15 per cent, while State trade organizations pay 50 per cent when purchasing goods from the suppliers.

State enterprises supply consumer cooperative societies

with goods at much lower rates than State retail prices. Cooperatives also have tax privileges.

State assistance to cooperative societies does not affect their economic independence.

All their activities are based on the socialist principle of democratic centralism which means that all their bodies are elected, and that centralized guidance ensuring the most effective economic development, is combined with the participation of all shareholders in cooperative management.

The Soviet consumer cooperative system consists of more than 16,000 consumer societies, 2,500 district, 144 regional and 15 republican unions of consumer societies.

Each cooperative society functions independently in accordance with its Rules, its own financial means and property and has its legal status. All management and control bodies up to the Central Union are accountable to the members and elected by secret ballot.

In joining a consumer society the future member pays an admission fee and a share, fixed by the general meeting of shareholders or their representatives. Non-working members of the shareholder's family and persons who receive state pensions or other allowances pay 25 per cent of the share. In individual cases the society board allows members to pay their share by instalments in the course of a period of up to two years. These terms make membership in consumer cooperatives available to every citizen.

Each cooperative member has only one vote regardless of the size of his share.

The work of consumer societies is based on material incentive. By the decision of the general meeting or meeting of representatives the cooperative society pays yearly dividends from its profits to its shareholders. They can be received in cash, or by agreement with the shareholders, used for the building of young pioneer camps, kindergartens, laundries or other facilities. If the fund of one society is insufficient several of them often pool their funds for the building of joint enterprises. Members of cooperatives enjoy priority in the use of service establishments, cultural facilities and the like. They receive free or cut-rate accommodations at rest homes and sanatoriums belonging to cooperative societies.

The general meeting of shareholders or their representatives is the highest management body of consumer cooperative societies.

It decides on all key aspects of the societies' work: adopts the Rules and introduces amendments to them, elects the

board and the auditing commission, discusses and adopts the financial and economic reports and plans, makes decisions on the sale and purchase of buildings and other property, sets up new enterprises and liquidates outdated ones.

The board and the auditing commission are elected by secret ballot for a term of two years.

The board is an executive body which implements the decisions of the general meeting and is accountable to the meeting for the entire work of the society. Each shareholder can attend the board sessions.

The auditing commission checks on the financial operations and other activities of the board and all the enterprises under its authority.

Special commissions are appointed for a term of two years for daily control over the work of cooperative shops, restaurants, cafes and canteens. Similar commissions check on the work of industrial cooperative enterprises.

Consumer societies of one administrative district amalgamate into a district union, *Raipotrebsoyus*. It helps the societies organizationally, direct their trade, purchasing and financial operations, and supervise the work of industrial enterprises and transport centres.

The highest management body of the district union of consumer societies is the meeting of representatives which elects its board and auditing commission by secret ballot for a period of two years.

District unions of consumer societies are members of regional or republican unions of consumer societies.

Congresses of regional and republican unions of consumer societies are convened every four years. They discuss and approve the reports of the board and auditing commission, elect the union's council, board and auditing commission for a term of four years. They also adopt decisions on other problems of the union's work.

In the intervals between sessions the highest executive power lies with the union council which convenes yearly. If necessary, emergency meetings of the council may be convened.

The central union of consumer societies, *Centrosoyus*, associates republican unions of consumer societies and is the guiding centre for all Soviet consumer cooperatives. It plans their work, instructs them in matters of retail and wholesale trade, purchases of farm produce and raw materials, capital construction, finances and training of personnel.

The wholesale trade of the *Centrosoyus* is guided by its

respective departments which dispose of a network of warehouses, industrial enterprises and offices, and special purchasing boards which are in charge of purchases and processing of farm products.

The special *Soyuzkoopvneshtorg* Department handles import and export operations.

The *Centrosoyus* has its own educational establishments including higher schools and press organs; it helps consumer cooperatives with credit and free grants.

The *Centrosoyus* works out the procedures for planning and accounting, represents the interests of consumer societies in court, arbitration and other institutions and public organizations, develops economic and cultural ties with foreign cooperative societies.

The highest authority of the *Centrosoyus* is the congress of representatives of consumer cooperatives which is convened every four years. By decision of the board or council of the *Centrosoyus*, and on the written request of the auditing commission, or one-third of all *Centrosoyus* members, an extraordinary congress may be convened.

The congress of representatives of consumer societies discusses and approves the reports of the *Centrosoyus* board and auditing commission and decides on all the key aspects in the work of consumer cooperatives. The congress elects the *Centrosoyus* council, the chairman and members of the board, the chairman and members of the auditing commission for a term of four years.

Between sessions the greatest authority is exercised by the *Centrosoyus* council which is convened yearly. Its extraordinary sessions are convened on the decision of the *Centrosoyus* board, and at the request of the auditing commission or of not less than 5 members of the *Centrosoyus*.

The board is an executive organ. It directs all the activities of the *Centrosoyus* and is responsible to the *Centrosoyus* council and the congress of representatives of consumer societies.

Economic relations among all the units and organizations of consumer cooperatives are based on agreements. All legal acts are passed in accordance with Soviet legislation and the regulations dealing with consumer societies. The solvency of each society is guaranteed by the value of its property. Higher bodies of consumer cooperatives do not bear financial responsibility for commitments made by lower organizations.

The financial activity of consumer societies is under the strict control of the shareholders: nearly 3,000,000 persons

take part in the work of the boards and the special public control commissions.

The democratic nature of the cooperatives is manifest at the shareholders' meetings. In February-March 1970 some 43,000,000 of them took part in election meetings. These gatherings witnessed heated discussions on the work of consumer societies and their district unions. Criticism was made of shortcomings in the work of some cooperative leaders, and practical measures for improvement were proposed. Experienced and well-educated shareholders were elected to the boards and auditing commissions of the societies and their unions; today 93 per cent of all board chairmen in the district unions of consumer societies have a higher or secondary education. Twenty-five per cent of board members are women.

Recently, upon the decision of shareholders, consumer societies were amalgamated into larger units. In January 1, 1956 there were 21,000 societies in the country, but in January 1970 there were only 15,980. As statistics indicate, this has resulted in higher labour productivity, greater profits and lower operation costs.

Consumer cooperatives are steadily increasing the number of public control commissions elected by the shareholders. Authorized agents from among the shareholders make regular check-ups on the work of canteens, bakeries and other co-operative enterprises. The shareholders elect managers of shops, restaurants and other establishments and dismiss those who violate trade regulations, cause mismanagement, ignore the needs of consumers and fail to provide proper services.

Voluntary work and creative initiative develop along various lines in consumer societies. Recently district unions of consumer societies and local cooperatives instituted non-staff instructors and deputy chairmen of cooperatives who concentrate on organizational matters. Many pensioners with great practical experience contribute to the work of cooperatives. The voluntary activity of shareholders in distributing books has gained general approval. Stalls without salesmen and shops serviced by unpaid salesmen have become popular on the farms. This form of trade is based on full confidence between buyers and sellers.

With the People

The exchange of commodities between town and country and between industrial and the rural consumer cooperatives stimulates the national economy and raises the living standards.

Their trade reflects the economic relations between state industry, which is the property of the whole people, and the rural economy which exists chiefly in the form of cooperative and collective-farm property. Through cooperative trade the rural population is supplied with all the necessary commodities. Agricultural purchases made by consumer cooperatives enable the collective and state farms to realize their produce.

By bringing industrial goods to the rural dwellers consumer cooperatives help them to build their lives along modern lines and raise their cultural standards. This contributes to the elimination of differences between town and country. By selling the produce of state and collective farms the cooperatives guarantee the farmers stable incomes which stimulate their labour productivity.

In Soviet times the composition of the rural population has changed greatly. In pre-revolutionary Russia the term "rural population" was identical to the term "peasant population." Today almost 8,000,000 country dwellers work in industry, the transport and communications systems; over 1,500,000 are employed in trade, public catering and in the system of materials and machinery supply; some 4,500,000 specialists work in the education and public health systems and in rural scientific establishments; more than

8,000,000 are agricultural workers, technical specialists and government workers.

The work of Soviet consumer cooperatives stimulates the development of state industry as well as collective and state farm production. Cooperative trade has a notable impact on the expansion of consumer goods production and on the range of goods carried. A systematic study of consumer demand makes managers of industrial enterprises stop the output of outdated goods and increase production of popular commodities.

Consumer societies play an important role in satisfying the population's everyday needs. A network of public catering establishments and bakeries has given the rural women more time for leisure, education and care of children.

Using local raw materials the cooperatives produce numerous manufactured goods. And the foodstuffs they put out help to expand trade and meet the consumer demand.

Trade in the Soviet Union is on the upgrade, for the high growth rates of social production make for a steady rise in the incomes. In the recent period particular headway has been made in cooperative trade (it increased by 31.3 per cent between 1966 and 1968 against 22.5 per cent for the preceding three years) due to the notable growth of *agricultural production and the higher living standards* of the rural population. At present, the average yearly rates of growth of cooperative trade are 9-10 per cent. By 1970 it will mount to 44,200 million roubles, which is 50 per cent higher than in 1965. In the following five years (1971-1975) an increase of another 16,000 million roubles is expected.

The constant improvement of the pattern of trade turnover is a characteristic feature of the development of Soviet cooperative trade.

The increase in remunerations to farmers in money over those in kind, and the growing number of industrial workers and professionals living in the rural areas have caused a greater demand for foodstuffs put out by the food industry, mostly for high-calory foodstuffs. In 1940 such products as sausage, ham, canned meat, herring, smoked fish, canned fish, fats, condensed milk, curds, cheese and eggs made up only 7 per cent of the consumer cooperatives' trade in food items; today they make up 20 per cent. The absolute volume of sales of foodstuffs has also soared upward. In 1969 consumer cooperatives sold nearly 840,000 tons of fish and herring which is 16 times more than in

1940. Sales of sugar and confectionery have increased 9-fold within the same period.

The pattern of industrial goods turnover has also changed. In 1969, wool and silk made up 47 per cent of all purchased fabrics, while, it was 21.5 per cent in 1940. Sales of silk have gone up nearly 19-fold, and there has been a considerable increase in sales of ready-made clothes, shoes and other commodities.

The construction of individual housing has increased the demand for building materials, kitchen and bathroom facilities and modern furniture. In 1969 consumer cooperatives sold 2.7 times more furniture and carpets than in 1960. In the last three years alone cooperative shops have sold almost 4,000,000 TV sets, over 5,000,000 radio sets and record-players, 3,200,000 washing machines, 1,300,000 refrigerators, 8,000,000 motorcycles scooters and bicycles. Cooperative shops sell a wide range of sports gear, hunting and fishing tackle. In 1968 sales of sports goods doubled as compared with 1960.

Cooperative book shops supply the rural reader with fiction, political and scientific literature and literature for children. Their number has doubled in the last ten years and in 1969 there were 7,543 of them. Yearly sales amount to 350-360 million books.

A notable feature of the development of cooperative trade is the levelling out of the volumes of trade in town and country, which is due to intensified development of trade in the countryside. The cooperative trade for 1968 topped the 1940 volume 6.6 times.

In pre-revolutionary Russia per capita retail trade in the village was only a sixteenth of the trade in town. In 1940 it came to a fifth and in 1960, to a third. In 1975 it is expected that the amount of goods sold in the village will be almost half those sold in town. But it must be noted that this comparison is not quite accurate since the volume of consumption is different in village and town. The majority of rural dwellers have a substantial amount of meat, milk, eggs, fats, potatoes, vegetables and fruits coming from their own subsidiary farms and from the collective farms. Besides, they make some of their shopping in town.

At present the Soviet cooperative trade system has a network of 360,000 shops. They show steady improvement in work and gradually acquire an up-to-date appearance. Today many rural shops are in no way inferior to the best trading establishments in towns. Over 70 per cent of coope-

rative shops have been built or reconstructed in the last 15 years.

The former village shop serviced by one or two salesmen has changed to a modern trading establishment. Shopping centres with a wide range of food products and commodities are being built in all large settlements. Here one can buy ready-to-cook foods and enjoy excellent catering. Department stores and specialized shops selling foodstuffs, building materials, hardware, house utensils, books and furniture are mushrooming throughout the country. Consumer cooperatives lay particular stress on the building of shops selling goods that are in daily demand, and on expanding mail-order trade or delivery.

To keep all these shops well stocked, consumer cooperatives build large wholesale centres which provide them with the required goods.

In improving trading network the cooperatives take into consideration key economic and social factors such as the size and movement of population, the solvent demand and the local traditions.

Due to the switch-over to the five-day working week and longer holidays more town dwellers make regular trips to the countryside. With the growing number of car-owners more and more people spend their weekends and holidays in rural environment. The cooperative societies have opened numerous summer trading establishments in villages, parks and on the beaches.

Consumer societies constantly expand their trading network by building new and reconstructing old trading establishments. More than 100,000 workers, including over 7,000 engineers and technicians, are employed in the 250 building organisations of the *Centrosoyus*. More than 6,000 specialists work in designing bureaus.

The consumer cooperatives have their own industry manufacturing trade equipment; it supplies 25,000 shops yearly.

Between 1971 and 1975 thousands of new shops employing 150,000 salesmen will open throughout the country. New restaurants, cafes and dining halls will accommodate some 600,000 more customers. In the first half of the seventies consumer cooperatives will build another series of modern warehouses with a total area of more than 3,500,000 square metres and refrigerators with a volume of 150,000 tons, and will reconstruct not less than 50,000 shops.

The majority of the shops (over 90 per cent) are being built on the plans of standard projects developed by designing institutions of the *Centrosoyus*. These are mostly modern shopping centres which are able to service numerous customers.

Experience has proved such centres to be greatly economically efficient. Take for instance, the cooperative shopping centre in Peida (Estonia) built in 1967. This three-storey building houses a self-service food shop which occupies an area of 630 sq. m, and a restaurant catering to 300 customers. The monthly turnover of the centre amounts to 170,000-200,000 roubles. Economic estimates show that its building expenses (405,000 roubles) will be repaid in four years' time.

The cooperative shopping centre in Valmiera (Latvian SSR) consists of a department store, souvenir shop, cafeteria, restaurant and dining hall seating 360-400 people. The centre also includes a prepared foods shop, a bar and storage houses. The annual turnover of the department store alone is more than 8,000,000 roubles. The prepared foods shop makes a daily sale of 1,000 roubles worth of cooked foods.

The turnover of the catering establishments amounts to 700,000 roubles a year. It has become popular here to set up cookery and confectionery exhibitions where visitors can sample and purchase things to their taste.

Department stores are considered to be the most effective. They make it possible for trade organizations to display a wide range of goods and apply numerous forms of modern service. The new project for standard department stores with an area of 750 square metres is a success from the architectural and organizational aspects: the display halls, cafeteria and storage rooms are well arranged and the fine design of the building meets the modern architectural requirements.

The network of specialized shops, selling furniture and building materials, will also be expanded. A new project envisages the building of shops specializing in household goods, hardware and building materials. They will consist of the main building with an area of 217 square metres, a container repair shop, a storage for hardware and chemical goods, and premises for stocking bulky building materials. Standard projects have been designed for bookshops, foodshops and other trading establishments.

Introducng modern forms of trade. At present more than 120,000 shops have changed to advanced methods of trade. Of these over 34,000 are working on a self-service system. Self-service trade is being effectively used for sales of food, household goods, china and kitchen utensils, paints, detergents, books and stationery.

It is expected that in 1972 some 70-80 per cent of bread, canned food, jams and preserves, honey, soap and matches, and 40 to 60 per cent of other foodstuffs will be sold by the self-service method. Shops selling household articles and books will go fully over to this system in 1971.

Taking preliminary orders, cutting out clothes and fitting ready-made things, as well as the delivery of goods to the customer—these are the services widely used by co-operative shops. Co-operative societies and collective farms organize the transportation of dwellers from the remote areas to co-operative department stores.

Large department stores have a number of specialized sections: "Everything for the Child," "What a Housewife Needs," "For Schoolchildren," "Everything for the Gardener," etc. These displays save time and effort for the customer and enable shop workers to have a better idea of their demand.

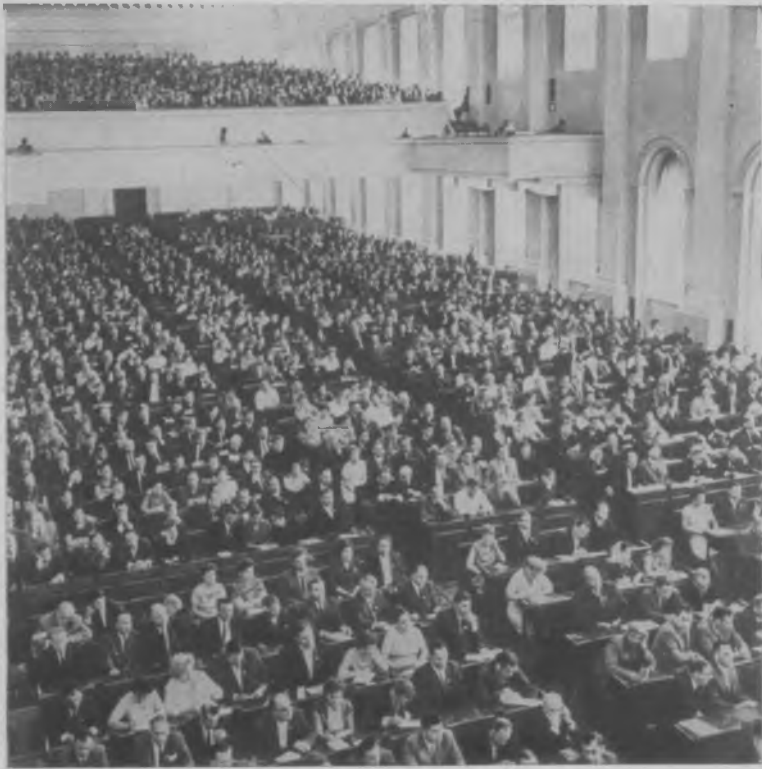
With this purpose the Central Scientific Laboratory for the Study of the Consumer Demand has been established at the Moscow Co-operative Institute of the *Centrosoyus*; similar departments were set up with the Republican, regional co-operative unions and local consumer societies.

Consumer co-operatives specify the range of goods for any trading establishment, taking into account the type of the shop and the demand of the population. Articles of small demand are usually delivered to large department stores, shopping centres and specialized shops.

The *Centrosoyus* advertisement services organize exhibitions and seminars for shop workers, work out guides on the organization of trade for local co-operative shops and train specialists in advertising. In Moscow a special school has been set up for the purpose. Local advertising agencies are steadily growing in number throughout the country.

An important role in supplying the population with goods belongs to wholesale trade. Priority is given to building large mechanized centres. Some of them, such as the Tallinn base of the Estonian Co-operative Union, are equipped with electronic computers which make possible all operations to be fully automated.

The All-Union Congress of Co-operative Workers in the Great Kremlin Palace.





▲
Japanese cooperative representative, S. Nakabayasi, was given a hearty welcome by Soviet cooperative leaders.





The "Merepinga" cooperative cafe in Estonia is a favourite spot of local residents and tourists.

◀
Young people from many countries study at the Moscow Cooperative Institute.



A fruit and vegetable canning plant in Uman
in the Ukraine.



Muscovites like shopping at the "Gifts of Nature", a co-op store known for its fresh berries, honey, game etc.

The *Centrosoyus* tourist base in the suburbs of Moscow has excellent transport facilities.





Co-op workers go to Tskhaltubo, one of the best Caucasian resorts, for rest and treatment.





In Sheduva, a settlement in Estonia, there is a small picturesque co-op cafe in an old windmill; the central part of the hall slowly rotates around the mill's axis.

◀ The Tskhakay plant in Georgia is modern in every sense of the word.



A dance ensemble of co-op workers
in the Teltyaisky district (Lithua-
nia).

Children of Estonian co-op mem-
bers spend the summer on the Bal-
tic shore.



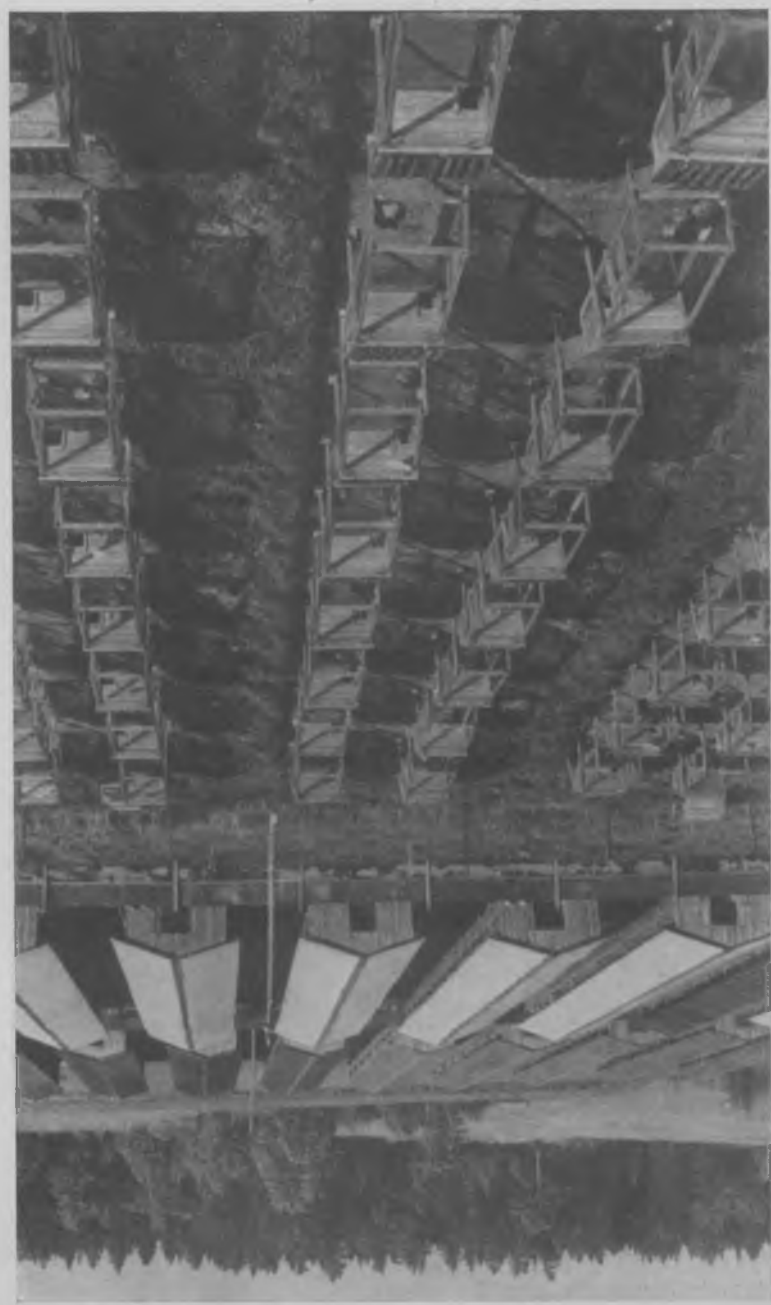


Estonian co-ops
breed blue mink.



▶
A co-op fur farm
in the Baltic re-
gion.

“Zarya” shoe shop
in the Ukraine.



A co-op shop in a village in the Dzhambul region, Kazakhstan.





"Pushkin Spring" restaurant in Georgia.

Mobile shops cater to shepherds in the Kazakhstan alpine pastures.



Mushrooms harvest.





A shop and dining hall at the "Burtineki" state farm in Latvia.



The Far North. The co-op shop of the "Naryan-Ty" collective farm in the Nenets autonomous region can't complain that business is slack.

A three-stage system of supplying shops with goods had previously existed in cooperative trading organizations. At first, goods were delivered to the warehouses of regional cooperative unions, then they were sent to district cooperative warehouses and frequently to the storehouses of consumer societies. Only then were goods delivered to the shops. Today it is more simple. Due to direct contracts with industrial enterprises consumer cooperatives are able to take goods straight to their wholesale centres where they are sorted out among the shops.

The direct economic ties between consumer cooperatives and industry help to implement the economic reform now underway in the Soviet Union.

At the People's Service

The development of public catering in rural areas is an important aspect in the work of consumer societies.

Consumer cooperatives have set up a large network of public catering establishments in the countryside: a total of 71,000 restaurants, tea-rooms and cafes which are able to cater simultaneously to 2,000,000 customers. In the current five-year period new enterprises catering to 360,000 more people will be opened. The stress will be on the building of catering centres comprising restaurants and cafes and shops producing and selling ready-to-cook foods.

Canteens are set up on practically every farm. The cooperatives supply all the necessary facilities and equipment, and organise the delivery of hot dinners to workers in the field and to schools. They also run cook training courses.

Youth cafes have become quite popular in the countryside. Apart from good catering they have frequent evening parties organized together with youth organizations.

Catering establishments are built in picturesque spots. In summer, visitors can enjoy meals in the open air. In winter, nothing is better than a ski jaunt followed by a good meal in a warm and cosy atmosphere.

One can always stop in for a glass of beer or wine at the bar. Much thought is given to the organization of public catering along tourist routes. Up-to-date restaurants, cafes and canteens can satisfy the most exacting tastes.

In all catering establishments the stress is placed on saving people's time. It is estimated that more than 23,000,000 women are engaged in household work. By

freeing women from some of it the state will solve an economic and social problem.

Well-organized public catering helps women save much time. Thus, the cooking of a single dinner in a catering establishment takes 10-12 minutes while a housewife spends at least an hour on it.

Lenin stressed the importance of setting up a well-organized public catering system as a means of achieving a substantial economy of manpower, freeing women from household slavery and improving sanitary conditions.

The yearly output of cooperative bakeries amounts to about 10,000,000 tons of bread. The *Centrosoyus* develops bread-baking in the rural areas along industrial lines so that no bread has to be baked at home.

Under the current five-year plan some 2,000 more bread-baking plants will be built. Their modern equipment will provide for higher labour productivity and improve the quality of output.

This will be of great economic and social significance. The farmer's wife will be finally freed from the burden of baking bread for the family. Economically, this will make for a saving of nearly 250,000,000 work-days, some 100,000-150,000 tons of flour and up to 400,000 tons of fuel.

Made by the Cooperative Society

Consumer cooperatives are making substantial headway in the development of food industries. They produce large amounts of tinned fruits, vegetables and meats, sausage, smoked foods, confectionery, ice-cream, fruit juices, soft drinks and beer. The plan for 1970 envisages the output of 1,200 million tins (net weight—0.5 kg. per tin) of fruits and vegetables. Also the plan calls for 39,000,000 decalitres of non-alcoholic beverages and 12,300,000 decalitres of beer.

Consideration is given to the fact that farmers today are eager to buy more sausages, smoked foods, cheese and butter. In 1970, the cooperatives are expected to produce up to 200,000 tons of sausage and smoked foods, i.e. four-times the amount produced in 1965.

Considerable progress will be made in the output of prepared and ready-to-cook foods and other goods, for which the basic product is supplied to cooperatives by collective farms on condition that the ready goods are sold to the farmers.

Cooperatives have at their disposal some 3,000 hectares of water reservoirs where more than 10,000 centners of fish are caught annually. The cooperatives also have pig-breeding farms which are very effective in many regions.

By 1975 the *Centrosoyus* plans to raise the output of tinned fruits, vegetables and meats to 1,400 million tins, sausages to 250,000 tons, beer and non-alcoholic beverages to 22,700,000 and 53,300,000 decalitres respectively, and fruit juices and grape wines to 11,600,000 decalitres.

Cooperatives also produce different commodities. Thus

in several regions and republics where crafts have been practiced for ages they have set up enterprises producing toys, souvenirs and objects of art, all of fine workmanship, which are in great demand both at home and abroad. Other enterprises produce ready-made clothes, building materials and other goods.

Purchases of Farm Produce and Raw Materials

Soviet consumer cooperatives are among the country's largest purchasing organizations. Their purchases include more than 60 items: potatoes, vegetables, fruits and melons, etc. All the products are immediately delivered to cooperative shops, public catering establishments and local food processing enterprises in towns and workers' settlements, including those situated in the Extreme North. The cooperatives purchase 46.5 per cent of the country's potatoes, 36 per cent of vegetables, 25 per cent of fruits, 78 per cent of melons, 78 per cent of mushrooms, 65.5 per cent of all raw leather, 44 per cent of astrakhan and 36 per cent of furs. Wool and egg purchases are the sole monopoly of consumer cooperatives.

Cooperatives also buy utility refuse including scrap textiles, paper, metal, glass and other materials. Between 1959—1969 they accounted for some 3,300,000 tons of ferrous and more than 135,000 tons of non-ferrous scrap metal, 2,048,000 tons of scrap textiles and some 1,700,000 tons of scrap paper.

In 1969 cooperative organizations purchased 5,000,000 tons of potatoes, 3,500,000 tons of vegetables, 890,000 tons of melons, some 15,000 million eggs and 405,000 tons of wool.

They account for deliveries of wild berries, mushrooms, nuts and medicinal herbs. Special contests are organized by the *Centrosoyus* to raise the material incentive of cooperative members and the entire population. Young people's and children's organizations are active participants in these contests. Schoolchildren are great enthusiasts of picking mush-

rooms, berries and herbs. In 1967 pupils of Vladimir region in Central Russia collected 1,400 tons of mushrooms, which is one-third of all mushroom purchases in the region.

Consumer cooperatives give much thought to expanding and modernizing their purchasing centres; they are fitted out with up-to-date facilities for receiving, storing and processing products and raw materials. All loading and unloading operations are steadily mechanized. In 1969 the number of mechanized purchasing centres increased to 844. There were 286 centres in 1957.

In the current five-year period it is expected to put into operation a whole chain of completely mechanized purchasing centres. They will be able to handle 170,000 tons of products. Vegetable and potato store-houses with a modern ventilation system and a capacity of 320,000 tons will be built, as well as fruit storages with refrigerating equipment, capable of handling 25,000 tons, and mechanized pickling centres with a capacity of 42,000 tons.

To increase purchases of mushrooms, cranberries, red bilberries, cloudberry, nuts and herbs, numerous mobile purchasing stations will be established.

Besides making extensive fur purchases, consumer cooperatives engage in fur breeding. Their 210 fur farms breed mink, blue fox, silver fox and nutria, the number of which is today 630,000. In 1969 alone the number of animals increased by almost 55,000. Particular credit in this achievement should be given to the All-Union Institute of Hunting and Fur-Breeding Produce of the *Centrosoyuz*, which carries on research in improving animal breeds. In 1968, cooperative fur farms bred a total of 1,800,000 valuable fur animals, including 1,185,000 head of mink and 368,000 head of fox.

Who Provides the Finances

Each cooperative society, from lower organizations to the *Centrosoyus*, has its property and finances which, according to the Rules, it can dispose of independently, without any state interference.

This does not exclude centralized direction of the lower organizations' financial and economic activities on the part of higher organizations which are guided in their work by the decisions of All-Union Congresses of Cooperative Societies.

The finances of Soviet consumer societies are made up by State credits, the admission fees and shares of cooperative members and profits brought in by the cooperative enterprises.

The size of the share and the admission fee paid by each member upon entering the cooperative is fixed by the general meeting of shareholders. Shares are the group property of the cooperative, the rule being that each member holds only one share. This guarantees equality of all shareholders. Non-working members of their families and pensioners contribute only 25 per cent of the share. Upon leaving the cooperative the share is returned.

The steady increase in the cooperatives' finances ensures a rapid growth of new shops, catering establishments, warehouses, purchasing centres and enterprises, and makes it possible to train more specialists in cooperative work.

The bulk of the cooperatives' funds comes from their profits. Between 1963 and 1968 they increased by 2,700 million roubles.

The society's profits after the payment of income tax

are distributed by decision of the general meeting of shareholders (or a meeting of their representatives), and in cooperative unions, by decision of the Council. As high as 20 per cent is distributed as dividends among the shareholders. Within the last five years (1963-1968) this totalled 113,500,000 roubles.

The cooperatives' different outlays are distributed among various funds: to make up the fixed and circulating assets, to make capital investments intended to improve and expand wholesale and shopping centres, department stores, refrigerators, cafes, purchasing centres and other enterprises. A special fund takes care of repair and modernization work.

Substantial finances are allocated for the training of specialists and the maintenance of higher and secondary specialized schools and courses.

Each cooperative allocates a considerable sum for cultural work among its members, the organization of lectures on scientific, political and social subjects, excursions, and exhibitions, for the maintenance of clubs and the purchase of music instruments and other equipment. The same fund provides loans for the building of homes or the purchasing of household articles. The most active members are encouraged with free or cut-rate accommodation passes to sanatoriums and holiday homes.

Grants from a special fund are awarded to the best cooperative workers.

Another fund compensates for losses due to reduction in the price of goods that are unfashionable. Financed by wholesale centres and cooperative union-run warehouses it prevents accumulation of old stock. Clothes no longer in style are sold at lower prices.

The bulk of cooperative finances is invested in capital construction, repair and reconstruction work. Thus over 540,000,000 roubles are spent yearly on building new enterprises.

The shares, which make up a separate fund and which are the collective property of the shareholders increase with the growth in cooperative membership. Since 1964 it rose by 30 per cent, but their proportion in the cooperatives' total capital is falling: 7.4 per cent in 1969, compared to 8.6 per cent in 1964.

The main and the special funds are steadily growing; by 1968 they comprised 92.6 per cent of all the cooperatives' finances.

Although the finances increase constantly the consumer

societies often resort to short- and long-term credits from the State Bank. In 1969 credits provided by the State and Building Banks constituted 24 per cent of the cooperatives' capital investments.

Other forms of state assistance to cooperatives include cut rate prices on various goods purchased by the consumer societies, free allocations from the State budget to cover transportation expenses if the distance exceeds 10 kilometres.

Other privileges include lower tax rates (as compared with state enterprises) or exemption from income tax. New cooperative enterprises working on local raw materials are freed from income tax payments for a period of two years. Profits obtained from the sale of fish caught by cooperative societies are free of taxation. Considerable advantages are given to cooperative plants and factories in respect to turnover tax payments. The output of all cooperative bread plants is also tax-free.

The new economic reform for improvement of planning methods and stimulation of industrial production is also being implemented by consumer cooperatives.

Transition to the new system has greatly expanded the rights of chairmen, and given local cooperative workers full freedom of initiative; planning is more soundly based and makes for higher economic efficiency. The cooperatives have increased their trade turnover, cut down outlays and raised profitability of trade and public catering.

The new system is also being introduced into cooperative purchasing, industry and transport.

Much is done to cut down on material and labour outlays in the sphere of circulation. Conferences of cooperative workers to improve work have become a regular event. These enable leading cooperative workers to assimilate the methods of effective economic management and the experience of advanced cooperative organizations.

Important work is done by the newly set-up councils for economic problems and economic analysis bureaus. Some cooperative union organizations have founded schools of economy. Most regional and district union organizations of the Ukraine have set up people's universities specializing in the study of economics. Cooperative societies concentrate on improving management, eliminating production losses and gaining the highest economic effect.

Abreast of the Times

The extensive activities carried on by consumer cooperative societies call for training a large staff of skilled cooperative workers. Today their number is nearly three million, and many of them have a higher or specialized secondary education.

The system of cooperative education comprises higher educational establishments, specialized secondary and vocational schools, schools training instructors and inspectors, interior decorators and advertising specialists, and refresher courses. Yearly more than 800,000 cooperative workers attend schools or take courses. In the last ten years the number of cooperators enrolled in colleges has gone up 4.3 times and those studying in specialized secondary schools 2.3 times. The cooperative societies allocate considerable funds for training cooperative workers.

The Soviet Union is a multi-national country. Therefore teaching in the republics is conducted in the local languages. For those who wish there are also classes in Russian.

Education in all cooperative schools is free. Besides, the students are provided with stipends and free hostel accommodation. Those taking refresher courses retain their former wages, while some also receive stipends.

All graduates of cooperative schools are guaranteed work.

The *Centrosoyus* guides all the organizational and methodological work of cooperative educational establishments, it plans and approves curricula and programmes.

Soviet consumer cooperatives have 5 higher educational establishments: in Moscow, Lvov, Novosibirsk, Samarkand

and Karaganda, with 29 branches, departments and consultation centres in other cities.

Students specialize in trade economics, accountancy, finances and credit, science of commodities and manufactured goods, trade, organization of the foods trade, and economics and procurements. Training in these fields takes four years, and in technology and organization of public catering five years.

In 1969, some 38,000 students attended higher cooperative schools, including 9,000 studying in the day department. The number of graduates is growing: 4,652 in 1968 compared to 1,693. in 1964.

The *Centrosoyus* trains teaching personnel for specialized secondary and vocational schools at the Pedagogical Faculty of the Moscow Cooperative Institute, whose student body is nearly 650. In 1968 it turned out 170 teachers.

Cooperative higher schools enroll persons with a general secondary or specialized secondary education. Cooperative workers, members of consumer societies and their children, enjoy certain admission privileges.

Students who study by correspondence are given yearly, 30-40-day paid leaves for the examination period and an additional 30-day leave during graduation. Students in their final year are entitled to one day off during the working week (if they wish to use it), for which they are paid half the day's earning. Correspondence students pay only half the travelling expenses to the place of their institute.

The higher cooperative schools are staffed with more than 1,000 professors, doctors of science, assistant professors, candidates of science and teachers. Apart from special subjects students are taught mathematics, physics, chemistry, economic geography, foreign languages, political economy and philosophy.

Scientific workers for the *Centrosoyus* system are trained at post-graduate courses that have been set up with the Moscow, Lvov and Novosibirsk cooperative institutes with a total enrollment of 190.

Cooperative specialized secondary schools (119 in all) train specialists for the trading system, public catering and purchasing establishments, bakeries and other cooperative enterprises (a total of 17 specialities).

Graduates from these schools work as commodity experts and trade organizers, book-keepers, planning workers, purchasers, specialists in fur farming, public catering technologists, specialists in bread baking and canning, technicians and mechanics at food and refrigerating enterprises.

Nearly 160,000 students are enrolled in cooperative specialized secondary schools, of which 66,000 study in the day departments and the rest by correspondence. 45,500 cooperative workers were trained in 1968.

Specialized secondary schools enroll persons having a complete (10-year) or incomplete (8-year) secondary education. The former are admitted for a 2-3 year term, the latter for 3-4 years. For correspondence students the term is extended for one more year.

A chain of branches and consultation stations gives assistance to those studying by correspondence.

Cooperative specialized secondary schools are sponsored by republican territorial and regional unions of consumer societies. The latter finance the schools and decide on the graduates' place of work.

Nearly 5,300 teachers are on the staff of these schools. Yearly seminars are held and special refresher faculties have been opened to improve their skills.

Specialized secondary schools give their students a fundamental theoretical knowledge and practical training in cooperative work. They undergo practical training at cooperative and state trade establishments and production enterprises.

Many of these schools have their own cooperatives (40 in 1968) which have at their disposal food and manufactured goods shops, canteens and other service establishments.

Ten one-year schools train instructors and inspectors for cooperative work. They enroll cooperators with no practical experience and with at least eight years of schooling.

Salesmen, cooks, bakers, purchasing agents, builders and workers of other professions are trained at cooperative vocational schools and schools set up at different enterprises.

Workers in mass trades are often trained in the course of practical work under the guidance of experienced cooperative members.

In 1968 there were 134 vocational schools run by republican and regional cooperative unions. Students are enrolled in these schools without entrance examinations but they must have an eight-year secondary education.

To help with the choice of profession, preliminary interviews are held with future students. The term of study (1 or 2 years) depends on the chosen speciality and is included in the service record. All students receive stipends and are provided with hostel accommodations.

Vocational schools give sound practical and theoretical knowledge, particularly in progressive methods of trade and services, up-to-date service at public catering establishments and other cooperative organizations. In 1968, 25,000 workers graduated from these schools.

Lately a network of cooperative schools (2,000 on January 1, 1969) has been set up at many rural enterprises. Within a single year they turned out some 50,000 workers. These schools function directly at shops, canteens, bakeries and purchasing centres. The course is from 6 to 9 months.

One such school admits 20-30 students at a time. The students' knowledge and cultural level is developed by discussions with teachers, meetings with experienced specialists, trips to museums, theatres and cinemas. While they study they receive special students' wages.

Apprenticeship is a traditional form of training cooperative workers in the mass trades. In the course of 4-6 months (depending on the future profession) one or several apprentices work with a skilled cooperative worker. They are usually members of cooperatives, or their children, whose educational level is not below 7-8 years of secondary school. All of them receive apprentices' wages. Apprentices are graded lower than graduates of cooperative vocational schools. For example, a third-grade cook or salesman compared to a fourth-grade specialist.

When there is an increased demand for workers in the mass trades, cooperative specialized secondary and vocational schools set up short-term (2-3 month) courses. Following such training, workers are expected to improve their knowledge later.

This is achieved at refresher courses and seminars regularly organized by cooperative institutes, specialized secondary and vocational schools. The course lasts from 1 to 3 months. These courses are particularly important for cooperative workers elected for the first time to a leading post.

The refresher seminars last for several days and are mostly intended to acquaint cooperative workers with what is new in their field, and with the experience of the best trading and purchasing enterprises.

Research work is carried out at the All-Union Institute of Hunting and Fur-Breeding Produce, the Central Scientific Laboratory for the Study of Demand, and at the research departments of cooperative higher schools.

Particular credit for achievements in hunting and fur-breeding should be given to the All-Union Institute of Hunting and Fur-Breeding Produce. It has 11 laboratories, 14 zonal branches, an experimental animal-breeding farm, a zoological station, and a hound farm. This institute has made it possible to put hunting on an industrial basis.

Lately the Institute has been working on the acclimatization and reacclimatization of valuable fur animals in their natural environment in order to increase their reserves.

Besides investigations of a general character research is carried on in such specific subjects as animal breeding in consumer cooperatives, and in the standardization of furs and animal produce.

The Central Scientific Laboratory for the Study of Demand was set up in 1965. It has five branches and is equipped with a computing station. It studies the demands of the rural population and carries out commodity research programmes; works out proposals for the industry; studies changes in the rural dwellers' demand for individual goods; studies the demand among different professional groups of the rural population; works out proposals concerning changes in the volume and structure of commodities and their distribution. The Laboratory also has a department which studies wholesale trade and the storing of goods.

The *Centrosoyus* Council for Coordination of Scientific Work sponsors all the research work regarding cooperative problems. It elaborates and approves current and long-term plans of investigations and checks on their implementation

Contacts with the World

The Great October Socialist Revolution and the emergence of the world socialist system brought substantial changes into the balance of class forces and produced a notable impact on the international cooperative movement as a part of the working people's struggle for their interests.

Cooperators in capitalist and developing countries who are working against monopoly capital have a staunch ally in all the cooperators of socialist countries. They are not only able to develop economic ties with them as reliable partners but also to exchange experience, information, documentation and specialists.

Soviet consumer societies take an active part in the international cooperative movement. They strengthen friendly and business contacts with cooperative workers and organizations in more than 80 countries of the world.

The history of these relations dates back to 1920 when the first Soviet trade delegation visited Great Britain, and established a *Centrosoyus* branch in London together with the "Arkos" joint-stock company and a branch of the Moscow People's Bank whose chief stockholder was the *Centrosoyus*. The Soviet cooperative activities abroad were carried out chiefly through the "Arkos" which had branches in Prague, Constantinople (Istanbul), Shanghai, Kharbin, Revel (Tallin) and Riga. Similar stock companies were later established in Germany, USA and France. Most of the shares in these companies were held by the *Centrosoyus*. A special department (*Perspravleniye*) was set up for trade with Iran.

The Congress of the International Cooperative Alliance

(I.C.A.) held on August 22, 1921 in Basel, recognized the *Centrosoyus* as the only lawful representative of Soviet consumer societies in the Alliance and expelled its former representatives—people who had illegally entered its Board after fleeing from the 1917 Revolution in Russia. The *Centrosoyus* could now work with the considerable finances of its foreign branch offices.

The foreign trade activities of the *Centrosoyus* played an important role in rehabilitating the Soviet economy during 1921-1925. They helped accumulate substantial currency reserves which greatly facilitated the development of Soviet industry and agriculture. Between 1928 and 1929 the *Centrosoyus* confined its foreign trade operations chiefly to the British and Scottish wholesale cooperative societies which were responsible for almost 75 per cent of the volume of purchases in Great Britain. Soviet consumer societies exported agricultural produce and furs. In 1927 and 1928 their exports included large amounts of medicinal herbs, dried fruits and mushrooms and numerous traditional Russian goods that were popular on the world market.

Cooperative foreign trade is making particular headway in our days. In the last ten years alone the volume of foreign trade operations has increased almost 9 times. Business contacts have been established with cooperative societies and firms in 31 countries including the following: Austria, Belgium, Bulgaria, Czechoslovakia, the Democratic Republic of Vietnam, Finland, France, the German Federative Republic, the German Democratic Republic, Hungary, Italy, Japan, the Korean People's Democratic Republic, Norway, Poland, Rumania, Scotland, Sweden and Yugoslavia. Particularly extensive contacts have been developed with the cooperatives in socialist countries, who account for almost 70 per cent of all foreign trade operations of the *Centrosoyus*.

The range of exports is steadily expanding. Today more than 200 items are on the export list of the *Centrosoyus*. More than 70 per cent of this list is made up of cooperative purchases and produce, such as sunflower seed, honey, vegetables, fruits, poppy-seed, wild fruits, berries, mushrooms, herbs and industrial crops, furs, etc. Other items include clocks and watches, radio-sets, cameras, electric appliances, bicycles, sewing machines, tea, wines, tinned fish, timber and oil products. Soviet cooperatives import clothes, shoes, silk and woolen textiles and knitted goods to name only a few.

The *Centrosoyus* has recently introduced into its prac-

tical work a system of long-term agreements which place trade relations on a sound basis. Such agreements have been concluded with the Central Cooperative Council of Czechoslovakia and the cooperative unions of Hungary, Yugoslavia and Japan.

Foreign cooperators welcome every new trade agreement with Soviet cooperative societies. After signing one of their regular contracts (1968) with Soviet cooperators, Italian cooperative executives wrote: "This is fresh confirmation of the fact that the desire of Soviet and Italian cooperators to expand mutually-beneficial trade operations strengthen cooperation and friendship between our organizations. Such agreements allow us to give more jobs to workers suffering from unemployment and, therefore, raise the living standards of cooperative members. It is a fact that trade helps to strengthen world cooperative ties and friendship among peoples."

Exchange of delegations with foreign cooperatives develops yearly. In 1969 alone, 70 cooperative delegations visited Soviet cooperatives, who in turn sent 40 delegations abroad. Tourist contacts between cooperative societies of different countries are also becoming popular.

The *Centrosoyus* and cooperative societies abroad exchange literature and technical documentation. International cooperative seminars are regularly organized in the Soviet Union to acquaint its participants with the principles of organization, management and planning employed by Soviet consumer societies. On requests of cooperative societies in developing countries, Soviet cooperators send specialists there for consultation work, help them with literature, and visual aids, and arrange exhibitions.

The *Centrosoyus* also helps these countries train their own cooperative workers. A large group of young men and women from Tanzania, Kenya, Uganda, Senegal, Mali, Somalia, Nigeria and several other countries are now studying at the Moscow Cooperative Institute.

The *Centrosoyus* stands for peace, democracy, and social progress, for the development and consolidation of contacts between the cooperative societies of different countries, for broader ties between the cooperative movement and the working people's democratic organizations. With the support of cooperators from socialist countries and other progressive forces of the world Soviet cooperative representatives in the International Cooperative Alliance work to end US aggression in Vietnam, condemn Israeli extremists and the reactionary regimes in Greece and Spain. The con-

sistent and active work of Soviet cooperators in the post-war years has resulted in the adoption of resolutions on peace and disarmament, on the unity of the international cooperative movement and on the development of international cooperative trade.

The admission of Poland, Hungary and several other countries into the International Cooperative Alliance from which they had been barred by several right-wing cooperative leaders, was a notable victory of progressive forces.

Beginning with the 1920s Soviet cooperators took an active part in discussing the basic principles of the cooperative movement, particularly the principle of the cooperatives' "political neutrality" and the aims, forms and methods of the cooperative movement. Their struggle against the attempts to remove the political aspect from the cooperative movement received the constant support of all the progressive forces. This struggle ended in an impressive victory: on insistence of cooperators from the Soviet Union and other socialist countries, the 22nd Congress of the International Cooperative Alliance (1963) adopted a resolution to revise the basic principles of the cooperative movement and to establish for this purpose an international commission. In 1966 the 23rd Congress of the Alliance approved the recommendations submitted by the commission and officially rejected the principle of "political neutrality". Cooperatives cannot refrain from dealing with such urgent issues as defence of the working people's political and economic rights and the struggle for peace, progress and democracy.

The opponents of this resolution—people who are totally indifferent to the aims and interests of the cooperative movement—seek to justify their views by various pseudo-scientific theories. Such is the reformist petty-bourgeois theory of "cooperative socialism" widely propagated in the West and a number of developing countries. The ideologists of this theory claim that mankind has taken a path of social development which is entirely different from that scientifically determined by Marxism-Leninism. Seeking to convince the working people that new phenomena which have emerged in modern capitalist society disprove scientific communism, they offer them "cooperative socialism" (to use "cooperative ideologist" Y. Baily's expression), which is a peaceful development of capitalism into socialism through the cooperative, as an alternative to "obsolete" Marxism. Many "theoreticians" regard the cooperative movement under capitalism as the embodiment of classless society with

ready-made "elements" of socialism whose quantitative development will bring about a full victory of socialism thus rendering class struggle, the taking of power by the working class and the socialization of the means of production unnecessary.

Speaking of "class harmony" and of a "merging of interests" of individual as consumer with those of the entire society regardless of his social standing, they call upon the cooperatives to denounce the class struggle. They regard each revolutionary act on the part of the working people as a hindrance to the peaceful transition from capitalism to socialism via the cooperative.

The ideology of "cooperative socialism" is detrimental to the working-class and cooperative movements for it distorts the meaning of the social processes underway in the capitalist world. By idolizing the cooperatives it deceives the working people with illusions of a class peace in capitalist society and distracts them from political struggle.

Ignoring the objective laws of social development and first of all, the class struggle, the ideologists of "cooperative socialism" assert that the cooperatives are the most radical means of "transforming" capitalism into socialism.

Soviet cooperators and those of other socialist countries join with all the progressive forces in the international cooperative movement to wage a relentless struggle against this reformist ideology.

Today when more and more working people are being drawn into political life and are taking part in the struggle against reaction and monopoly capital, for the liberation of all peoples from colonial rule, for peace and disarmament, the concerted actions of all progressive movements, including the cooperative movement, acquire special importance. Soviet cooperators, true to the principles of proletarian internationalism, will continue to expand the ties of cooperative organizations with the political parties of the working class, the trade unions and other democratic organizations, coming out against imperialism, working for peace, democracy and socialism. They will spare no effort to strengthen the unity of the international cooperative movement and friendship among cooperatives the world over.

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