

International Cooperative Alliance

Agul. &
8TH AGRICULTURE AND TRADE ~~EXERCISES~~
SUB-COMMITTEE ~~MEETINGS~~ AND GROUPS MEETING

AGENDA & MINUTES

TOKYO JAPAN

28th October 1973

ICA Regional Office
43 Friends Colony (East)
New Delhi-110-014

November 20, 1973

MINUTES OF THE EIGHTH MEETING OF THE ICA SUB-COMMITTEE
FOR AGRICULTURE AND TRADE FOR SOUTH-EAST ASIA HELD IN
TOKYO (JAPAN) ON SUNDAY, 28TH OCTOBER, 1973

1. The Eighth Meeting of the ICA Sub-Committee for Agriculture and Trade was held at Marunouchi Hotel, Tokyo, on Sunday, 28th October, 1973. The following were present

Members

Mr B P Faustino, Member for the Philippines in the Chair

Mr Irwin Hunter, Member for Australia, Vice-Chairman

Mr Faizur Rahman Khan, Member for Bangladesh

Mr Motilal Chaudhary, Member for India

Mr Eddiwan, Member for Indonesia

Mr H Yanagida, Member for Japan

Mr Ismail bin Din, Member for Malaysia

Mr A K Isaac, Member for Singapore

Mr Pradit Machima, Alternate Member for Thailand, vice
Col. Surin Cholpraserd

Mr G S Dayananda, Member for Sri Lanka

Special Invitees

Dr S K Saxena, Director, ICA, London

Mr Alf Carlsson, Director, SCC, Stockholm

Mr H Togawa, Managing Director, IDACA, Tokyo

Mr M Murase, Managing Director, UNICOOPJAPAN, Tokyo

Mr Shiro Futagami, International Department, CUAC, Tokyo

Mr Aziz Ibrahim, Member, Fisheries Group from Malaysia

ICA Staff

Mr P E Weeraman, Regional Director for South-East Asia

Mr J M Rana, Director (Education)

Mr M V Madane, Joint Director, T.&T and secretary of the
Sub-Committee

In attendance

Mr A H Ganesan, Personal Assistant to the ICA Regional
Director for South-East Asia

Agenda Item No. 1 : Confirmation of the Minutes of the Seventh Meeting held at Bangkok (Thailand)

2. The minutes of the Seventh Sub-Committee meeting held at Bangkok on November 15, 1972, circulated earlier, were confirmed.

Agenda Item No. 2 : Matters arising out of Minutes

3. The Chairman informed the Sub-Committee that Mr L. Lactao, Member of the Sub-Committee from the Philippines has since resigned his membership in his (Mr Faustino's) favour, and therefore he will henceforth represent Philippines on the Sub-Committee.

Agenda Item No. 3 : Statistical Information on Agriculture and Agricultural Cooperatives in the Region

4. The members of the Sub-Committee were requested to provide statistical information to the ICA Regional Office as soon as they are published. The Chairman suggested that the information may be sent to the Regional Office as a regular practice for collection and compilation of regional data, and not only when requests for such information were received from the Regional Office.

Agenda Item No. 4 : Survey of Cooperative Agricultural Marketing Projects in South-East Asia

Third Part of the Survey

5. The Secretary of the Sub-Committee, who was also the leader of the survey team, circulated at the meeting the report of the Third Part of the Survey covering Thailand and Malaysia. The main recommendations made by the Third Survey Team in respect of Thailand and Malaysia were brought to the notice of the Sub-Committee. The Member for Thailand informed the meeting that necessary follow-up action is being initiated by the Cooperative League of Thailand with a view to reorganise the marketing cooperatives surveyed by the Team. Efforts are also being made, he added, to streamline the Working of the National Cooperative Federations in Thailand.

6. The Member for Australia said that the surveys have increased considerably the work load of the ICA and suggested that in view of the rising costs future surveys should be around specific projects. The Chairman informed the Member for Australia that surveys are in fact conducted for specific projects and so far the surveys have been conducted on projects which were agreed upon between ICA and the host movement. Dr Saxena said that during discussions at the recent ICA Development Committee meeting the emphasis was laid on

specific follow-up projects which have been developed as a result of the Marketing Surveys.

7. The Director (Education) of the Regional Office said that the purpose of the survey was to develop cooperative marketing projects and also export of commodities from some countries to Japan.

8. The Member for Japan was of the opinion that the second and third parts of the survey had drifted a little away from the original idea of finding out projects of feedstuff commodities with a view to developing them for export to Japan. The Chairman informed the Member for Japan that there was no real deviation from the original purposes of the survey but the scope of the survey has been widened where necessary, with the approval of the Sub-Committee. He suggested that a second look can be taken on the surveys when all the surveys are completed.

9. The Member for Japan said that in order to develop concrete projects from out of the Survey, some felt need on the part of the countries to be surveyed, should be identified. The Leader of the Survey Team informed the meeting that although originally certain commodities were selected for the survey, its scope was widened at the Sub-Committee meeting held in Perth to include any commodity in which the national organisation would be interested for marketing development. For the subsequent surveys the commodities were selected on the basis of this decision.

10. During the discussion on follow-up several Members emphasised the need of keeping the ICA Regional Office informed of latest developments in areas surveyed so far. The Chairman said that for each project covered by the Survey at least two reports should be made available to the ICA every year. These reports should be submitted to the ICA every six months and should include follow-up action taken by the movements on the recommendations made by the ICA Survey Team.

11. The Member for Malaysia congratulated the Team for the Survey report prepared for his country. He said that Malaysian cooperatives were very eager to develop Tapioca plantation, as recommended by the Study Team. He added that even though maize has not been considered by the Study Team as a suitable commodity for development, a Government agency called the Federal Land Consolidation and Development Authority was very keen to introduce the plantation of maize and probably the cooperatives may also get involved in this work. He said that cashewnuts and orchids are the other areas which the cooperatives would like to develop in his country. He felt that due to lack of a national marketing organisation in his country, the cooperatives are facing difficulties in marketing their products. He added that any assistance from

the ICA would be welcome for the export of commodities like orchids. Mr Aziz from Malaysia informed the Sub-Committee that nutmegs and cloves could be the other areas where export possibilities can be explored in Malaysia.

12. The Member for Japan informed the Sub-Committee that Japan is interested in importing tapioca in the pellatised form.

Follow-up on Recommendations of the Second Part of the Survey in Sri Lanka and the Republic of Korea

13. The information given in the agenda item was noted. The Director (Education) of the ICA Regional Office informed the meeting that a National Seminar on Agricultural Cooperative Marketing will be held in Sri Lanka and some participants from the projects earlier surveyed by the ICA Team would also attend the seminar. Further training would be given by the Swedish Cooperative Centre in Stockholm to four or five selected participants of this seminar. A similar seminar is also to be held in India. The Director of the Swedish Cooperative Centre in Stockholm stated he would be happy to connect the training programmes in Sweden with the follow-up of the Marketing Survey.

14. The Member for India requested that documentation circulated at the Sri Lanka Seminar be made available for his movement.

15. The meeting also noted that five trainees from the Republic of Korea will be trained in the marketing of fruits and vegetables in the Japanese Cooperative Movement. The Member for Japan informed the meeting that because of the subsidy received from the government, it was now possible for them to bear all costs (including return airfare) for the Korean trainees. Under the same scheme full costs for Thai trainees can also be paid. The meeting appreciated the gesture shown by the Japanese Cooperative Movement in meeting all the costs of the trainees from Korea and Thailand for their training in Japan.

Fourth Part of the Survey

16. The Chairman informed the meeting that the circumstances in the Philippines are now favourable for the conduct of Survey which had earlier been postponed. He added that grain sorghum and maize have been identified for the survey. These commodities have potentials for both domestic marketing and for export

17. The Secretary informed the Sub-Committee of his discussions with the Managing Director of the Central Organisation for Rural Cooperatives of Iran and said that Iran would welcome the survey team during Spring 1974. It was decided that the Survey in the Philippines and Iran should be conducted after finalising the schedule in consultation with the respective member organisations.

Agenda Item No.5 : Report on the Second Asian Conference on Agricultural Credit and Cooperatives

18. The Secretary of the Sub-Committee read out at the meeting the resolutions passed at the above Conference, including a resolution concerning the establishment of an Asian Cooperative Development Bank. The meeting noted with appreciation the resolution passed at the Conference on the establishment of the ACDB. The resolution read as follows :

"The Second Asian Conference on Agricultural Credit and Cooperatives held in Tokyo from 11 th to 20th October, 1973, considered the proposal introduced by the representative of the International Cooperative Alliance for the establishment of an Asian Cooperative Development Bank for financing the development of trade and industry in the cooperative sector and recommends that the I.C.A. and its member organisations should study the proposal further including that of extending guarantees in consultation with the Governments of the Region whose cooperation and support will be desirable for bringing such a bank into existence".

19. Dr Saxena informed the meeting of the completion of a Study on International Cooperative Financing. He said that the role of the International Cooperative Bank (INGEBA) and a mechanism of guarantee system for covering risks are also covered in the study. He added that the report of the Study will be ready during the current year.

20. The Director (Education) read out at the meeting the following recommendation made by the Regional Seminar on Cooperative Credit held at Tokyo, in April 1973, regarding the Asian Cooperative Development Bank.

"The Seminar discussed the possibility of establishing an Asian Cooperative Development Bank (ACDB) for providing finance for cooperative development projects and for international cooperative trade. The seminar felt that the proposal was in principle a good one and needed to be given a more concrete shape. The seminar suggested that the feasibility of establishing the ACDB should be carefully studied with regard to availability of equity capital from cooperative organisations in the Region, securing loan funds from the financing institutions, and developing arrangements whereby technical

scrutiny of the cooperative projects could be made. The Seminar was of the view that it would be necessary to secure approval of the proposal by the governments of those countries from which cooperative organisations wanted to become members of the ACDB. The seminar suggested that the Bank should begin with a small capital base and with activities directed to financing export-import trade as well as for development projects and gradually increase its financial and operational strength. The cooperative movements from countries outside the Region should be invited to participate in the equity capital. The seminar also suggested that the proposed Bank should develop close coordination with the International Cooperative Bank (INGEBA) for securing adequate working capital."

21. The Members noted with satisfaction the positive response of the seminar participants to the ACDB proposal.

Agenda Item No. 6 : Technical Assistance in the field of Agriculture

22. The information given under the Agenda item was noted by the Sub-Committee.

23. The Director, ICA, London, informed the meeting that the Consolidated Fruit Processing Plant of NACF, Seoul, could not receive favourable response from the FAO as the Republic of Korea was not in its list of priority countries. As regards the Multi-Commodity Fruit and Vegetable Processing Unit of NAFED, Dr Saxena informed the meeting that this was discussed at the recent meeting of the ICA Development Committee and the Norwegian Member Organisation of the ICA has shown interest in this project and has expressed a desire to see the papers.

24. The position regarding the assistance promised by the French Movement to the Sri Lanka Movement in the field of cooperative fisheries as stated in the agenda papers, was noted.

Agenda Item No. 7 : Report on the meeting of the Working Group for Trade Promotion

25. The Chairman of the Working Group on Trade Promotion (the Member for Australia) informed the Sub-Committee of the major recommendation of the group. He moved the following resolution for adoption by the Sub-Committee and for forwarding it to the Advisory Council : "This Committee recommends for the approval of the Advisory Council that the proposed International Cooperative Trade Organisation be located in Singapore as soon as practicable and full authority

be given to the existing Select Committee to undertake forthwith all aspects towards the establishment of this facility". The above resolution was unanimously adopted by the Sub-Committee after being duly seconded by the Members for Thailand, Singapore and India.

26. The Members for Australia, Indonesia, India, Singapore, Thailand, Malaysia and the Philippines agreed to join the proposed ICTO. The Members for Bangladesh and Sri Lanka agreed in principle and preferred to send a communication to the Regional Office later. The Member for Japan said that his Union is in favour of the objectives of the Trade Exchange, however as regards their participation, the view of the Japanese Agricultural Cooperative Movement was the same as was expressed at the last meeting.

Agenda Item No. 8 : Report on the meeting of the Working Group for Fisheries

27. The Chairman of the Group (Member for Indonesia) reported that the Group has asked the Bangladesh Movement to carefully study the report of Mr Ponnuthurai and to put up specific projects for assistance to the ICA. He said that the Malaysian Fisheries Cooperative Societies may request the ICA's assistance regarding regulation of fisheries in the West Coast of Malaysia through the National Federation, Angkasa. The Sub-Committee endorsed the decisions of the Fisheries Group.

Agenda Item No. 9 : Any other matter with the permission of the Chair

28. Under this item, Dr Saxena informed the Sub-Committee about the main Agricultural Committee's meeting held at Taormina (Italy) in May 1973. He mentioned that Dr Schubert, the Chairman of the Agricultural Cooperative Organisation of Common Market Countries, has been elected as one of the Vice Chairmen of the Agricultural Committee. He further informed the meeting that the report of the Open World Conference held in Rome was ready and will soon be distributed to all agricultural cooperatives. He said that the Agricultural Committee had suggested that a system should be devised whereby regular reports of agricultural cooperatives within the ICA should be brought to the attention of the ECOSOC either by reporting about them at the periodical meetings when ICA representatives attend or by submitting a brief note on the problems and progress of agricultural cooperatives for inclusion in the report of the Secretary-General of the United Nations to the ECOSOC.

29. Another suggestion made by the Agricultural Committee, Dr Saxena said, was to discuss a subject on agricultural cooperatives either at the ICA Congress or at the ICA Central Committee meetings.

30. He said that the Committee discussed the subject of international trade at great length. Also the example of a joint venture of Indian and the U.S. Cooperatives for manufacture of fertilizers was presented as one of the four cases to the Central Committee meeting held in October, 1973.

31. Dr Saxena informed the meeting of the appointment of the new Secretary for Agriculture in the ICA Head Office in London. He added that the COPAC chairmanship has now been passed on to the ILO from the ICA. COPAC, he said, was at present engaged in preparing a report on the "Actual Progress achieved by cooperative movements until 1975" - for submission to the ECCSOC by the U.N. Secretary-General. COPAC, he said, was trying to secure information on projects before they were started. We have not so far succeeded in promoting the Cooperative Development Groups. He added that the World Council of Credit Unions has been admitted to the membership of the COPAC. He further informed the Sub-Committee that the next meeting of the Main Agricultural Committee will be held in Israel.

32. Mr Alf Carlsson, Director of the SCC, thanked the host organisation in Japan for their hospitality. He was happy to witness, he said, discussions on some very important issues during the current meetings and he hoped it will prove to be a turning point in regional collaboration. He further said that the SCC would be glad to train co-operators from this Region as a part of the follow-up of the Survey as will be done at the forthcoming Marketing Seminar. He said the advanced movements, including the Swedish Movement, have very small possibilities to assist the developing movements financially. But they may be in a position to assist technically by providing experts and training facilities. If, however, proper channels are followed government assistance to Cooperatives can be secured.

33. The Member for Japan thanked the ICA and the WARRO for the successful completion of the Top Level Conference and pleaded for more collaboration between the ICA and the WARRO in the field of agricultural development. He said this will bring about a greater consensus between co-operators and the government personnel through the ICA and the WARRO and help promote agricultural development through agricultural cooperatives. Japanese agricultural cooperatives, he said, were developing closer relationship with Japanese government and other regional movements should also try to develop similar relationship. The Regional Director of the ICA for South-East Asia agreed with Mr Yanagida that ICA and WARRO should work in closer collaboration in order to involve the governments in future programmes, as had been done in regard to the Asian Top Level Cooperative Leaders Conference.

34. The Member for Malaysia informed the meeting of the appointment of a Top Level Committee to look into the possibility of integrating the agricultural cooperatives and the farmers associations into bigger and multi-purpose cooperative organisations under the newly created Farmers Organisation Authority - which will supervise all the farmers organisations and agricultural cooperative societies in future. All future assistance by banks and other financing agencies to the agricultural cooperatives would be routed through the Agricultural Development Centres which are at present being established in the country. Members for India and Malaysia raised the question of ICA assistance in the field of animal husbandary and tuna fishing respectively. The Chairman requested them to prepare specific projects and send them to the ICA for further action. Dr Saxena felt that both animal husbandary and cottage industries can be included in the broad definition of agriculture and no separate categorisation was necessary.

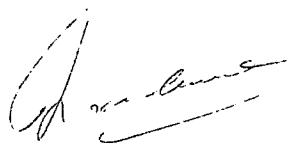
35. The Secretary of the Sub-Committee assured the member for India that information on specific subjects can be obtained from any country if such a request was sent to the ICA Regional Office.

Agenda Item No.10 : Venue and date of the next meeting

36. It was decided to hold the next meeting of the Sub-Committee in the same place and on the same dates as that of the next Advisory Council meeting.

37. The Secretary of the Sub-Committee conveyed his personal thanks to the members of the Sub-Committee and the Select Committee for their collaboration in his work.

38. With a vote of thanks to the Chair, the meeting was closed.



M.V. Madane
Secretary, ICA Sub-Committee
for Agriculture and Trade

ICA Regional Office
43 Friends Colony, New Delhi
India

November 20, 1973

MINUTES OF THE FOURTH MEETING OF WORKING GROUP FOR
TRADE PROMOTION HELD AT TOKYO ON 28 OCTOBER, 1973

1. The Fourth Meeting of the Working Group for Trade Promotion of the ICA Sub-Committee for Agriculture and Trade for South-East Asia was held on Sunday, 28th October, 1973, at the Marunouchi Hotel in Tokyo. The following were present

Members

Mr Irwin Hunter, Member for Australia in the Chair
Mr Faizur Rahman Khan, Member for Bangladesh
Mr Motilal Choudhary, Member for India
Mr Eddiwan, Member for Indonesia
Mr H Yanagida, Member for Japan
Mr Ismail bin Din, Member for Malaysia
Mr B P Faustino, Member for the Philippines
Mr A K Isaac, Member for Singapore
Mr Pradit Machima, Alternate Member for Thailand, vice
Col. Surin Cholpraserd
Mr G S Dayananda, Member for Sri Lanka

Special Invitees

Dr S K Saxena, Director, ICA, London
Mr Alf Carlsson, Director, SCC, Stockholm
Mr N A Kularajah, Chairman, ICA Advisory Council
Mr M Rafique, Member for Pakistan, ICA Advisory Council
Mr Mak Kam Heng, Member for Singapore, ICA Advisory Council
Mr H Togawa, Managing Director, IDA/C, Tokyo
Mr H Murase, Managing Director, UNICOOPJAPAN, Tokyo
Mr K Fujimoto, International Department, CUAC, Tokyo
Mr Shiro Futagami, International Department, CUAC, Tokyo

ICA Staff

Mr P E Weeraman, ICA Regional Director for South-East Asia
Mr J M Rana, Director (Education)
Dr Dharm Vir, Joint Director (Education)
Mr H P L Gunawardana, Joint Director, P&PR
Mr M V Madane, Joint Director, T&T and Secretary,
Working Group for Trade Promotion

In attendance

Mr A H Ganesan, Personal Assistant to the ICA Regional
Director for South-East Asia

Agenda Item No.1 : Confirmation of the Minutes of the last meeting

2. The Minutes of the Third Meeting of the Group held at Bangkok on November 14, 1972, circulated earlier, were confirmed.

Agenda Item No.2 : Matters arising out of the Minutes of the last meeting

3. It was decided to discuss the matters arising out of the minutes during discussion under relevant agenda items.

Agenda Item No.3 : Promotion of Cooperative Trade

4. Members of the Working Group noted the information provided in these agenda notes concerning trade promotion through the Regional Office. The Working Group welcomed the increasing response from cooperative trade organisations to the efforts made by the Regional Office in strengthening trade on a cooperative to cooperative basis.

Agenda Item No.4 : London Secretariat Document on "Inter-Cooperative Trade : Problems & Prospects"

5. The Secretary of the Working Group briefly reported on the main recommendations made by the ICA Study on "International Cooperative Trade - Problems & Prospects". The Study was initiated as a part of the follow-up action on the resolution jointly sponsored at the Hamburg Congress of the ICA by the National Cooperative Union of India and the Cooperative League of the USA. The Study among other things stressed the need for strengthening trade promotion activities and for creating regional cooperative trade information and promotion centres. The Study also urged greater use by the cooperatives of the facilities offered by the International Trade Centre of UNCTAD/GATT in Geneva and those by the other U.N. Agencies. It called upon cooperatives in advanced countries to increase their imports from developing cooperatives and provide through INTERCOOP financial and technical assistance for trade development and for the development of processing industries. The Study has also recommended to the ICA to organise a series of regional cooperative trade conferences in different regions to evolve concrete projects aimed at development of inter-cooperative trade across national boundaries.

6. Speaking on the subject, Dr S.K. Saxena, Director of the International Cooperative Alliance said that the scope of follow-up action on the Warsaw Congress resolution had to be reduced owing to the unavailability of funds for the purpose. The present study was completed entirely within

the ICA Secretariat. The draft study has been sent to selected individuals for their comments and the final report will be issued after incorporating the comments by these individuals.

7. Members of the Working Group requested the Director to send the recommendations of the report to members of the Working Group for Trade Promotion.

Agenda Item No.5 : Proposal for the Establishment of a Cooperative Trading Organisation in the Region

8. At the outset the Chairman of the Working Group invited Mr Ben Faustino, Chairman of the Select Committee, to report on the work done by the Select Committee so far. Mr Faustino briefly reviewed the discussions in the Select Committee meetings held at Chiangmai (Thailand) and in Singapore. He said that after the detailed discussions among the representatives of the cooperative organisations, government departments and legal experts in Singapore, the Committee had made a series of recommendations aimed at creating an efficient trading company at Singapore owned by cooperatives, viz.,

- (a) In order to maintain flexibility and efficiency in international trading operations the organisation should be registered as a Company under Singapore law and should be exclusively owned by cooperative organisations.
- (b) The Company should be registered when a minimum of six member-movements of the ICA have agreed to participate in it.
- (c) The authorised share capital of the company should be S\$1,000,000/- out of which S\$500,000/- should be initially subscribed and fully paid-up.
- (d) The basic trade policy of the Company will be that it will assist in trade transactions in which at least one party to the contract is a cooperative and it will charge a realistic commission for its services.

9. Mr Faustino added that the Select Committee had also made several other proposals concerning the appointment of the staff and the creation of facilities for the proposed company. On the basis of these recommendations the ICA Regional Office has prepared the Memorandum of Association and the Articles of Association of the proposed Company and has circulated them to all the ICA member-organisations in the Region. He requested the Working Group to endorse the recommendations of the Select Committee for establishing the Company. Once this is done the practical arrangements for accommodation, etc. will be discussed by the Secretary of the Select Committee with the parties concerned in Singapore.

10. Mr A. Isaac, Member for Singapore pointed out that S\$500,000/- as paid-up capital may not be adequate for the Company in the initial stage as we expect to maintain a high professional level and good staff right from the beginning. He added that a senior cooperative executive in Singapore had also expressed similar opinion concerning initial paid-up capital. Mr Isaac, therefore, urged the Working Group to increase the paid-up capital of the proposed company. Commenting on Mr Isaac's suggestion the Chairman of the Working Group agreed that S\$500,000/- was a small amount, however, it could be increased at any time as the Company would have the right to make subsequent calls on the member organisations to strengthen the share capital base.

11. At this stage the Secretary of the Working Group briefly informed the members of the comments received in the Regional Office concerning the recommendations made by the Select Committee. He said that a few cooperative organisations had expressed reservations concerning the decision to allot 51% of the shares to cooperative organisations in Singapore. Some of these organisations have also commented on the suggestion made by the Select Committee that the Chairman of the Company should be from Singapore. The Secretary added that clarifications were sent to these organisations on the two subjects. It was pointed out to them that under Singapore government regulations, 51% of the shares have to be offered to local organisations in Singapore by any international trading company registered in that country. It was also explained to them that Memorandum of Association and the Articles of Association do not provide for election of the Singapore Director as Chairman. This recommendation has been made by the Select Committee as a goodwill gesture to the host country so that at least for the first year the Chairman would be elected from Singapore.

12. Mr N.A. Kularajah also commented on the question of allotting 51% of the equity capital to Singapore. He said that efforts will have to be made for preventing this company working as a proprietary concern in Singapore. As profits will go to the respective countries in proportion to the share capital, it will be necessary to devise ways and means of fixing a restricted commission on selling or buying price of the commodities handled by the company. The company should not buy and sell on its own but act as only commission agents for the importing and exporting cooperative organisations.

13. Mr Ben Faustino agreed with the suggestion made by Mr Kularajah and said that the thinking of the Select Committee was also on the same lines, namely that the benefit accruing out of trade transactions should go back to the producer or consumer through the respective organisations and only a nominal commission should be charged by the company for establishment and operational costs. Mr P.E. Weeraman, Regional Director, suggested that it may be necessary to limit

the rate of dividend to prevent capitalistic tendencies. The secretary of the Working Group said that the trading company will not store goods for the purpose of speculation. It will identify the commodities for export or import against specific requests received from trading organisations. The Chairman agreed with the comments concerning commission agency business by the company and said that the commission is to be charged because the company will negotiate on behalf of the trading organisations. The existence of the company will help cooperative trading organisations to compete in international market. He hoped that the creation of the company will be a real break-through in international trade in this Region.

14. The Chairman of the Working Group emphasised the need for creating a most practical and efficient framework for the proposed company. He said that lot of research has already been done by the Regional Office for the project and we should feel happy that the company is being located at Singapore which has relatively a stable economy and an efficient infrastructure. He added that retention of 51% shares by Singapore should be welcomed by us as it will provide stability to the project. Commenting on the returns on investment the Chairman said that the Select Committee did not feel that the returns on investment will be highly rewarding. The intention was to make the cooperative sale and purchase business a profitable one through the trading company. He felt that to a large extent the trading company will be of great advantage to the developing countries as developed countries have already established their offices and agencies in different parts of the world for their trade operations.

15. Mr M.L. Choudhary from India congratulated the ICA for developing the trade exchange proposal and said that India supports in principle the creation of a trading organisation. He felt that transfer of shares to private sectors should be prevented after the registration of the company. He added that as far as possible, the trade organisation should be registered under the cooperative societies act. Mr Choudhary suggested that no commission should be paid by the company for canvassing the purchase of its shares. Mr Choudhary was also of the opinion that only national level cooperative organisations should be permitted to become members of the proposed Company in order to avoid unnecessary competition among cooperatives of any one country in nominating their directors.

16. Mr M. Rafique from Pakistan felt that if the trading company acts as a commission agent it will duplicate the work of Trade Commissioners appointed by the Governments in different countries. Mr Rafique did not favour the creation of this organisation as he felt that this will enhance the price of the commodities handled by the cooperatives in view of the commission that will be charged for its services. If the trade

exchange is to be registered as a company, he would prefer not to use the word cooperative. In his opinion the word cooperative should appear only if equity of shares is ensured for all member countries. In the end he suggested that this exchange should be created as an Advisory Body.

17. Mr Ben Faustino speaking on the various suggestions made in the meeting said that the proposed company will not restrict the freedom of the cooperative trading organisations to directly trade with each other. There will be no compulsion to use its services. If there are adequate marketing and purchasing outlets available to cooperative organisations, the trade company need not come in. The company's services will be available for all cooperatives who find it difficult to market their produce or secure their requirements of consumer commodities. The participation of any cooperative movement in the company does not necessarily mean that it must go through the company for all trade transactions. The company will be at the disposal of the cooperatives when they want its services.

18. At this stage the Chairman reported on the positive response received from cooperative organisations in Australia to the trade exchange proposal. He had the opportunity of communicating the proposal to the National Convention of Australian Movement which assured its full support to it although the cooperatives in Australia would wish to retain their independence of marketing and would like to use the facilities and the services of the company when they felt it was economical or attractive to do so. He felt that the cooperatives would not be able to benefit to a great extent if they were to rely solely on trade commissioners in respective countries.

19. The Chairman further elaborated the advantages which will accrue to cooperatives if the proposed company was to be established. He said the company will be in the forefront of market intelligence as it will have expert marketing personnel at the helm of its affairs. If the company were to provide such market intelligence it may not be necessary for cooperative trade organisations to send out trade teams constantly in different parts of the world.

20. Dr Saxena said that he was following the project from a far away place. However, he thought that the project is an extremely important one. He suggested that the Working Group may like to consider the following comments, with a view to make the proposal a practicable one.

- (a) A kind of a cautionary note is necessary to keep the administrative costs in the beginning as low as possible.

- (b) A careful study of the trade flows within the Region and a projection on the basis of the amount of business which this trading company might be able to gather would be necessary. It is important for us to know which is the breakeven point where we will make both ends meet. Some realistic appraisal of business which the company is to do over a period of three or four years should, therefore, be known to us.
- (c) It is necessary to define who will be the members. If the membership is going to be of the trading organisations it should be run by under first class management.
- (d) An important aspect of communication within this group vis-a-vis some of the large cooperative purchasing organisations in the Western countries should be kept in mind. It is important that contacts which have been established with INTERCOOP are broadened. Also contacts with Scandinavian Wholesale Society, Scandinavian Import/Export Organisation and other organisations are maintained and these organisations are kept informed of the developments in the Region.
- (e) The advanced movements in this part of the world should also participate in the trading company.

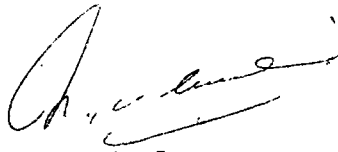
21. The Chairman thanked Dr S.K. Saxena for his valuable comments and said that efforts will be made to minimise the costs keeping in view the efficient functioning of the organisation. The Regional Office has already carried out market intelligence and research work. However, further market research will be continued through the company. He agreed with Dr Saxena that continuous contacts should be maintained with cooperative organisations in the Western countries. The advanced cooperative movements in this Region, he felt, should participate in the trading company, although the company was going to be more beneficial to the developing movements.

22. Winding up the discussion, the Chairman said that the Select Committee should be authorised to carry out the necessary corrections in the Memorandum of Association and the Articles of Association with a view to incorporate the comments made by the members. He requested the Working Group to formally recommend for approval to ICA Sub-Committee for Agriculture Trade the proposal for the establishment of the International Cooperative Trading Organisation and for subsequent concurrence by the Advisory Council. The Working Group unanimously adopted the suggestion made by the Chairman.

Agenda Item No.6 : Date and Venue of the next meeting

23. The next meeting of the Working Group for Trade Promotion will be held in Sri Lanka, along with Advisory Council and other meeting.

With a vote of thanks to the Chair the meeting was closed.



M.V. Madane
Secretary of the Working Group
for Trade Promotion

ICA Regional Office
43 Friends Colony (East),
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November 20, 1973

MINUTES OF THE FOURTH MEETING OF THE WORKING GROUP
FOR COOPERATIVE FISHERIES, TOKYO : OCTOBER 28, 1973

The Fourth Meeting of the Working Group for Cooperative Fisheries was held at the Marunouchi Hotel in Tokyo, on Sunday the 28th October, 1973. The following were present.

Members

Mr Eddiwan, Member for Indonesia in the Chair

Mr Irwin Hunter, Member for Australia
Mr Faizur Rahman Khan, Member for Bangladesh
Mr Motilal Choudhary, Member for India
Mr H Yanagida, Member for Japan
Mr Aziz Ibrahim, Member for Malaysia
Mr B P Faustino, Member for the Philippines
Mr A K Isaac, Member for Singapore
Mr Pradit Machima, Alternate Member for Thailand, vice
Col. Surin Cholpraserd.

Special Invitees

Dr S.K. Saxena, Director, ICA, London
Mr Alf Carlsson, Director, SCC, Stockholm
Mr Ismail bin Din, Member, ICA Sub-Committee for
Agriculture and Trade for South-East Asia
Mr M Murase, Managing Director, UNICOOPJAPAN, Tokyo
Mr H Togawa, Managing Director, IDACA, Tokyo
Mr Shiro Futagami, International Department, CUAC, Tokyo

ICA Staff

Mr P E Weeraman, Regional Director for South-East Asia
Mr J M Rana, Director (Education)
Dr Dharm Vir, Joint Director (Education)
Mr M V Madane, Joint Director, T&T and Secretary of the Group

In attendance

Mr A H Ganesan, Personal Assistant to the Regional Director
of the ICA in South-East Asia

Agenda Item No.1 : Confirmation of the Minutes of the last meeting held at Bangkok on November 14, 1972

2. The minutes of the last meeting, third in the series, which were circulated earlier, were confirmed.

Agenda Item No.2 : Matters arising out of the Minutes

3. It was decided to consider the follow-up action during discussions on relevant Agenda items.

Agenda Item No.3 : Fishery Assistance Project in Sri Lanka

4. The Secretary of the Group informed the recent developments regarding the above project in Sri Lanka. Dr Saxena informed the meeting that discussions are currently being held on the project with the French Cooperative Movement and with Mr Lacour. He said that the Fisheries and the Consumers Cooperative Movement of France are trying to raise funds for giving limited assistance to the Sri Lanka Movement. Referring to the present trend in technical assistance Dr Saxena said that if assistance is given by advanced countries it will be safe to assume that the financial component of such assistance programme is likely to come more from the Government than from the cooperative movement.

Agenda Item No.4 : FAO/SIDA Course on the Management of Fishermen's Cooperatives

5. A resume of the above course was given to the meeting by the Director (Education) of the ICA Regional Office. He said that the course was found useful by the participants. One of the recommendations, he added, was that the FAO should organise follow-up national courses for training of managers of fishery cooperatives. The meeting was informed that if requests were received from the governments, the FAO will assist in organising and conducting such courses. The ICA can also take up with the FAO the question of organising courses if requests to that effect were received from member organisations in the Region.

6. Dr Saxena informed the meeting that the FAO representative who was present at the recent ICA Fisheries Sub-Committee meeting held at Budapest also spoke about the usefulness of the Bombay seminar. As FAO did not have any funds for printing the Seminar papers, the ICA Fisheries Sub-Committee will look into the material circulated at the course and will study the possibility of bringing out a publication on this subject.

Agenda Item No.5 : International Business Advisory Services for Cooperatives (IBASEC)

7. The meeting was informed that the information on IBASEC received from the head office was circulated to members of the Working Group. Dr Saxena informed the meeting that IBASEC has since been registered in England. He sought the assistance of the movements in the Region to make it a going concern. A meeting between the Chairman of the Fisheries Sub-Committee and the Main Agriculture Committee will be held in the near future to discuss IBASEC's role in future. Dr Saxena further informed the Working Group that ICA's role in this process was only as a promotional organisation. He added that the main role of IBASEC will be to provide management consultancy services to cooperative societies against nominal payment.

Agenda Item No.6 : Development of Inland Fisheries

8. The Secretary of the Working Group briefly reported that Mr K.S. Ponnuthurai, retired senior Assistant Commissioner of Cooperative Development, Sri Lanka, had been given a special assignment by the Regional Office to report on the fishery cooperatives of Bangladesh. The Secretary gave a resume of the main recommendations made by Mr Ponnuthurai. He said that the report mainly dealt with organisational structure of the fishery cooperatives and did not discuss the technical aspects of fisheries. It was, therefore, not possible to identify an inland fishery project from the report recommendations.

9. The Member for Bangladesh requested the Working Group to initiate an inland fishery project in his country. The Chairman requested the Member to study Mr Ponnuthurai's report and prepare a project for development of inland fisheries. If such project is sent to the ICA the Regional Office will take further action on the request. The Member for Bangladesh agreed to send such project to the ICA.

Agenda Item No.7 : Any other matter with the permission of Chair

10. During the discussion on this item, the Chairman invited Dr Saxena to comment on the last meeting of the Fishery Sub-Committee meeting held at Budapest. Dr Saxena informed the meeting that the Sub-Committee had discussed the forthcoming Conference on the Law of Seas as it was considered to be of importance to the work of the Fisheries Committee. The whole question of pollution of seas will be considered at this Conference. ICA will also be represented at the conference. After informing the meeting of Mr Lacour's election as Chairman of the Sub-Committee, Dr Saxena mentioned about the appointments of the Secretary of the Fisheries Sub-Committee and the

Secretary for Agriculture in the Head Office of the ICA. The Secretary of the Fisheries Sub-Committee will be stationed in Paris and he will have close liaison with the Secretary for Agriculture in London.

11. Dr Saxena also referred to the accounting manual for small fishery organisations produced by the Overseas Development Authority Administration in the UK and said that if members of the Working Group were interested in the manual, copies could be sent to them by the Head Office. He also informed the meeting that the ICA will be represented by its Japanese member organisation at the forthcoming Technical Conference on Fisheries Products to be held in Japan in December 1973.

12. The Chairman thanked Dr Saxena for his interesting report and said that those members who wish to attend the Pollution Conference are welcome to do so. He felt that the views of the Working Group should also be sent to the Pollution Conference.

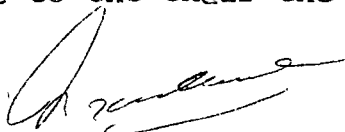
13. The Member for Malaysia sought the assistance of the ICA in solving the difficulties faced by the Trawler fishermen in Malaysia because of certain laws relating territorial waters. The representative of ANGKASA in Malaysia informed the meeting that this particular problem is under ANGKASA's consideration and if necessary the help of the ICA will be sought in due course. He was hopeful that ANGKASA itself would be able to solve the problem by consulting the Government of Malaysia.

14. The Member for India expressed his interest in developing fisheries around Andaman Islands. He was advised that specific requests regarding development of such fishing areas should be sent to the ICA so that it can explore the possibility of getting some advanced movements interested in the project.

Agenda Item No.8 : Venue and the dates of the next meeting

15. It was decided to hold the next meeting at the same place and time as that of the next Advisory Council meeting.

With a vote of thanks to the Chair the meeting was closed.



M.V. Madane
Secretary, Working Group for
Cooperative Fisheries

INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre
for South-East Asia, P.O. Box 3312
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October 3, 1973

TERM : 1972 - 1975

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3. INDIA
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October 3, 1973

EIGHTH MEETING OF THE ICA SUB-COMMITTEE FOR AGRICULTURE
AND TRADE, TOKYO (JAPAN) : OCTOBER 30 - NOVEMBER 1, 1973

A G E N D A

- Item No. I Confirmation of minutes of the last meeting of the Sub-Committee held at Bangkok on November 15, 1972.
- Item No. II Matters arising out of the minutes.
- Item No. III Statistical information on agriculture and agricultural cooperatives in the Region.
- Item No. IV Survey of Cooperative Agricultural Marketing Projects in South-East Asia - Part III.
- Item No. V Report on the Second Asian Conference on Agricultural Credit and Cooperatives, Tokyo, October 11-20, 1973.
- Item No. VI Technical Assistance in the field of agriculture.
- Item No. VII Report on the Meeting of the Working Group for Trade Promotion and the Minutes of the Select Committee meeting held at Singapore.
- Item No. VIII Report of the Meeting of the Working Group for Cooperative Fisheries.
- Item No. IX Any other matter with the permission of the Chair.
- Item No. X Venue and Date of the Next Meeting of the Sub-Committee.
-

AGENDA ITEM NO. I

CONFIRMATION OF MINUTES OF THE LAST MEETING OF
THE SUB-COMMITTEE HELD AT BANGKOK ON NOV 15, 1972

1.1 The minutes of the Seventh Meeting of the ICA Sub-Committee for Agriculture and Trade held at Bangkok on November 15, 1972 were circulated and are submitted for confirmation. A copy of the Minutes is annexed hereto for ready reference.

AGENDA ITEM NO. II

MATTERS ARISING OUT OF THE MINUTES

2.1 Please see under agenda item No. IV.

AGENDA ITEM NO. III

STATISTICAL INFORMATION ON AGRICULTURE AND
AGRICULTURAL COOPERATIVES IN THE REGION

3.1 Efforts were continued during the year for collecting additional information and data concerning agricultural cooperatives in the Region. The Regional Office is still experiencing difficulty in collecting statistics from the Regional movements. Members of the Sub-Committee are requested to extend their cooperation in facilitating collection and compilation of regional data.

AGENDA ITEM NO. IV

SURVEY OF COOPERATIVE AGRICULTURAL MARKETING
PROJECTS IN SOUTH-EAST ASIA - PART III

4.1 The Report of Third part of the Survey covering Thailand and Malaysia was submitted to the ICA Regional Director for South-East Asia by the Leader of the Study Team during

August 1973. The Study Team has made detailed recommendations for the reorganization of marketing activity by cooperatives surveyed in Thailand with emphasis on faster communication of market information and greater role for the national marketing federation. For Malaysia, the Study Team has prepared a pre-investment study for the establishment of a tapioca processing plant for producing pelletised chips for export markets.

Follow-up of Recommendations of the
Second Part of the Survey - Sri Lanka

4.2 The Regional Office had approached the Cooperative Federation of Australia to explore possibilities of arranging a training programme for five cooperators from Sri Lanka for a period of 2-3 months in marketing, grading, processing, transportation, etc. of fruits and vegetables.

4.3 The Cooperative Federation of Australia has informed the Regional Office that a training programme could be arranged but the cost would discourage the member cooperatives from being too keen on the proposal. The Federation has, however, suggested that the training programme could be arranged on a Government-to-Government basis under Colombo Plan or similar aid programmes. If at the request of the Government of Sri Lanka, the Government of Australia is prepared to assist with financial support, the Federation is prepared to investigate the matter in detail.

4.4 The Regional Office has sent the above comments to the National Cooperative Council of Sri Lanka and have sought their advice as to the possibility of getting a request sponsored by the Government of Sri Lanka to the Government of Australia for organizing the training programme in Marketing for the personnel working in the societies surveyed.

Republic of Korea

4.5 As reported at the last meeting of the Sub-Committee, the Central Union of Agricultural Cooperatives has formally offered to organise a training programme in Japan in the field of marketing for five trainees from the Republic of Korea.

4.6 The National Agricultural Cooperative Federation (NACF) in Seoul is willing to sponsor five candidates if the local expenses during the training period are paid by the Japanese Agricultural Cooperative Movement. The NACF will, however, pay the return airfare for the five trainees. The Central Union has since confirmed that it will take care of all the local costs of the five trainees in Japan. Details regarding the training programme are expected to be finalised in the near future.

Fourth Part of the Survey

4.7 It is proposed to do the Survey in Iran and the Philippines during March-April, 1974. Survey in both the countries was postponed in consultation with member-organisations due to certain unavoidable circumstances. Details regarding the survey schedule and other matters are being discussed with member-movements.

AGENDA ITEM NO.V

REPORT ON THE SECOND ASIAN CONFERENCE ON AGRICULTURAL CREDIT
AND COOPERATIVES, TOKYO, OCTOBER 11-20, 1973

5.1 An oral report will be made at the Sub-Committee meeting by the Secretary of the Sub-Committee on the Second Asian Conference on Agricultural Credit and Cooperatives scheduled to be held in Tokyo from October 11-20, 1973.

AGENDA ITEM NO. VITECHNICAL ASSISTANCE IN THE FIELD OF AGRICULTURE

6.1 A brief report on the present position of agricultural cooperative projects is given below for the information of the Sub-Committee Members.

Bhor Dairy Project

6.2 The dairy was formally inaugurated by Hon. Mr Y.B. Chavan, Minister of Finance, Government of India, on March 10, 1973.

6.2.1 Dr Carl Schumacher, former President of the West German Consumers' Cooperative Congress, had specially come to Poona to attend the inaugural function. Mr Armin Peter of the West German Consumers' Cooperative Congress in Hamburg also attended the function. The dairy is gradually increasing the quantity of pasteurised milk for distribution in the city of Poona.

Consolidated Fruit Processing Plant of NACF, Seoul (Republic of Korea)

6.3 The Cooperative League of the USA were informally approached by the Regional Office to elicit support for the project from large fruit cooperatives in the USA. The CLUSA in USA, which was approached for assistance, has informed the Regional Office that there is no possibility of cooperatives in the USA coming forward to assist this project.

Multi-Commodity Fruit & Vegetable Processing Unit of NAFED, New Delhi (India)

6.4 The VdK in East Germany, which was approached for assistance, has regretted its inability to support the project because of foreign exchange restrictions for securing the required machinery.

Fisheries Assistance Project in Sri Lanka

6.5 Although the question of providing assistance to fishery cooperatives in Sri Lanka by the French fishermen cooperative societies has been under discussion for more than three years, not much progress has been made so far in securing the assistance. As a matter of fact, it is now almost certain that the original proposal of sending two large sized fishing boats to Sri Lanka with French experts to assist in modernisation of deep-sea fishing will not be implemented in view of certain unavoidable circumstances faced by the French Fishery Movement.

6.5.1 On the basis of the revised request sent by the Sri Lanka Cooperative Fish Sales Union and on the basis of the recent discussions by representatives of the ICA and those of the French Fishery Cooperative Movement, possibilities are being explored to secure as a gift the following equipment to the fishery cooperatives in Sri Lanka.

- i) Three Mobile Motor Repair Vans,
- ii) Navigation and Safety Equipment,
- iii) Audio-visual equipment for utilisation at the four training centres.

6.5.2 It is estimated that the above three items will not cost more than £5,000.

6.5.3 A tentative proposal to arrange training facilities for Sri Lanka fishermen on French Fishery boats in the Indian Ocean is also under consideration by the French Movement. However, there is no concrete proposal so far put forward from the French side.

6.5.4 During a recent communication with the Director of the ICA in London, Mr P. Lacour has informed the ICA that due to drought conditions in the Francophone countries of West Africa the main concern in France at present was assistance to these countries. However, he (Mr Lacour) was studying, with the French Consumer Cooperative Movement, the possibility of

sending material assistance to Sri Lanka.

AGENDA ITEM NO.VII

REPORT ON THE MEETING OF THE WORKING GROUP FOR TRADE
PROMOTION AND THE MINUTES OF THE SELECT COMMITTEE
MEETING HELD AT SINGAPORE

7.1 The Report will be submitted for consideration at the time of the meeting. A copy of the minutes of the Select Committee meeting is appended with these agenda papers.

1.

AGENDA ITEM NO.VIII

REPORT OF THE MEETING OF THE WORKING GROUP FOR
COOPERATIVE FISHERIES

8.1 The Report will be submitted for consideration at the time of the meeting.

2.

AGENDA ITEM NO.IX

ANY OTHER MATTER WITH THE PERMISSION OF THE
CHAIR

3.

AGENDA ITEM NO.X

VENUE AND DATE OF THE NEXT MEETING OF THE SUB-
COMMITTEE

4.

5.

INTERNATIONAL COOPERATIVE ALLIANCE
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October 3, 1973

TERM : 1972 - 1975

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^SMember of the Sub-Committee only.

^{SS}Member of the Working Group on Cooperative Fisheries only.

October 3, 1973

FOURTH MEETING OF THE WORKING GROUP FOR TRADE PROMOTION
TOKYO (JAPAN) : OCTOBER 30 - NOVEMBER 1, 1973

A G E N D A

- Item No. I Confirmation of the Minutes of the last meeting of the Working Group for Trade Promotion held at Bangkok on Nov 14, 1972.
- Item No. II Matters arising out of the minutes of the last meeting.
- Item No. III Promotion of Cooperative Trade.
- Item No. IV London Secretariat Document on Promotion of Intercooperative Agricultural Trade.
- Item No. V Proposal for the establishment of a Cooperative Trading Organisation in the Region.
- Item No. VI Any other matter with the permission of the Chairman.
- Item No. VII Date and venue of the next meeting.
-

AGENDA ITEM NO. I

CONFIRMATION OF THE MINUTES OF THE LAST MEETING
OF THE WORKING GROUP FOR TRADE PROMOTION HELD
AT BANGKOK (THAILAND) ON NOVEMBER 14, 1972

1.1 The Minutes of the Third meeting of the Working Group for Trade Promotion held at Bangkok on November 14, 1972, were circulated and are submitted for confirmation. A copy of the Minutes of the meeting held at Bangkok is annexed hereto.

AGENDA ITEM NO. II

MATTERS ARISING OUT OF THE MINUTES OF THE LAST
MEETING

Item VI Proposal for the establishment of a
(of the Minutes) Cooperative Trade Exchange in the Region

2.1 Please see Agenda Item No.V.

AGENDA ITEM NO. III

PROMOTION OF COOPERATIVE TRADE

Cooperative Trade Development

3.1 As in the past the Regional office continued to function as a clearing house for trade information. The following were some of the important activities undertaken by the Regional Office during the period under review.

Trade Information Bulletin

3.2 The ICA TRADE NEWS continued to be issued on a monthly basis. The scope of the Trade News has been slightly broadened to include news concerning development and technical assistance. The journal entered fifth year of its publication in July 1973.

Trade Development

3.3 Some of the trade contacts provided by the Regional Office are listed below :

- (i) The Filipino Cooperative Wholesale Society, Inc., Manila, were provided cooperative contacts both in the Region and Europe for the import of food items, etc. and export of products of industrial cooperatives.
- (ii) The Malaysian Cooperative Industrial Development Society Ltd., Kuala Lumpur, were provided contacts in Europe for the export of orchids.
- (iii) The Malaysian Cooperative Supermarkets Society Ltd., Kuala Lumpur, were provided contacts both in the Region and outside for the import of food and non-food items for sale in its supermarkets.
- (iv) The All-India Handloom Fabrics Marketing Cooperative Society Ltd., Bombay, were provided with cooperative contacts in W. Germany for the export of handloom textiles.

3.3.1 For making contacts in Europe the Regional Office generally sought the assistance of INTERCOOP located at Hamburg.

AGENDA ITEM NO. IV

LONDON SECRETARIAT DOCUMENT ON "INTER-
COOPERATIVE TRADE : PROBLEMS & PROSPECTS"

4.1 A study on "Inter-Cooperative Trade : Problems and Prospects" has recently been prepared by Research Department of the ICA London Office. As report of the Study is still in a draft form it has not been possible to circulate it among the Sub-Committee Members. However, a brief introduction to the study will be made at the time of the Meeting.

AGENDA ITEM NO. V

PROPOSAL FOR THE ESTABLISHMENT OF A COOPERATIVE TRADING
ORGANISATION IN THE REGION

5.1 The Working Group at its last meeting held in Bangkok had recommended that the proposed Cooperative Trade Exchange be located at Singapore. The Group had also recommended to the ICA Sub-Committee for Agriculture and Trade to appoint a Select Committee to go into details concerning the trade exchange proposals and make suitable recommendations. The Sub-Committee at its meeting held immediately thereafter accepted both these recommendations and appointed a Select Committee composed as follows :

- i. Mr B.P. Faustino, Chairman (Philippines)
- ii. Mr Irwin Hunter, Member (Australia)
- iii. Mr A.K. Isaac, Member (Singapore)

Mr M.V. Madane was requested to work as Secretary of the Select Committee.

5.2 The Select Committee held two meetings. First in Chiangmai (Thailand) during the Advisory Council meeting and the second at Singapore from 14th to 16th January, 1973. Minutes of the second meeting held at Singapore are appended to these agenda papers.

5.3 The Select Committee at its meeting held at Singapore had recommended the establishment of an International Cooperative Trading Organisation (ICTO) and had suggested that it should be registered under the Company Act of Singapore. To begin with, an authorised share capital of Singapore \$1 million was recommended out of which S\$500,000 are to be subscribed before commencement of the business. The number of board members suggested was between five and seven and staff for managing the organisation will consist of a General Manager and four other employees. The Select Committee also recommended that a continuous contact should be maintained between the I.C. Regional Office in New Delhi and the proposed trading company.

Adequacy of share capital

5.4 Members of the Select Committee had taken unanimous decisions on various aspects of the proposal after extensive discussion with all concerned parties in Singapore and after a prolonged meeting of the select Committee. The recommendations of the Select Committee, therefore, were widely appreciated both by the government departments and the cooperative organisations in Singapore. There was only one item on which a senior cooperative executive from Singapore expressed his concern and that was concerning the adequacy of capital for the proposed company. He felt that the company may find itself under-capitalized if the business is started only with S\$500,000 as the initial subscribed share capital.

Trade Proposal

5.5 On the basis of various recommendations made at the above meeting Draft Memorandum of Association and Articles of Association of the proposed trading company were prepared by the Secretary of the Select Committee in consultation with a firm of solicitor in Singapore. The Draft Memorandum and Articles of Association along with a forwarding letter by the ICA Regional Director for South-East Asia were circulated among member-movements after having been duly approved by the Chairman and other members of the Select Committee. Additional copies of the proposal were also sent to member-organisations for wider circulation among their affiliates in the respective countries.

5.6 Except in the case of Australia, no other Cooperative Movement has made any definite commitment to participate in the proposed Company. However, it is expected that most of the Movements will communicate their decision concerning participation at the time of the Tokyo meetings.

Proposed follow-up

5.7 If a positive decision is taken on the proposal at the Tokyo meetings of the Working Group and the Sub-Committee, follow-up action will have to be initiated thereafter to facilitate its early establishment. Following are some of the important steps which will have to be taken in this direction.

- a) It will be necessary to obtain firm commitments in writing from participating organisations in the equity capital.
- b) As soon as six countries have declared their intention to participate and as soon as the minimum required amount of share capital has been subscribed, a proposal will have to be drafted for registration of the company. At this stage it will be necessary to appoint a General Manager.

- c) The first Board Meeting should be held immediately after the registration or as soon as possible thereafter.
- d) After the establishment of the company and before commencement of its business, it will be necessary to make contacts with major trading cooperatives both in the Region and outside in order to reach an understanding concerning ways and means for transacting business through the proposed company. It will also be necessary to discuss with INTERCOOP and leading consumer cooperative wholesales in Western countries the manner in which the trading company could provide services to these organisations for their purchases from the South-East Asian Region.
- e) It will then be necessary to recruit necessary staff and hire premises for the office.
- f) The company then should start its business as soon as possible.

AGENDA ITEM NO.VI

ANY OTHER MATTER WITH THE PERMISSION OF THE CHAIRMAN

AGENDA ITEM NO.VII

DATE AND VENUE OF THE NEXT MEETING

INTERNATIONAL COOPERATIVE ALLIANCE
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India

October 3, 1973

TERM : 1972 - 1975

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4. IRAN
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October 3, 1973

FOURTH MEETING OF THE WORKING GROUP FOR COOPERATIVE
FISHERIES, TOKYO (JAPAN) : OCTOBER 30 - NOVEMBER 1, 1973

AG E N D A

- Item No. I Confirmation of Minutes of the last meeting
 of the Working Group for Cooperative Fisheries
 held at Bangkok (Thailand) on November 14, 1972.
- Item No. II Matters arising out of the minutes.
- Item No. III Fishery Assistance Project in Sri Lanka.
- Item No. IV FAO/SIDA Course on the Management of
 Fishermen's Cooperatives.
- Item No. V International Business Advisory Service for
 Cooperatives (IBASEC).
- Item No. VI Development of Inland Fisheries.
- Item No. VII Any other matter with the permission of the
 Chair.
- Item No. VIII Date and Venue of the next meeting of the Group.

AGENDA ITEM NO. I

CONFIRMATION OF MINUTES OF THE LAST MEETING OF THE WORKING GROUP FOR COOPERATIVE FISHERIES HELD AT BANGKOK (THAILAND) ON NOVEMBER 14, 1972.

1.1 The Minutes of the Third Meeting of the Working Group for Cooperative Fisheries held at Bangkok on November 14, 1972, were circulated to all members and are also submitted for confirmation. A copy of the Minutes is annexed hereto for ready reference.

AGENDA ITEM NO. II

MATTERS ARISING OUT OF THE MINUTES

2.1 Please see agenda Item No. V.

AGENDA ITEM NO. III

FISHERY ASSISTANCE PROJECT IN SRI LANKA

3.1 Although the question of providing assistance to fishery cooperatives in Sri Lanka by the French Fishermen Cooperative Societies has been under discussion for more than three years, not much progress has been made so far in securing the assistance. As a matter of fact, it is now almost certain that the original proposal of sending two large sized fishing boats to Sri Lanka with French experts to assist in modernisation of deep-sea fishing will not be implemented in view of certain unavoidable circumstances faced by the French fishery movement. So far we have not been able to identify the reasons for this change.

3.2 On the basis of the revised request sent by the Sri Lanka Cooperative Fish Sales Union and on the basis of the recent discussions by the representatives of the ICA and those of the French Fishery Cooperative Movement possibilities are being explored to secure as a gift following equipment to the fishery cooperatives in Sri Lanka.

- i) Three Mobile Motor Repair Vans;
- ii) Navigation and Safety equipment;
- iii) Audio-visual equipment for utilization at the four training centres.

3.3 It is estimated that the above three items will not cost more than £5,000.

3.4 A tentative proposal to arrange training facilities for Sri Lanka fishermen on French fishery boats in the Indian Ocean is also under consideration by the French Movement. However, there is no concrete proposal so far put forward from the French side.

3.5 During a recent communication with the Director of the ICA in London, Mr P. Lacour has informed the ICA that due to drought conditions in the Francophone countries of West Africa the main concern in France at present was assistance to these countries. However, he (Mr Lacour) was studying, with the French Consumer Cooperative Movement, the possibility of sending material assistance to Sri Lanka.

AGENDA ITEM NO. IV

FAO/SIDA COURSE ON THE MANAGEMENT OF FISHERMEN'S COOPERATIVES

4.1 The above course was held in collaboration with the Government of India and the International Cooperative Alliance at the Central Institute of Fisheries Education, Bombay from 1-26 March, 1973. The total number of participants

was 31 of which 21 were from India and 10 were from Hong Kong, Indonesia, Korea, Malaysia, Philippines, Sri Lanka and Thailand.

4.2 The objective of the course was to train managers of fishermen's cooperatives in the principles of sound management. The programme consisted of lectures, discussions and visits to active and successful cooperatives. Subjects covered included basic cooperative elements, principles of management and administration, book-keeping, planning, control, staff training and cooperative education.

4.3 The ICA Regional Office and Education Centre provided lecturers on the following subjects and also took care of costs of these lecturers :

- | | | |
|------|--|--------------------|
| i. | Main features of cooperative organisations | : J.M. Rana |
| ii. | Formation and Utilization of Capital | : K.S. Ponnuthurai |
| iii. | Personnel and Membership Development in Cooperatives | : Dr Dharm Vir |

The following recommendations have been made for follow-up action.

- (i) FAO should carry out a survey before the end of 1973 in order to ascertain the impact of the Course on the situation and work of the participants.
- (ii) FAO should publish a selection of documents (lectures and case studies) and make this publication available to the participants.
- (iii) FAO should repeat this type of course and also consider the possibility of broadening the scope to include management of small fishery enterprises.

- (iv) The organization and programme of such courses should be based on the experiences and conclusions of the present course.
- (v) Governments may organize similar courses and FAO should give them the required assistance.

AGENDA ITEM NO. V

INTERNATIONAL BUSINESS ADVISORY
SERVICE FOR COOPERATIVES (IBASEC)

5.1 The Articles of Association of the International Business Advisory Service for Cooperatives Ltd. have been circulated among member-organisations in the Region.

AGENDA ITEM NO. VI

DEVELOPMENT OF INLAND FISHERIES

6.1 At its last meeting the Working Group had requested to the Regional Office to initiate study aimed at identifying a project in one of the regional countries for the development of inland fisheries. Follow-up action on this recommendation was kept in abeyance in view of a study of cooperative fisheries undertaken by the Regional Office in Bangladesh. Although the Study did not specifically relate to inland fisheries, the ICA Study was expected to deal with this subject in view of the high percentage of inland fishery activity in that country.

6.2 The Study of cooperative fisheries in Bangladesh was made by Mr K.S. Ponnuthurai, former Assistant Commissioner of Cooperative Development, Government of Sri Lanka. Mr Ponnuthurai has completed his study and submitted his report to the Regional Director. Mr Ponnuthurai's report deals mainly with organisational, financial and management problems of

fishery cooperatives in the country as a whole. It does not deal with the technical aspects of fishery development. It will, therefore, be necessary to make necessary investigations concerning inland fishery development in order to identify an area which can be developed into an inland fishery project. If the Working Group favours the initiation of a project in Bangladesh, the possibility of initiating necessary follow-up action through the Regional Office will be explored.

6.3 The report of Mr Ponnuthurai on "Cooperative Fishery Movement in Bangladesh" will be circulated among members of the Working Group at the time of meeting in Tokyo.

AGENDA ITEM NO.VII

ANY OTHER MATTER WITH THE PERMISSION OF THE CHAIR

AGENDA ITEM NO.VIII

DATE AND VENUE OF THE NEXT MEETING OF THE GROUP