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INTERNATIONAL COOPERATIVE ALLIANCE

REVIEW OF
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THE INTERNATIONAL COOPERATIVE ALLIANCE

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

It comprises 104 organisations in 50 different countries and its total affiliated membership through national organisations exceeds 153,000,000. The Consumers' Movement accounts for the majority of this membership, but agricultural, credit, workers' productive and artisan cooperatives are well represented.

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

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

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

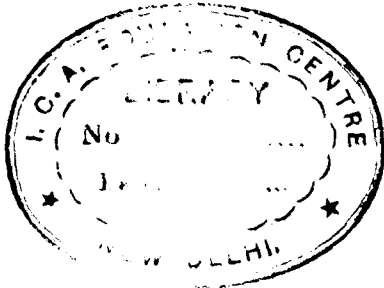
Within the United Nations it enjoys the right to participate in the work of the Economic and Social Council as a Category "A" member.

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

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

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

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AFFILIATED ORGANISATIONS

- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, Avda. Suarez, 2034, Buenos Aires.
- AUSTRALIA:** Cooperative Federation of Australia, 45, Mandolong Road, Mosman, Sydney, N.S.W.
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, Vienna VI.
Membership (1960): 400,014; turnover: Consumers' Societies: Sch. 2,429 mill.; Wholesale (G.Ö.C.): Sch. 1,179 mill.; Department Stores: Sch. 301 mill.; own production: Sch. 301 mill.; GÖC and Subsidiaries: Sch. 375 mill.
Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösendorferstrasse 7/11, Vienna I.
(1960): Member Societies: 224, Assocs. 107; No. of members: 82,971; Dwellings administered: (socs.) 68,329; Assocs. 93,750; Total Balance: (Socs.) Sch. 5,670,105,800; (Assocs.) Sch. 7,352,955,200.
Österreichischer Genossenschaftsverband, Peregringasse, 4, Vienna 9.
Österreichischer Raiffeisenverband, Seilergasse 16, Vienna I.
- BELGIUM:** Société Générale Coopérative, 17—21 Place Emile Vandervelde, Brussels
Affiliated Societies: 59; membership: 352,865; turnover: frs. 3,771,070.
Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151, rue Royale, Brussels.
Premiums (1959): Frs. 814 mill.; Reserves: Frs. 3 milliards; Insurance Funds, Life: Frs. 11 milliards; Fire: Frs. 134 milliards.
Fédération Nationale des Coopératives Chrétiennes, Rue de la Loi, 141, Brussels.
Société „Bien-Etre": 1,320 shops; turnover Frs. 1,205 million; dividends: 60 million Frs. Savings Bank: 1,750 branches; 265,000 members; deposits: Frs. 4,100 mill. Insurance Society: 150,000 policyholders; premiums: Frs. 163 mill.; reserves Frs. 480 mill.
L'Economie Populaire, 30, rue des Champs, Ciney (Namur).
Branches: 385; membership: 70,731; turnover: Frs. 627 mill.; savings deposits: Frs. 370 mill.; capital and reserves: Frs. 75 mill.; own production: Frs. 91 mill.
Institut Provincial de Coopération Agricole, 42, rue des Augustins, Liege.
- OPHACO** (Office des Pharmacies Coopératives de Belgique), 602, chaussée de Mons, Brussels.
Union of 17 cooperative societies owning 249 pharmacies, 50 optical departments and counters, 7 drug stores, 13 wholesale depots. Turnover (1959) Frs. 761 mill. Distributed surplus: Frs. 64 mill.
Société Coopérative Fédérale de Belgique, 83-85, rue Vanderschrick, Brussels.
- BRAZIL:** Centro Nacional de Estudos Cooperativos, Av. Franklin Roosevelt 39, 12º, Sala 1216, Rio de Janeiro.
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., 21, Croad Street, Georgetown.
- BULGARIA:** Central Cooperative Union, 21, rue 6 Septemvri, Sofia.
- BURMA:** National Cooperative Council, 290-300, Lewis Street, (2nd Floor), Rangoon.
- CANADA:** Co-operative Union of Canada, 202, Queen Street, Ottawa 4, Ont.
Affiliated Societies (1959): 726; membership 832,032; turnover: marketing: \$ 586,228,263; merchandising: \$ 168,415,244; assets: \$ 355,136,863.
Conseil Canadien de la Coopération, 684, Est Grande Allée, Quebec.
- CEYLON:** The Co-operative Federation of Ceylon, Co-operative House, 455, Galle Road, Colombo 3.
- CHILE:** Federación Chilena de Cooperativas de Ahorro, Ltda., Huerfanos 1639, Clasificador 760, Santiago de Chile.
- COLOMBIA:** Cooperativa Familiar de Medellin, Ltda., Calle 49, No. 52-49, Medellin.
- CYPRUS:** Cooperative Central Bank Ltd., P.O. Box 411, Nicosia.
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, Tesnov 5, Prague II.
- DENMARK:** De samvirkende danske Andelselskaber (Andelsudvalget), H. C. Andersens Boulevard 42, Copenhagen V.
Representing 28 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 500,000 individual members. Turnover: 8,696 mill. Danish Kroner.
Det Kooperative Faellesforbund i Danmark, Gyldenloevsgade 11, Copenhagen V.
Affiliated Societies (1957): 625; total sales 790 mill. D.Kr.; employees 10,600; comprises: Consumers' Workers', Artisans', Productive and Housing Societies etc.
- EGYPT:** Société Coopérative des Pétales, 4, Midan el Falaki, Cairo.
- EIRE:** The National Cooperative Council, 35, Lower Gardiner Street, Dublin.
- FINLAND:** Suomen Osuuskauppojen Keskuskunta (S.O.K.), Vilhonkatu 7, Helsinki.
Affiliated societies (1960): 364 members: 488,268; wholesale turnover: Fmk. 72,580 million; own production of SOK: Fmk. 20.052 million.
Yleinen Osuuskauppojen Liitto r.y. (Y.O.L.), Vilhonkatu 7, Helsinki.
Affiliated societies (1960): 364 members: 488,268; turnover of societies: Fmk. 135,068 million; total production of the affiliated societies: Fmk. 3,037 mill.
Kultusosuuskuntien Keskusliitto (K.K.), r.y., Mikonkatu 17, Helsinki.
Affiliated Societies (1960): 113; members 510,957; turnover of Societies Fmk. 98,470 mill.; production of societies 15,654 million.

- Osuustukkukauppa (O.T.K.), Hämeentie 19, Helsinki.
Affiliated Societies (1960) 113; turnover Fmk. 63.579 mill.; own production Fmk. 19,896 mill.
Pellervo-Seura, Simonkatu, 6, Helsinki.
- FRANCE: Fédération Nationale des Coopératives de Consommation, 89, rue de la Boétie, Paris VIII.
F.N.C.C. France. Affiliated Societies (1959): 582; Members 3,157,826; Turnover 2,383,000,000 NF; No. of shops 8,165 + 355 warehouses.
Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88, rue de Courcelles, Paris VIII.
Confédération Générale des Sociétés Coopératives Ouvrières de Production de France et de l'Union Française, 88, rue de Courcelles, Paris VIII.
Banque Coopérative des Sociétés Ouvrières de Production de France, 88, rue de Courcelles, Paris VIII.
Fédération Nationale de la Coopération, de la Mutualité et du Crédit agricoles, 129, Bd. St. Germain, Paris VIe.
Caisse Nationale de Crédit Agricole, 30, rue Las Cases, Paris VIIe.
Fédération Nationale de la Coopération Agricole, 129, Bd. St. Germain, Paris VIe.
Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, Foyer Coopératif, 17, rue de Richelieu, Paris Ier.
Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, Paris VIII.
- GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., Besenbinderhof 43, (24a), Hamburg I.
Affiliated Societies (1960): 270 membership: 2,576,495; turnover: D.M. 3,204,4 mill.
Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., Besenbinderhof, 52, (24a) Hamburg I.
Total turnover (1959): DM. 1,528,400,000; own production: DM. 524,3 mill.
Gesamtverband Gemeinnütziger Wohnungsunternehmen, Breslauer Platz 4 (22a), Cologne.
- GREAT BRITAIN: The Co-operative Union Ltd. Holyoake House, Hanover Street, Manchester 4., Affiliated Societies (1960): 859. Membership: 12,956,839. Retail Societies' share capital: £ 254,101,348. Retail sales: £ 1,032,749,334.
Co-operative Wholesale Society Ltd., 1, Balloon Street, Manchester 4.
Affiliated Societies (1959): 944; sales: £ 475,565,896; Bank turnover: £ 5,551,114,532; reserve and insurance funds: £ 34,618,626; total resources: £ 182,601,748.
Co-operative Insurance Society, Ltd., 109, Corporation Street, Manchester 4.
Assets exceed £ 187 mill.
- Scottish Co-operative Wholesale Society Ltd., 95, Morrison Street, Glasgow C. 5.
Affiliated Societies (1960): 177; Sales: £ 88,588,751; reserves and insurance funds: £ 7,609,072; total resources £ 19,645,615.
The Co-operative Productive Federation, Ltd., 138, Charles Street, Leicester.
Sales: £ 5,415,067; employees: 4,557; societies: 33.
- GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), 6, Othonos Street, Athens.
- HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikscoöperaties, "Co-op Nederland", Vierhavensstraat 40, Rotterdam 7.
- ICELAND: Samband Isl. Samvinnufelaga, Reykjavik.
- INDIA: National Cooperative Union of India, 72, Jorbagh Nursery, New Delhi-3.
All Bombay Consumers Cooperative Societies' Federation, Ltd., 3rd Floor, Military Square Lane, Fort, Bombay 1.
National Agricultural Cooperative Marketing Federation, Ltd., 248A Krishna Bhawan, New Delhi.
- INDONESIA: Dewan Ko-operasi Indonesia, Djalan Djenderal Sudirman 28, Djakarta.
- IRAN: Cherkate Taavoni Masrafe Artèche (Army Consumers' Co-operative Society), Avenue Sevvom Esfand, Rue Artèche, Teheran.
- ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., P.O.B. 303, Tel-Aviv.
Affiliated Societies (1957): 1,951; including 703 agricultural, 237 producers' and services, 400 consumers', 249 housing, 1 credit society and 361 pension and provident funds.
Hamashbir Hamerkazi, P. O. Box 130, Tel-Aviv.
"Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, P. O. Box 75, Tel-Aviv.
"Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, 8 Hakirya Street, P.O.B. 209, Tel-Aviv.
- ITALY: Lega Nazionale delle Cooperative e Mutue, Via Guattani 9, Rome.
Confederazione Cooperativa Italiana, Borgo Santo Spirito, 78, Rome.
- IVORY COAST: Centre National de la Coopération et de la Mutualité Agricoles, B.P. 702, Abidjan.
- JAMAICA: The Jamaica Cooperative Union, Ltd., 74½ Hanover Street, Kingston, B.W.I.

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The CHALLENGE

NEVER before in the history of mankind has scientific progress been so great and so rapid as today. The advance of technology and the economic expansion in the industrialised countries, especially during the post-war period, have created conditions for a continuously increasing standard of living, for an economy of abundance.

But roughly two-thirds of the world population are at the same time suffering want. They are by and large excluded from economic progress. In some less developed regions the per capita production and consumption are even decreasing. The reasons for this inhuman state of affairs are many — widespread illiteracy, enormous population growth, low productivity, economic exploitation — to mention only a few strategic factors.

What can we do, we who have the good fortune to live in the privileged parts of the world?

Let us first state what we cannot afford to do. We cannot afford the high political tension between East and West. A peaceful solution of outstanding issues must be brought about through negotiations. Global destruction through atomic warfare is the alternative.

It has been estimated that the total armament costs in the world now amount to more than 100 billion dollars each year. The total sum devoted to economic and technical assistance (bilateral and multi-lateral) is roughly 3 to 4 per cent of the armament costs. Such political conditions must be established as permit of a gradual decrease in the enormous spending on arms, and a progressive, massive increase of economic assistance to the newly developing regions.

In a world where geographical distances are continuously shrinking, where mass-communications media are developing to perfection and the processes of economic integration are rapidly extending across

of our TIME

frontiers and between continents, narrow-minded national concepts become an anomaly, not to say an anachronism. They must to an ever increasing extent be replaced by global views.

The gulf which now exists between the rich and the poor countries is widening every year. That "development" must be stopped. The process can and must be reversed. To diminish the gap the increased production in the rich countries must be accompanied by a still greater economic expansion in the poor countries. This, not the political crisis between East and West, is the great challenge of our time.

In a concerted world-wide action to eradicate hunger, ignorance and disease, the Cooperative Movement has an important part to play, nationally and internationally. An increase in the production of food is of paramount importance in most newly developing countries. Cooperation is an instrument of great significance in producing, processing and marketing foodstuffs and other primary goods, and not least in financing these activities. For these reasons there exists no greater present and future task for the International Cooperative Alliance and its affiliated Organisations than contributing the cooperative "know-how" to the technical assistance programme. We should, therefore, do all within our power to increase the scope and the effectiveness of this great and urgent cooperative work.

In his famous book, "The New Dimensions of Peace", Chester Bowles quotes some words by Abraham Lincoln in a Message to Congress:

"The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion . . . We must think anew and act anew. We must disenthrall ourselves and then we shall save our country".

Lincoln's message seems just as relevant for the world today as it was for his country a century ago.

Dr. MAURITZ BONOW
President, I.C.A.

Towards a World Movement

POISED at the end of the old year and the beginning of the new, most of us take a glance backward and forward. If we can strike a balance between the good and evil fortune of the old year, we can do little more than speculate and hope about the new. But if we as Cooperators wish to re-orient ourselves, our ideas and our work in the Movement, to compare one year with the next is to take too restricted a basis.

In fact, in terms of both time and space, most of us Cooperators take too narrow a view of Cooperation. We become absorbed in the institutions which we serve. Even when we are engaged in intense competition with other forms of enterprise, we do not spare enough attention for the changing economic and social background. The institution, its development, its preservation, can so monopolise our attention that time itself slips past unnoticed.

Unceasing Growth

The turn of the year is rather a time for standing back in thought from the course of daily events and taking a broad survey of Cooperation. How broad? Well, in its various forms and manifestations, the Cooperative Movement has been growing unceasingly for at least a century and a half. It now extends over the habitable globe. Seen against its historical background Cooperation appears as part of a vast turning movement of humanity which involves the most primitive as well as the

most civilised of mankind—the Canadian Eskimo, the Australian aborigine, as well as their fellow citizens of European origins.

How far is the concept of Cooperation as a world movement really valid? The honest answer must be that it is a world movement only potentially, not yet actually. The idea is there, not the concrete realisation. Cooperation is world-wide, but lacks the necessary unity to merit the name of world movement. Because of sporadic growth and the hazards of the process of imitation and adaptation by which the forms of Cooperation have spread from continent to continent, integration has not proceeded very far on the international plane, despite the existence for over two generations of the International Cooperative Alliance.

Sentiment of Solidarity

Integration will come. The proof is in the constant flow of young Cooperative Organisations in the developing countries towards membership of the Alliance and the strength of the sentiment of solidarity which gives the Alliance its capacity to resist disruptive forces and survive world wars and economic convulsions. But sentiment alone is not enough. There must be ideas, doctrines, policies, principles, held in common and, at the very foundation, knowledge of the facts of Cooperative life.

In the light of the demands of the contemporary world, too many of us

Cooperators are thinking locally when we should be thinking nationally, and thinking nationally when we should be thinking internationally. Granted that, for the overwhelming majority of us, our sphere of action cannot be other than local and may be only occasionally national and very rarely international. But it is of the essence of contemporary life that we are called upon to act locally or nationally and nevertheless to think internationally. It is of the nature of any democratic system that those who lead and administer and conduct the relations of nations, as well as of national units of international organisations, depend ultimately on the understanding, the approval, the positive support of the individual citizen or member. The members of local consumers' societies for example, must be brought to understand that, in order that their retail services shall be efficient, it is necessary nowadays for their managers and boards to confer with colleagues, not only of other societies, but of other countries. There can be no adequate Cooperative development without the cross-fertilisation of ideas from organisation to organisation and country to country.

But if we are to respond promptly and effectively to the demands of the time, we must not be too attached to the past and what it has bequeathed to us. The strenuous efforts made by Cooperators to build and maintain institutions which embody their ideas have led them to take the permanence of these institutions for granted. Under the leadership of the President of the Alliance, Cooperators in many countries have been thinking since the Congress of Lausanne of building new Cooperative structures to meet the demands of a changing world. The greatest dif-

ficulty they encounter is psychological—their own and their colleagues' institution-bound, static habits of thought.

Same principles—new forms

In a period of rapid and far-reaching political, economic and social change dynamic thought is essential to survival. The task may be not to develop existing institutions but to transform or replace them, in other words, to apply the same principles in new forms. It is not simply a matter of copying or developing new techniques from contemporaries or competitors. The need is to create new institutions in which the men and women to whom Cooperation appeals for support can feel at home because these institutions answer to their present needs. Those far-sighted Cooperative managers who are encouraging the rising generation to seek in Cooperative stores, not only a convenient shop which supplies what they want, but also a centre for their social life, are thinking dynamically on right lines.

Without dynamic thinking and consequent action on every level, Cooperation will not develop from a worldwide into a World Movement in the true sense. The first requisite is an expansion of the consciousness of the typical Cooperator in any continent so that he or she is aware of what Cooperation is attempting or achieving in the rest of the world and is intelligently interested in learning about it. The second requisite is the cultivation of the international mind amongst those destined for leadership in the Movement. The national Organisations are awakening, although not rapidly enough, to the need of training personnel for high administrative functions while it is still young, but such training will

AGRICULTURAL COOPERATION IN GREECE

by J. Afendakis,

Athens.

At the International Cooperative School held in Athens in September, 1961, the General Director of the Pan-Hellenic Confederation of Unions of Agricultural Cooperatives gave a lecture on the history and development of the Movement in Greece, a summary of which we have pleasure in printing below. Ed.

THE agricultural sector occupies a very important position within the Greek economy. In spite of the progress realized towards industrialisation and the migration of the population from the rural areas into the urban centres, the contribution of agriculture to the national income, the utilisation of the manpower and the realisation of exports still remains decisive. Vegetable production, with emphasis on the cultivation of cereals, remains the most important branch. Animal breeding comes second, while forestry and fishing play subordinate rôles. The progress, as compared with the pre-war years, is sen-

not attain its true end if it is not given an international bias at an early stage. The future of the Movement depends on the appearance of a new generation of leaders who not only know it as an international organism, but accept the obligations and seize the opportunities which the Movement's international structure presents.

W. P. Watkins

sational. With the sole exception of currants, the production of all the other products has increased enormously, while new varieties of products have been added to the traditional ones.

The increase of production was reached not so much through the reclamation of new land, but mainly through higher yields. To this, the productive investments that have taken place, the financing policy and above all the adaptability of the producers to improved methods of cultivation and to modern means of production, manifested under the guidance of Cooperative organisations, have contributed greatly.

Obstacles to Progress

Under its present structure and the conditions in which the processing and the marketing of produce are carried on, agriculture tends to exhaust its margin for development. Further progress presupposes the solution of the basic problems. Problems which might be mentioned are the insufficiency of the land reclamation work and especially irrigation, the absence of sufficient and modern equipment and the means of processing, storing, conservation and transport of the agricultural products, the difficulties of export; the lack of abundant cheap credit, especially long-term loans; the small and the scattered properties and the pressure of population.

The further increase of yields where-

ever this is possible; readjustment by shifting to more intensive cultivation; the rationalised direction of production through conformity to up-to-date trends of the markets, the alleviation of the problems due to increase of population by increasing the output of each agricultural family are the aims.

The means for the realisation of these aims are: the construction of public works having a direct or indirect effect on agriculture; investment for the farmers through the adoption of a suitable policy for maintaining prices of products and of means and supplies for production; the consolidation and application of a very wide programme of technical education; also, the accelerated promotion of industrialisation, in order to create an outlet for the surplus rural population.

Origin and Development

As long ago as 1780, a union bearing the characteristics of a modern cooperative was established in Greece (the Union and Brotherhood of Ambelakia). The main objective of this Union was the systematic organisation of the production and the marketing of the red yarns to foreign countries. The first stage of the modern Cooperative Movement on the model of the Raiffeisen type of Agricultural Cooperative Association began in 1900, with the establishment of the Stockholders Agricultural Association of Almyros, in the form of an ordinary association. This stage is distinguished from that of today by the fact that no Cooperative Law existed at that time. The reform of the social and economic conditions that followed the revolution of 1909, and the development of the Cooperatives in the meantime, led to the promulgation of the Law on Cooperatives in 1915.

Progress and Directives

After the application of Law 602, the Cooperative Movement began to make faster progress, until 1922. Since then, because of the influx of refugees from Turkey and the application of agrarian reforms, the cooperative system has spread all over the country.

Since 1915, the increase in the number of agricultural cooperatives and their members (farmers) was uninterrupted, as was the increase in the turnover and variety of the business carried on by the agricultural cooperative organizations. This is due to the supply of credit in the rural areas through the cooperatives, in order to combat the havoc caused by usury and the difficulties in supplying the agrarian population with goods, which, because of the war, were imported and distributed under the control of the State.

The spreading of the Cooperative Movement in the rural areas, must be ascribed to the large growth of the number of the independent smallholders after the expropriation of the big estates and their distribution among the refugees and persons who possessed no land, who found the means for the successful administration of their land within the cooperative. The existence of a competent public service for the propagation of agricultural cooperatives has also contributed to the spreading of the Cooperative Movement, as well as the initial supply of certain funds for financing agriculture through the Cooperative Associations.

Structure and Membership

At the end of 1959 there existed 7304 local (primary) Agricultural Cooperatives, with a membership of 729,265 members—farmers, out of the total of about 1,000,000 farmers' families.

There is hardly a community without a cooperative and in some villages, there are more than one. Out of the total number of cooperatives 62.4 per cent are Credit Societies—or more exactly, Multi-purpose Cooperatives — 27.2 per cent are productive and 6.9 per cent are Sales Cooperatives. The remaining 3.5 per cent serve various purposes.

The largest percentage of local cooperatives are affiliated to regional Unions. On the 31st December 1959, there were 130 cooperative Unions with a membership of 6215 local Cooperatives and 621,755 individual member farmers. As a general rule, the Unions are multi-purpose organisations. In spite of the fact that the economic conditions of the farmers are desperate and the repeated inflation that followed both world wars, the Cooperative Organisations were able to concentrate comparatively large funds, a fact that proved the faith of the farmers in their cooperatives and their readiness to make sacrifices. At the end of 1959, the total capital of the Cooperative Movement in Greece, amounted to Dr. 474,500,00. (£ = 84,000 Drachmae).

The Agricultural Cooperative Organisations have established several types of central organisations in order to co-ordinate the handling of the various branches of the agricultural production or undertakings. They are in the form of Central Unions of Cooperatives, Pools and Joint-Stock Companies depending on the conditions in each case. The most important of them are:

KYDEP, The Central Organisation for the administration of home products, the concentration of commodities for which no special Central Organisation has been established, mainly, wheat, cotton, rice, potatoes and carobs;

SEKE, Cooperative Union of Tobacco-growers of Greece, for carrying the trade in leaf tobacco and cigarette industries;

KSOS, Central Pool of Sultana-growers' Organisation;

LEOURGHIKI, Central Union of Cooperatives of Olive-producers for the products of the olive tree;

SPE, Cooperative Supply Society, for supplying the farmers with consumer goods and means of production;

SYKIKI, A Cooperative Union of the second degree for the figs, and a few others for certain purposes, or of local importance.

A Publishing Company has recently been formed, and the establishment of Central Organisations for cotton, fresh fruit and vegetables and dairy produce is under study. In order to facilitate trade with the Eastern Countries, the Central Organisations have established several Joint-Stock Companies. Furthermore, for the handling of the currant raisins, the ASO, Autonomous Currant Office, exists. One half of the members of the Board of Directors, including the President are representatives of Cooperative Organisations.

The Cooperative Organisations, in collaboration with the Agricultural Bank of Greece, have established the NEW AGREX, the Special Exporting Joint-Stock Company, as well as several pools for particular purposes. Now the organisation of a Joint Exporting Society for dried fruits—currants, sultanas—and wines, is being studied.

At the top of the Cooperative pyramid stands the Panhellenic Confederation of Unions of Agricultural Cooperatives, as the general representative of the professional interests of the

farmers and as a central organising body, with 123 Unions of Cooperatives as its membership. It functions as a non-commercial association, having as its objective the ideological guidance and the professional representation of the organisations. Fees of Dr. 5, paid per individual member-cooperator provide its financial (income) resources. Within the Panhellenic Confederation, several Committees are functioning for the study of special subjects and their reports are submitted to the Board of Directors.

The Agricultural Bank of Greece

The founding of the Agricultural Bank of Greece in 1929 has largely contributed to the development of the Agricultural Cooperative Movement, on the one hand, because the auditing and the control of the Cooperatives was passed over to the Bank and, on the other, the Bank has undertaken systematically the financing of the farm members of the cooperatives—through their cooperative organisations and the non-cooperative farmers directly from its branches of which there are about 150. Three divisions of the Bank for Cooperatives, for Agricultural Credit and for Technical purposes, are at the service of the farmers and help them in their task. The Agricultural Bank assists the farmers' organisations in their work through its agent-supervisors, auditors, technicians.

It is governed by a Board of Directors consisting of 13 members. Representatives of the farmers' cooperative organisations sit on the Board of Directors.

The Agricultural Bank does not possess sufficient funds, but runs its operations mainly with funds of the

Bank of Greece. The Agricultural Bank of Greece uses these funds for financing the farmers with short term loans, especially in cash or in articles, such as fertilizers, seeds, chemicals, as against pledged agricultural products. Out of the Public Investment Funds it issues loans for modernising and increasing agricultural equipment, the development of stock breeding and for housing. The Agricultural Bank of Greece, in carrying on credit business and by financing the cooperators, makes use of the services of the Cooperative Organisation. The farmers who are not members of the cooperatives deal directly with the branches of the Bank.

The loans are issued on the basis of land area under cultivation, and the number of head of cattle, in combination with the sum defined by the headquarters of the Agricultural Bank of Greece, for each *stremma* (1/10 ha.) per head of stock etc., and upon statements of the farmers deposited in their Cooperative Societies. These statements are kept at the Cooperative by the president and submitted to the branch of the Bank. There, they are checked, the sums requested by all cooperators are added together and when they are approved, an equal sum of money is put at the disposal of the Cooperative Society. For contracting a loan, a decision of the General Assembly is necessary authorising the Board of Directors for this.

Cooperative Education

The question of education and training has especially preoccupied the leaders of the Cooperative Movement. Originally, the state took over the responsibility for cooperative education and for this purpose it made widespread use of the services of the schoolteachers who, along with their agricultural education,

were taught about cooperative societies. Among the schoolteachers were many of the very first auditors of cooperatives, who worked for the Ministry of Agriculture. Later, there was a Cooperative School which had rather a short life.

Under the dictatorship of Metaxas (1936-40), regular courses were organised, and the training of the employees of the cooperative organisations, and other young people, who wished to learn about Cooperation. After the war, the top cooperative organisation, the Panhellenic Confederation, as a representative of all cooperative organisations, made numerous attempts to persuade the state to adopt the programme, worked out by the Panhellenic Confederation in collaboration with the Agricultural Bank of Greece, for the cooperative education in the public schools.

Hence the Panhellenic Confederation, on its own initiative, has established, within its own offices, a special Division of Cooperative Education, where, through courses that last about 7 months, members of the Staff of the Cooperative organisations can receive a training. In this way, between 1950 and 1960, 183 employees of cooperatives have been trained. The Panhellenic Confederation took also the initiative in the establishment of school cooperatives in the elementary schools, making use, for this purpose, of the services of schoolteachers, the auditors of the Agricultural Bank and the personnel of the local cooperative organisations. The first school cooperatives were established in 1954-55, and during the school year 1959-60 there were altogether 825 school cooperatives throughout the country.

Parallel with the functioning of the School, the Panhellenic Confederation, since the end of 1960, has established

the system of seminars, in order to give to the leaders of the cooperative organisations in the different branches the opportunity to come together and discuss their problems among themselves. In these seminars, distinguished scientists offered themselves eagerly to teach. Such seminars have already functioned for the presidents, for the directors and for the chief accountants of the Unions of Cooperative Societies. A series of Seminars on special subjects will be held in the near future, in Athens, the larger regions and in the smaller districts.

The Cooperative School, besides the regular courses, organises series of special training courses out in the various towns. Leaders of Cooperatives and members of their staff attend these courses.

The SEKE, Cooperative Union of Tobacco-growers of Greece, has established a system of scholarships awarded to children of poor tobacco-growers, who are successful in special competitions, organised for this purpose. Those who fulfil the requirements of the Superior Educational Institutions, continue their studies in the Universities of Athens, or Thessaloniki. The SEKE maintains a hostel in Thessaloniki at the disposal of the students. Hitherto, 410 young men have received a full or part scholarship, 68 students have graduated, while 120 are continuing their studies. Occasionally, some Unions of Cooperatives and Cooperative Societies award scholarships but on a very small scale. The matter of systematically granting scholarships is being discussed between the Panhellenic Confederation and the Central Cooperative Organisations. Lastly, at the suggestion of the International Cooperative Alliance, certain National Cooperative Organisations have awarded

scholarships to Greek leading cooperators with higher education for further training and specialisation.

Problems of Agricultural Cooperatives

Since almost three-quarters of Greek farmers are members of the agricultural Cooperative Movement, it follows that their problems, together with the overall problems of Greek agriculture, call for full attention of the cooperative organisations. The Confederation makes special efforts to find suitable solutions to the various economic and social problems of the farmers. Its activities aim both at increasing production and raising productivity standards and at establishing institutions which will benefit the farmers. A recent example of the success of the Confederation in this last field is the promulgation, a few months ago, of the law on agricultural insurance of farmers and their production. The Confederation is now devoting its attention to the study of the problem of the re-adaptation of the agricultural economy to the conditions created after the affiliation of Greece with the Common Market. Moreover, the agricultural Cooperative Movement has also to seek solutions to its own particular problems, one of which is the inadequacy of funds owned by our cooperative organisations and the difficulty of raising additional capital as a consequence of the farmers' poverty. However, the acquisition of heavy agricultural equipment and storage facilities, the marketing of the crops, the processing of agricultural products etc., on the one hand, and on the other, the covering of consumption requirements of the farmers—which are all tasks better fulfilled within the framework of Cooperation—assume the existence of economically

strong organisations, specialising in definite lines of activity. The present system, by which one local cooperative corresponds to every community and the majority of cooperatives practically act as credit offices of the Agricultural Bank, cannot serve wider constructive purposes. It is considered that, in numerous cases, the local cooperatives should cover a wider production area rather than a single community and that production cooperatives should expand at the expense of credit cooperatives.

Another problem to be solved concerns cooperative legislation. Though based on the established principles of self-government, self-responsibility and self-assistance, a multitude of regulations brought into force after the promulgation of the original law 602 in 1915, impede to a certain extent the free evolution of the cooperative movement. In addition to deleting from existing legislation all conditions contrary to fundamental cooperative principles, the Cooperative Law should be adapted to the needs of modern times.

The strengthening of the spirit of cooperation among the farmers is yet another problem to be seriously faced. There are indications that this spirit is not always as lively as it might be, while the general public, and often even the competent employees of the state services, are inadequately informed as to the aims and purposes of the Cooperative Movement. The Confederation therefore believes in the necessity of including cooperative education in the programme of High Schools.

Finally, it is imperative to promote simple cooperative education widely among farmers in order to propagate the principles of collaboration and stress the benefits cooperators can obtain by actively supporting the Movement.



Experimental plots using new hybrid seeds have been remarkably successful
Above is a maize plot at Menfi

and time (essential reference points for any material progress) seem to find no place.

Tradition-bound society

In this tradition-bound society, the family is the main, in fact almost the only social unit and is very largely dominated by the father. Women, married or unmarried, have practically no independent life or interests. After the age of about twelve girls are not allowed out alone. Voluntary organisations, which might lead to a mixing of members of different families and people of different social backgrounds and so stimulate thought and discussion, are practically non-existent. In the mountain village of 9,000 inhabitants, Professor Galtung found at most three or four voluntary organisations. In a place of similar size and situation in Norway there were 103. Moreover, in the Norwegian village, a majority of

the members of voluntary organisations were women. In Sicily it was very much the reverse. Other significant pointers were the high proportion of inhabitants who regarded the priest as the most important person in the life of the community and the large number of married people who regarded the idealized family as smaller than the one they in fact had.

That the authorities regard any effort at change (and this applies very much to the work of Danilo Dolci and his associates) as a manifestation of Communism is not surprising, for in underdeveloped countries Communism arises where practical reform is impossible, either because of the lack of economic means or the rigidity of the social structure. In Sicily we have both of these factors. Non-violent social change depends on an understanding of the principle of cause and effect, of the application of reason to the problems faced, of a scientific rather than a

religious approach. These are very much lacking, and the totally inadequate school facilities do nothing to change the traditional acceptance of the *status quo*. In reply to the question whether it was possible to improve the situation in their village, a high percentage replied that it was not or that they did not know. Those who recognised the possibility of improvement but realised the extent of the local obstacles to change, were the ones who tended to emigrate.

Lack of markets

Dr. Faber pointed out the need for local industries to supplement agricultural employment, but indicated that such industries as had been introduced had done little to solve the unemployment problem and had not been very successful because of the lack of a local market. The peasants have no money to buy factory products. The government had encouraged one or two North Italian industrialists to set up factories in Sicily, but they found that they had to send their products back to N. Italy to find a market, thus making the operation unprofitable. The existence of the European Common Market makes the starting of new industrial units difficult. Dr. Faber suggested that the way out might lie in the establishment of producer cooperatives, providing the members were prepared to accept less than the standard Trade Union rate of remuneration until the business had established itself.

So far as agricultural progress is concerned, the following obstacles exist: 1) fragmentation of holdings, which are uneconomical to work and involve the peasants in much waste of time going from one plot to another; 2) the terror of the Mafia which drives most of the



Painting is one of the recreations in the Children's Centre started by Danilo Dolci at Menfi

peasants to live in overcrowded conditions in little towns like Partinico and thus to have long journeys to and from their fields every day; 3) lack of irrigation, reducing the yield and making large areas which could be fruitful more or less useless; 4) erosion of hillsides due to past deforestation; 5) the poor return the peasants get for their marketable surpluses because the marketing channels are controlled by the Mafia; 6) the ignorance of the peasants, which inhibits experimentation with new crops and new methods of cultivation.

Cooperation the answer

The answer to this situation clearly is Cooperation; but the recommendation

of the remedy is easier than its implementation. Past experiments with Cooperatives have not been very encouraging. For every one that has survived, many have failed through incompetence, indiscretion, pessimism, lack of interest and, most commonly of all, the embezzlement of some part of the funds. The reason for these failures lies partly in the way in which the Cooperatives were organised and run and partly in the general social and economic malaise which infects—indeed characterises—this area.

Danilo Dolci and his colleagues, however, are convinced of the soundness of the Cooperative approach, not merely as a means of raising economic standards, but also because of its educational value. Sicilians tend to believe that the failure of past Cooperatives was due to the innate badness of the Sicilian character. The successful formation of Cooperatives gives them self-confidence and is a training in democracy. It encourages social cohesion, a belief in the possibility of improvement, and of improvement by their own efforts and in their own environment. A better life for them in Sicily becomes a possible goal—not merely in America or in the next world!

New crops

Particularly through the efforts of a Dutch Cooperative worker, Gerrit Huizer, new and promising efforts are being made. A vine-growers Cooperative has been formed which has already found a market for its "Partinico Wine" in Holland. The realisation that people in other countries want their produce gives perhaps more self-confidence than finding a local market. A rabbit-breeders Cooperative has been formed

to supplement the inadequate protein content of the local diet. Another Cooperative has been formed to grow bulbs and seeds for the British and Dutch markets, while a fruit producers' Cooperative (for oranges, lemons, peaches, olives, tomatoes etc.) has been formed which is negotiating a marketing arrangement with the Swiss Consumers' Organisation, Migros.

Irrigation

Reference has already been made to the problem of irrigation. One of the schemes promoted by Danilo Dolci is for the damming of the Gato River near Palermo, in order to construct a reservoir and irrigate a large area. In addition to benefitting the small farmers of Partinico and the surrounding zone, it will also mean 3,000 more jobs for agricultural day-labourers, whose under-employment forms one of the biggest problems in this part of Sicily. This project has necessitated the establishment of a sort of Cooperative for the purpose of involving all those concerned in the scheme.

The current valuation of all the land affected had to be worked out, adequate compensation in money or new land provided for those whose fields were to be inundated and an equitable distribution of the newly irrigated land arranged. The task has not been easy, because of the prevalent ignorance, suspicion and individualism; but, after several setbacks, these obstacles have now been overcome and constructional work is about to begin. If it is successful, and there is no reason to expect otherwise, it may be the forerunner of many similar schemes, for Sicily receives an adequate rainfall and the need is to conserve the water and use it economically, rather than let it rush down from the moun-

tains to the sea in the rainy season, carrying with it much good soil.

Experimental Plots

The introduction of new crops, new seeds and new methods of cultivation is mainly being carried out on experimental plots with the cooperation of individual farmers who are a little more intelligent or adventurous than their fellows. The success of these experiments (and I myself saw remarkable results of this work, particularly at Menfi, one of Danilo Dolci's rural centres where an Italian agronomist is working full time) is likely to lead to a general desire to do likewise and to provide opportunity for establishing efficient agricultural Cooperatives.

The Dutch Cooperative worker has recently had to return to his own country, but his place has been taken by a young Italian university graduate, Filippo Fiorino, who has a keen interest in Cooperative development and with whom I had the opportunity of a long discussion of the possibilities.

Creating a new social climate

It is evident, therefore, that Western Sicily is an area where, in spite of many inherent difficulties in the form of lack of education and a rigid and reactionary social structure, Cooperation has a big rôle to play, not only in raising economic standards but also in creating a new social climate and replacing an antiquated and oppressive social structure by one of a more flexible and democratic character. This kind of development, said Mr. Grigg, the Community Development Officer of the United Nations, was quite in line with the work of his Department, would be watched by him with interest and given any assistance possible.

TRAINING FOR MANAGEMENT

Management training is the theme of an interesting course at "Hohe Warte", the college of "Konsumverband", the Austrian Cooperative Consumers' Union, Vienna.

For a year, divided into four terms of which the second starts this month, students receive an intensive training in everything connected with store management. Between the terms practical training is given in the Austrian Wholesale organisation, GÖC.

The subjects covered are:

Introduction to Political Economy and Economic Policy;

The Cooperative Movement;

Introduction to Business Management;

Accountancy systems;

Estimating, Balance Sheet Analysis, Trading Statistics;

Finance;

Rationalisation of Management;

Business organisation, Costing, Stock-keeping, Price Policy, etc.;

Cooperative Trading, Buying and Production;

Modern Display and Staff Management;

Law and Taxation.

COOPERATIVE COMMENTARY

Advisory Council Meeting

AS a means of maintaining contact between the I.C.A. Education Centre for S.E. Asia and the Cooperative Organisations of the region, as well as of ensuring that the work of the Centre corresponds to their educational needs, an Advisory Council was set up which held its first Meeting in New Delhi in October. Mrs. Indira Gandhi accepted the invitation of the I.C.A. to become Hon. President of the Council. Its Chairman is Professor D. G. Karve and the members are all chosen by their respective national Cooperative Organisations. Altogether, eight countries are represented.

At this first meeting, it was necessary for the Council to agree on the definition of its organisation and functions. This was embodied in a statement which laid down that the purpose of the Council is to help in the formulation of over-all policy concerning the activities of the Education Centre; to help to evaluate the results of these activities and to serve as a permanent contact organ between the National Cooperative Movements and the Centre.

The Council exchanged ideas and suggestions regarding the programme of work of the Centre for 1962 in the light of the experience gained in 1961. A résumé of the activities carried on in the Centre's first year of operation and its projected work for the current year will be given in a later issue of the *Review*. Meanwhile, it is a matter for general satisfaction that the first specialised working group of Cooperators to be set up on a permanent basis in South-east Asia has made a successful beginning.

Charles Gide Commemorated

On the 1st December 1961, the Institute of Cooperative Studies at Paris honoured the memory of Charles Gide by convening a meeting in the very hall where he delivered his first lecture as holder of the Chair of Cooperation in the Collège de France exactly forty years before. A distinguished company representing the worlds of Cooperation, education and government assembled to pay homage to one who, as educator, economist, Cooperator and citizen,

had spread not only enlightenment but warm humanity far and wide.

Professor Georges Lasserre praised Charles Gide's talent for making economics easier to comprehend and more interesting, emphasising that he had really thawed out this science by bringing his heart and his conscience into the subjects he studied. Mr. Georges Gausse declared that Gide had given the best of himself to Cooperation and that of all his lectures, those on cooperation were the most vivacious. Mr. Jef Rens, Deputy Director General of the International Labour Office, said, in the concluding speech, that Gide's ideas continue to inspire certain aspects of its work. "At a time when Cooperation is developing in the world at a continually accelerating pace, disciples of Gide can see that the founder of the School of Nîmes has become an example to the whole world, that his works are translated in Jerusalem and in Warsaw, in Japan as well as Latin America".

It might be worth while for the Institute of Cooperative Studies to consider the publication of an anthology of lectures delivered by Professor Gide from the Chair of Cooperation. Each of his courses was printed shortly after it was delivered but these volumes, after more than thirty years, will mostly be out of print. Besides, not all his subjects will be equally topical today, nor all his observations of equal value. But there are many precious things which should be available to Cooperative students of this generation. In particular, there is that last course on *Solidarité*, in which Gide returned to the fundamental idea which first inspired his economic and social teaching as a whole and, particularly, his exposition of Cooperative theory—an idea no less fundamental for the solution of our contemporary problems.

Belgian National Council

The National Cooperative Council of Belgium has recently published a report covering the first eighteen months of activity after it began work in the middle of 1959. The Council consists of the President, Mr. Willy Serwy, and 20 effective members with 20 alternates. These members are appointed by the Crown after nomination by four Commissions concerned respectively with consumers', agricultural, productive and distributive and service Cooperatives.

Obviously, the initial period of the Council's work was largely occupied in setting up its organisation, working out procedures and drawing up a programme of work.

The problems considered by the Council and the Commissions may be taken up either on their initiative or at the request of a Minister or the Central Economic Council. They may also be general problems of concern to the great majority of cooperatives or special problems of interest only to certain categories.

For example, the legal status of Cooperative Societies was such a general problem, and the Council asked on more than one occasion to be heard when the Commission on the reform of Company Law now sitting comes to consider proposals already drafted concerning Cooperators. The Minister of Justice has agreed that the Council shall be permitted to express its opinion on the draft report. At the request of the Ministry of Foreign Affairs, the Council considered the role of Cooperatives in the economic progress of developing countries and expressed its opinion on the report submitted to the 29th Session of the U.N. Economic and Social Council and signified its general approval, adding a recommendation in favour of technical assistance through the establishment of education and training centres. Several studies were carried out on the Cooperative dividend system, its specific character, its maintenance against restrictive practices and abuses of economic power and its liability to or exemption from taxation.

Although the report admits that the authorities have not yet called on the help of the Council to the extent that might be desired, the Council has been able to make its presence felt by a number of Ministries. In any event, it has provided a focus uniting the different branches of the Cooperative Movement and promoted a sense of solidarity amongst both Council and Commission members. Notwithstanding the complete liberty of opinion which is allowed to them, a very high proportion of their decisions is unanimous.

Credit Unions in Curaçao

Among the notable personalities playing an active role in the Inter-American Cooperative Conference at Bogota last November was Father Amado Romer of Curaçao. Curaçao is the largest island of the Netherlands Antilles off the coast of Venezuela. The total population is about 200,000 and some 12,000 of these are members of 52 credit unions. The oldest unions have hardly been four years in existence.

The rapid and encouraging growth of this Movement owes very much to Father Romer's inspiration and de-

voted teaching. He was in fact recently released by his bishop to engage full-time in the work of credit union organisation. The need for cooperative credit springs from widespread usury amongst a population of very varied racial origins. Father Romer, who is a native of Curaçao, understands them very well, but it took many years of teaching and discussion before he could stir them to take action on their own behalf.

Today, the Movement has capital amounting to Fl. 176,000 in members' shares and deposits. Loans total Fl. 341,000. Father Romer, however, lays even more emphasis on the educational influence of the credit unions than on their financial advantages. The members learn not only to manage their money but to work with their neighbours in a democratic fashion. They develop confidence in their own powers and ability to take care of their own affairs, as well as a belief in democracy because they can make democracy work.

New Cooperative Training Centre

Twelve leading Cooperators, representing a diversified group of important U.S. Cooperative Organisations, decided on the 18th December to establish, if possible, at the University of Wisconsin, a training centre for Cooperative workers. This will offer systematic courses, in addition to practical training in various types of Cooperative enterprise, to suitable candidates drawn from all over the world. It will at once help Cooperators from the developing countries to acquire the ideas, techniques and skills necessary for successful Cooperative activity in their home countries and help American Cooperators to fit themselves for Technical Assistance missions in countries where the Movement is still young and needing expert guidance. This will be the first project of a new organisation called International Cooperative Training Incorporated, with a board of directors of 17 members. Its objects include the establishment of training centres, not only in the United States, but in other countries, especially those economically less-developed.

New Chairman of K.K. Board

With the New Year Mr. Jorma Jalava, hitherto General Secretary of the Finnish Cooperative Union K.K., enters upon his new office of Chairman of the Board. He succeeds Mr. Jalmari Laakso upon the latter's retirement. The regret which innumerable friends and colleagues will feel at losing Mr. Laakso from the active scene will be tempered by the knowledge that he is succeeded by one

whose ability, energy and dedication to the Cooperative cause have won him a high reputation far beyond the frontiers of Finland. Mr. Jalava is acquainted with the Cooperative Movements of many lands and the international spirit of the K.K. Union will not waver but burn with a steady flame under his guardianship.

Andreas Hermes Honoured

The recent retirement of Dr. Andreas Hermes from the Presidency of the Raiffeisen Union marked the close of a career of devoted labour in the interests of the German peasantry which covered two generations. At a meeting at Bonn in December, Dr. Hermes was honoured by election as Hon. President of the Union in the presence of President Lübke, himself a former director of the Union, and numerous representatives of the government, agriculture and the different branches of the Cooperative Movement.

As long ago as 1930, Dr. Hermes was one of the two first presidents of the National Union (Reichsverband) of Agricultural Cooperative Societies. Upon him devolved the task, after the Second World War, of rebuilding the Union in the Federal German Republic with its headquarters at Bonn. In 1949, when the Cooperative Bank (Deutsche Genossenschaftskasse) was founded a second time, Dr. Hermes was the only conceivable choice as president. He has had the good fortune to live long enough to see these institutions flourish and grow strong and to receive the well-merited tributes of gratitude and admiration of his compatriots and hosts of friends in all parts of the world.

A Centenarian

Hearty congratulations to the Review's esteemed contemporary, the *Revista de la Cooperación*, on reaching its 100th issue which appeared in September-October 1961 and arrived in London at the end of the year. The *Revista*, founded nearly twenty years ago by the late Dr. Bernardo Delom, is a bi-monthly published by the Argentine Federation of Consumers' Societies to promote the study of Cooperative principles.

The 100th issue contains an article on Dr. Mauritz Bonow, President of the I.C.A., and congratulations to Dr. Nicolas Repetto, founder of the Federation and of *El Hogar Obrero*, the famous society at Buenos Aires, on his ninetieth birthday.

W P. W.

INDUSTRIAL COOPERATIVES AND TECHNOLOGICAL PROGRESS IN INDIA

D. A. Shah.

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INDUSTRIAL Cooperatives in India have in very rare cases entered the field of large-scale industry. They are mostly confined to cottage and village industries and handicrafts. A modest but slowly increasing number consists of workers in small-scale industries. The technological progress visualised in this article should, therefore, be taken to mean the technological progress in village, cottage and small-scale industries and handicrafts or as the Planning Commission calls them "village and small industries".

Village and small industries were assigned a 'crucial' or 'strategic' importance in the Second Five-Year Plan. The Village and Small-scale Industries Committee (*Karve*) points out that while the complex modern structure is being built in the country on the basis of producer goods, it is essential that there should be no shortage of consumer goods. The need for increased production of agricultural and industrial goods is, therefore, as important in the short run as the building up of a modern structure in the long run. Accordingly, one of the objectives of the programmes of village and small industries in the Second and

the Third Five Year Plans is that the industries should meet a substantial part of the increased demand for common consumer goods and simple producer goods.

The future of the village and small industries depends to a considerable extent on the technological advance they can make and sustain. Experimentation and research would make available to workers in these industries, better tools, machines, equipment and processes by which they can produce more goods and of better quality per worker in a given time and with given investment. It may also minimise waste of raw materials and fuel and find new, cheaper and better raw materials and power. If workers accept the results of experimentation and research, it would increase their income and by raising production of better and cheaper goods increase the competitive strength of the industries, and may in course of time make them selfsupporting. In this way two objectives would be achieved, namely, the raising of the standard of living of workers and strengthening the decentralised sector.

Now that Government is determined to concentrate on measures which include setting up of research and training centres and also extension services, what is needed most is a progressive and dynamic spirit instead of conservatism and inertia on the part of workers. This is an indispensable condition for technological

advance of village and small industries.

This raises the question as to what role industrial cooperatives, on which much stress has been laid and of which great hopes are entertained, can and should play in securing technological progress.

The time is past when government, cooperators and the general public should be satisfied if cooperatives did a sort of relief work for artisans and workers by saving them from the clutches of money-lenders, merchants and middlemen. The success of an industrial cooperative should be judged by the extent to which it serves the interests of the community as well as of its own members. The main criterion of its success should, therefore, be whether the cooperative and its members availed themselves fully of the results of research and adjusted their methods of production accordingly, without, as far as possible causing technological unemployment.

Research

Experimentation and research for village and small industries must be almost entirely the responsibility of the government which should set up a network of research institutions, instruct bigger industries and research bodies which at present devote their energies almost wholly to the needs of large-scale industries, to pay attention also to the needs of village and small industries.

So far as industrial cooperatives are concerned, it would usually be desirable to combine research with production activities at the same centre. This would offer three advantages: (1) Results obtained at the research stage can be tried out at the same centre for testing their suitability for production on a commercial scale; (2) the centre can arrange to provide in-plant training of artisan and

worker members of cooperatives; and (3) if the production activity of the centre yields adequate profits, as it has done in some cases in the past, the centre can meet part of its expenses on research.

There should also be schemes under which facilities can be provided for artisans and workers to try out new ideas in government or other research institutions. Inventions and improvements introduced by them could be suitably rewarded. It may be remembered in this connection that the *ambar charkha* which is a distinct—almost a revolutionary—advance on traditional *charkha*, was not designed by trained scientists in research workshops, but by a layman deeply attached to the cause of *Khadi* at his cottage home.

If there has not been sufficient improvement in the techniques of production, the fault is not that of artisans and workers alone. Although the extent and nature of research that is being carried on leaves much to be desired, the arrangements for conveying the necessary information to extension staff and technical training institutions leave much more to be desired. The result is that the necessary information is not channelled quickly from research institutions to artisans and workers and sometimes it is distorted on the way.

Technical training

Another matter which deserves attention is that research staff is not always aware of the problems and difficulties that are experienced by workers in their cottage homes or workshops.

In this respect industrial cooperatives could be very useful in investigating and making known such problems.

The position relating to institutions and arrangements for technical training suited to the requirements of artisans

and workers in village and small industries differs in different States. It is obvious that efficient technical training institutions should exist in sufficient numbers, that some should be permanent and some mobile, and that such arrangements should be made for admission of candidates, payment of stipends etc. as would suit artisans and workers in village and small industries. Age limits, literacy qualifications, periods of courses and similar details will have to be properly adjusted.

Existing or prospective members of industrial cooperatives should be given priority in admission. Mobile schools and demonstrations would yield better results if posted at or near the headquarters of a good industrial cooperative or in an area where a group of industrial cooperatives in the industry concerned is working. It has been found to be more fruitful to attach a demonstrator to one or more societies so that he can improve, guide and supervise production in the society or societies.

Extension services

That there should be well-trained, efficient and energetic extension staff in sufficient numbers goes without saying. Unless it is recognised that extension services should be given as much importance as research, the time, labour and money spent on research would largely be wasted. It is not rare to find that although research workshops and laboratories have years ago evolved tools and equipment, processes and designs, and found cheaper or better raw materials, few workers actually know the results and fewer still use them. Leaflets can be prepared in simple regional languages giving details of the possible improvements and pointing out how they can be

adopted, at what cost and with what advantage. If such literature is supplied regularly to cooperative federations and even to primaries of the industries concerned, and arrangements are made to answer inquiries based on the literature and also for supply of technical guidance through personal visits by competent technical men, much can be achieved in a comparatively short time. Moreover, the difficulties that extension officers experience in collecting artisans and workers or even in approaching them individually, would be removed if they approached industrial cooperatives.

Receptivity

Illiteracy, backwardness, conservatism and lack of ambition have been the principal factors which made artisans and workers in village and small industries apathetic and sometimes hostile to new ideas about production. The fact that some of them have taken to cooperative organisation indicates that they have a desire to improve their lot. Members of industrial cooperatives would, as a rule, be more appreciative of improved techniques and more receptive to new ideas than others. Moreover, there are in a society at least a few persons including the secretary or the manager, who can read the literature supplied by extension workers. Once members of a society are convinced and adopt improvements, the society itself serves as a demonstration centre from which the knowledge and the spirit of receptivity radiate among non-member artisans and workers also.

Financing improvements

Introduction of improved tools, machines and equipment involves some additional investment of money whether

the improvement can be made by repair of old tools and equipment as in some traditional industries, or by complete replacement of some of the important tools or equipment, or by addition of certain new tools etc. It is often beyond the capacity of an individual artisan to find the necessary money for such investment. With an industrial cooperative, it is usually different. The society can and should get the necessary funds for the purpose. The Boards for different village and small industries and the *Khadi* and Village Industries Commission, as also Government Departments, should not only continue but strengthen their present policies of making funds available interest free or at concession rates of interest and of giving some subsidies for enabling members of industrial cooperatives or industrial cooperatives themselves to introduce improved tools and equipment. Repayment of the loans should be spread over a sufficiently long period to enable the artisans and workers to repay the loans out of their increased earnings.

Standardised tools and equipment

This is highly important. Cases have occurred in the past, in which the so-called improved tools and equipment supplied to artisans under loan-cum-subsidy schemes of governments have been found to be unsatisfactory, involving the artisan in loss and making him shy of the very idea of improvements. It is, therefore, essential that there should be an assured supply of standardised improved tools and equipment and that the prices should be reasonable. This can be done if the tools and equipment are produced by well-managed government workshops or by industrial cooperatives or by reputed

firms approved by government or an industrial cooperative federation. In the case of village industries, such workshops have been organised on cooperative lines or are conducted by non-official organisations registered under the Societies Act of 1860. If possible, checking of each piece by competent technicians before it is supplied to an artisan or an industrial cooperative should be introduced.

Common service facilities

These can roughly be divided into two classes: (a) there are certain hand-operated or power-operated machines which can cater for the needs of several artisans and are too costly to be purchased by one individual and kept for his own use only. Such machines can best be purchased by a primary cooperative and made available to its members according to their needs. (b) Some varieties of handloom cloth would fetch a higher price and be more easily marketable if they were bleached and calendered or dyed or printed. Individual handloom weavers or ordinary weavers' primaries cannot make their own arrangements for such processing of cloth. But a big weavers' primary cooperative or a federation of industrial cooperatives can own and work such processing plants for the benefit of its individual or society members. Similarly, the hides tanned by the village tanners would acquire more value and be more easily marketable if they were processed in a finishing plant owned and managed by a federation at the district, regional or state level. Similarly, machines required for electroplating and other such processes can also best be owned by a large-sized primary or by a federation.

If workers or their cooperatives

specialise in producing certain parts of consumer articles like bicycles, or of producer articles like oil, engines etc., they need an organisation which can assemble the various parts and turn out complete articles for sale. Such an organisation would have to run assembly plants which can be done by a primary cooperative or a federation of primaries.

Guidance and supervision in the course of production

A federation can have research-cum-production centres for various industries. It can pass on detailed information regarding specifications, cost and sales estimates etc., to primaries with samples, and if necessary arrange to send a technical supervisor who can give initial guidance to members or solve their difficulties in production of new designs or entirely new varieties of articles.

If an individual starts producing new lines in quality goods, he may make mistakes or experience difficulties in the course of actual production and if there is no one to help him, the goods produced may be sub-standard or otherwise unsuitable. It is only in an organised body like a cooperative that continual technical supervision of the work of members can be exercised, thus ensuring not only quality control but also maximum productivity. Whether this work is done by a supervisor appointed and paid by government or by a federation or a primary is a matter of detail which has to be worked out in accordance with local conditions, provided its importance is recognised.

The statements and suggestions made in the preceding paragraphs are based on actual needs and experience in a varying degree in different Indian

States. The production centres conducted by primaries or federations employing highly trained workers under experienced technicians have produced goods of superior quality or of entirely new types not previously made by cottage workers. Special types of standardised leather footwear and other articles required by government departments and also for export, produced by the State Industrial Cooperative Association, Bombay, and under its guidance and supervision and financial and other assistance, by some affiliated primaries while executing orders of the Store Purchase Department are an instance in point.

In the handloom sector Madras, Andhra, Bombay and a few other States have achieved good results. For example about 66 per cent of the radio grille cloth requirements of the country is being produced by the State Industrial Cooperative Association, Bombay. The work done in the Punjab particularly in the sphere of small-scale industries is noteworthy. U.P.'s achievements in lock-making, metal ware, glass etc. are creditable. Intensive research on the *Ambar Charkha* and other implements used for hand-spinning and preliminary processes, that is being carried on under the auspices of the *Khadi* and Village Industries Commission is remarkable.

Finally, it is necessary to state that improvement of techniques of production is not something which has to be done once only and then production continued on these lines for all time. It must be borne in mind clearly that technological progress is a continuous process and techniques of production should be readjusted as and when results of research become available.

BOOK REVIEWS

American Cooperatives,

Jerry Voorhis, Harper & Bros., New York, 1961. 220 pages. \$4.75.

This is not a big book, but it deserves a big circulation. It is intended primarily for readers in the United States. Its aim is to make them aware how much and in what forms Cooperative enterprise has grown in the U.S.A. in the last 20 years. It also describes the needs which cooperation attempts to satisfy (and largely succeeds in satisfying) and expounds the ideas which have inspired its leadership. It points out the results already achieved and the Cooperative Movement's potential influence on the economic, social and political system.

For these reasons Cooperators outside the U.S.A. who read English can peruse this volume with profit. It is often — all too often — accepted without prior scrutiny that the impact of Cooperation on the American economy has not been very significant. In particular, consumers' cooperation has not assumed the rôle in the household economy of the wage and salary-earning classes as it obviously does in certain European countries. Although cooperatives of various kinds have existed in the United States for a century it has been difficult to speak of a Cooperative Movement. Even now many Americans do not like the term, and Mr. Voorhis cannot take it for granted, but has to justify his use of it. Moreover there have been several false starts and misguided attempts at over rapid progress which have ended in

blind-alleys and failure.

Nevertheless, as Mr. Voorhis shows, during recent years a Movement has been taking more and more definite shape—this not simply because cooperative institutions of various kinds have been growing, but also because there has been a turning of people's minds towards Cooperation. After all, the Movement begins and continues in people's minds or it ceases to exist. Mr. Voorhis places the Movement in the widest possible setting—the conflict now raging in the world around—in his view—the questions: shall mankind live or die? And if he lives, will he be free?

The answer to these questions depends upon three factors. The people must preserve the right to decide their own destiny. They must be capable of the will to self-determination. There must be practical means through which the people can make decisions and exercise their will. The value of Cooperation, Mr. Voorhis argues, is precisely that it provides the means, strengthens the will and safeguards the right to decide.

Mr. Voorhis employs a definition of Cooperation which at first sight appears to exclude producer cooperatives. Cooperatives, he says, are "consumer-oriented businesses". So they are, if consumer is taken as the equivalent of user. A farmers' marketing society is an enterprise created to serve the farmers' need of a marketing service under their own control. There are later passages which suggest that Mr. Voorhis would also take this view or something very near it.

Throughout he is at pains to em-

phasise that Cooperation is the organisation of services in response to needs. He devotes the body of the book to an examination of the chief types of cooperative at work in the United States today, beginning with the group health societies and passing on to cooperatives in housing, electricity, agriculture, oil, credit and distribution. The chapters covering these topics are among the most valuable in the book for non-American readers for they not only indicate how the characteristic forms of U.S. Cooperation originated, but also indicate their recent achievements and present situation. The facts here presented justify Mr. Voorhis' assertion in a later chapter that a new spirit was already discernible in the American Cooperative Movement in the 1950's and is even more marked in the 1960's.

The evidence of this spirit is the abandonment of what may be called economic puritanism, of the notion that being a cooperator entailed austerity, not to say sacrifice, over and above the ordinary loyalty which a society can rightfully expect of its members. It was recognised that not all the devices of profit business to make shopping attractive were snares of the devil. Shopping at the cooperative store could and should be made as pleasant and satisfying as shopping anywhere else. But if the store were to be equal or even superior to its competitors, the societies had to recognise that they were involved in competition, not simply for trade, but for finance and business ability as well. The idea that the cooperative manager had to sacrifice some part of the market value of his services for the sake of Cooperative principle had to go by the board. And Cooperation had to be made attractive as an investment.

Beyond this, if the consumer cooperatives were to adopt different policies

and methods, these differences had to be made widely known. The 'image' of the Movement in the mind of the public had to be re-made—a difficult, but not impossible, task when old prejudices and popular errors have to be dispelled. Above all, the various branches of the Movement needed to consolidate, to consult one another, to play more into one another's hands. The farmers' need of business relations with the consumers' movement, in order to beat off the aggression of "contract" farming, is a notable example. The first—and the last—lesson to be learnt by cooperators is to cooperate.

While the Movement in the United States has become in a sense more business-like than it was a generation ago, it still retains a stock of idealism. The concluding chapter on 'Cooperation and the Hope of Peace' calls attention to the different fields in which U.S. Cooperators are now working on technical assistance missions supported by their home Cooperative Movement. Mr. Voorhis concludes his message to his fellow Americans with the reminder that the merit of Cooperation is that it pursues economic efficiency, measured in terms of consumers' satisfactions, not from purely economic motives, but from the recognition of common needs and the truly human relations built upon it.

W. P. W.

Cooperation for Fishermen,

by Margaret Digby; Published by International Cooperative Alliance and FAO, 1961. Pp. 136; price 5 shillings, or 75 U.S. cents.

In May 1959, representatives of government and cooperatives from a number of countries, mostly European, and from several international organisations met at Naples, Italy, for a ten-day tech-

nical meeting on fishery cooperatives. This book, by the Secretary of the Plunkett Foundation for Cooperative Studies, London, is a survey and study of fishermen's cooperatives based on the working papers and proceedings of that meeting, but well documented and amplified by the author's encyclopaedic knowledge of cooperatives in many parts of the world.

In most countries the fisheries tend to be retarded and technically backward compared to agriculture, and in many countries traditionally fishermen have been depressed and neglected as compared to farmers. It is not surprising, therefore, to find fishery cooperatives much less important than agricultural cooperatives, and of recent origin and underdeveloped as compared to farmers' organisations. The author states that, while cooperatives among fishermen exist in many countries, 25-30 at least, it is "only of national importance in a few".

This book, which the Director-General of FAO, Dr. B. R. Sen, in the foreword calls "the first study of its kind to deal comprehensively with the various aspects of cooperative organisation and management in the fisheries", presents a horizontal view of fishermen's cooperatives, taking such topics as relative importance of fishery cooperatives, relation to government, management, marketing, credit, supplies, insurance, etc. and giving the experience and development in one country after another. The result is a much more comprehensive handbook on the subject than one would expect to find in a rather small book of 136 pages. With its publication Miss Digby has added further to her voluminous writings on cooperation, and has made a valuable contribution to a field in which there is precious little by way of authoritative information and reading for the

student or cooperative leader.

This reviewer wonders why such an excellent study should be presented in such plain and unattractive dress. Is its drab cover a tacit admission that cooperative writings must after all be rather dull? An imaginative cover design smacking of the sea and fishing craft could have done much for its outer appearance and it would have been the better for a few pictures inside showing typical fishermen at work and their cooperatives.

But this study will be nonetheless welcome for its intrinsic value. In the less developed countries especially, Miss Digby's work should serve as guidepost in the organisation of many thousands of fishermen who are among the most needy and economically depressed people in the world.

A. F. Laidlaw

Portrait of a Movement

A 32-page guide to British Co-operation published recently by the Cooperative Union presents an all-round view of the Movement. "Portrait of a Movement" contains photographs depicting wholesale and retail activities, and diagrams illustrating the cooperative trading system and democratic control. Principal facts and figures are supplied with a guide to sources of additional information. It may be used as a guide to members, as an introduction for new members and as a summary for students and inquirers.

Obtainable from the
CO-OPERATIVE UNION LTD.,
Holyoake House,
Hanover Street, Manchester 4.

- JAPAN:** Nippon Seikatsu Kyodokumiai Rengokai, (Japanese Consumers' Cooperative Union), *Rokin-Kaikan, 5, 2-chome, Shiba-Tamuracho, Minatoku, Tokyo.*
- Zenokou Nogyokyodokumiai Chuokai, (Central Union of Agricultural Cooperatives) *11, Yurakuchou, 1-chome, Chiyoda-ku, Tokyo.*
- Zenkoku Gyogyo Kyodokumiai Rengokai, (National Federation of Fishery Co-operative Associations), *Sankaido Building, Akasaka-ta meikomachi, Minato-ku, Tokyo.*
- JORDAN:** Jordan Co-operative Central Union Ltd., *P.O.B. 1343, Amman.*
- MALAYA:** Cooperative Union of Malaya, *8, Holland Road, Kuala Lumpur.*
- Federation of Co-operative Housing Societies, *8, Holland Road, Kuala Lumpur.*
- MALTA:** Farmers' Central Cooperative Society Ltd., *New Building, Middleman Street, Marsa, Malta.*
- MAURITIUS:** Mauritius Cooperative Union, *Dumat Street, Port Louis.*
- MEXICO:** Confederación Nacional Cooperativa de la Republica Mexicana, C.C.L., *Lic. Verdad 3, Mexico 1, D.F.*
- MOROCCO:** Cooperative Study and Action Circle "Georges Fauquet", *Rabat*
- NEW ZEALAND:** Hutt Valley Consumers' Cooperative Society, Ltd., *P.O.B. 41, Lower Hutt.*
- NIGERIA:** Cooperative Union of Eastern Nigeria Ltd., *Cooperative Bank Buildings, Milverton Ave, Aba.*
- Co-operative Union of Western Nigeria, Ltd., *c/o Co-operative Buildings, New Court Rd. Ibadan.*
- NORWAY:** Norges Kooperative Landsforening, Organisasjonsavdelingen, *Kirkegaten 4, Oslo.*
- Affiliated societies (1960): 1,158; membership: 305,534 turnover of local societies: Kr. 1,375 mill.; of N.K.L.: Kr. 382 million.
- BBL A/L Norske Boligbyggelags Landsforbund, *Trondheimsveien 84-86, Oslo.*
- PAKISTAN:** All-Pakistan Cooperative Association, *c/o The Punjab Provincial Co-operative Bank Ltd., Lahore.*
- Karachi Central Cooperative Bank, Ltd., *14, Laxmi Building, Bunder Road, Karachi 2.*
- Karachi Central Cooperative Consumers' Union, *Block No. 53, Pakistan Secretariat, Karachi, 3.*
- Karachi Cooperative Housing Societies' Union, *Shaheed-e-Millat Road, Karachi 5.*
- Karachi Cooperative Institute Ltd, *Pir Illahi Bux Cooperative Housing Society, Karachi 5.*
- Karachi Fishermen's Cooperative Purchase and Sales Society Ltd., *West Wharf Road, Karachi.*
- Punjab Provincial Cooperative Bank Ltd., *Lahore.*
- Membership: 10,950; share capital: Rs. 12,85,163; reserve fund: Rs. 33,32,919; loans and deposits Rs. 5,48,65,281.
- Sind Provincial Cooperative Bank Ltd., Provincial Cooperative Bank Building, *Serai Road, P.O. Box 4705, Karachi 2.*
- West Pakistan Co-operative Union, *31, Lower Mall, Lahore.*
- ROUMANIA:** Uniunea Centrale a Cooperativelor de Consum „Centrocoop”. *Calea Victoriei 29, Bucharest.*
- SARAWAK:** Sarawak Co-operative Central Bank Ltd., *Kuching.*
- SCANDINAVIA:** Nordisk Andelsforbund (Scandinavian Co-operative Wholesale Society), *Njalsgade 15, Copenhagen 5.*
- SINGAPORE:** Singapore Co-operative Union, Ltd., *Post Box 366, Singapore.*
- SUDAN:** Sudan Cooperative Union, *P. O. Box 834, Kartoum, Sudan.*
- SWEDEN:** Kooperativa Förbundet, *Stockholm 15.*
- Affiliated retail societies (1960): 592; membership: 1,177,000; total turnover of distributive societies: Kr. 3,365 mill.; total turnover of K.F.: Kr. 2,256 mill. (Kr. 1,355 mill. sales to affiliated societies); own production: Kr. 1,156 mill.; total capital (shares and reserves) of K.F. and affiliated societies: Kr. 877 million.
- Kooperativa Kvinnojillesförbundet, *Stockholm, 15*
- Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund (H.S.B.), *Fleminggatan, 41, Stockholm 18.*
- Affiliated Building Societies: 186; with individual members: 160,000; number of flats administered by local societies: 160,000; value of real-estate: 5,000 mill. Kr.
- Svenska Riksbyggen, *Box 14031, Stockholm, 14.*
- SWITZERLAND:** Verband schweiz. Konsumvereine (V.S.K.), *Thiersteinallee 14, Basle.*
- Affiliated societies (1960): 550; shops: 3,297; membership: 701,122; turnover of affiliated societies: Frs. 1,235,600,000; turnover of wholesale: Frs. 780,717,711.
- Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), *Schaffhauserstrasse 6, Winterthur.*
- Schweiz. Verband Sozialer Baubetriebe, SBHV., *Postfach Sihlpost, Zürich 1.*
- U.S.A.** The Co-operative League of the U.S.A., *343 South Dearborn Street, Chicago III, and 1025 Vermont Avenue, N.W., Washington 5, D.C.*
- Consumers' Cooperative Association, *P.O. Box 7305, Kansas City, 16, Missouri.*
- U.S.S.R.:** Central Union of Consumers' Cooperative Societies of the U.S.S.R. "Centrosoyus", *Ilyinka Tcherkassy pereulok 15, Moscow.*
- Societies: 22,868; members: 32.8 mill.; stores: 256 619.
- YUGOSLAVIA:** Glavni Zadruzni Savez FNJR., *Ulica I Maja 15/111, Belgrade.*



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

It comprises 104 organisations in 50 different countries and its total affiliated membership through national organisations exceeds 153,000,000. The Consumers' Movement accounts for the majority of this membership, but agricultural, credit, workers' productive and artisan cooperatives are well represented.

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

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

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

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

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

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

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

AFFILIATED ORGANISATIONS

- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, *Avda. Suarez, 2034, Buenos Aires.*
- AUSTRALIA:** Cooperative Federation of Australia, *45, Mandolong Road, Mosman, Sydney, N.S.W.*
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, *Theobaldgasse 19, Vienna VI.*
 Membership (1960): 400,014; turnover: Consumers' Societies: Sch. 2,429 mill.; Wholesale (G.Ö.C.): Sch. 1,179 mill.; Department Stores: Sch. 301 mill.; own production: Sch. 301 mill.; GÖC and Subsidiaries: Sch. 375 mill.
 Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, *Bösendorferstrasse 7/11, Vienna I.*
 (1960): Member Societies: 224, Assocs. 107; No. of members: 82,971; Dwellings administered: (socs.) 68,329; Assocs. 93,750; Total Balance: (Socs.) Sch. 5,670,105,800; (Assocs.) Sch. 7,352,955,200.
 Österreichischer Genossenschaftsverband, *Peregringasse, 4, Vienna 9.*
 Österreichischer Raiffeisenverband, *Seilergasse 16, Vienna I.*
- BELGIUM:** Société Générale Coopérative, *17—21 Place Emile Vandervelde, Brussels*
 Affiliated Societies: 59; membership: 352,865; turnover: frs. 3,771,070.
 Société Coopérative d'Assurances "La Prévoyance Sociale", *P.S. Building, 151, rue Royale, Brussels.*
 Premiums (1959): Frs. 814 mill.; Reserves: Frs. 3 milliards; Insurance Funds, Life: Frs. 11 milliards; Fire: Frs. 134 milliards.
 Fédération Nationale des Coopératives Chrétiennes, *Rue de la Loi, 141, Brussels.*
 Société „Bien-Etre": 1,320 shops; turnover Frs. 1,205 million; dividends: 60 million Frs. Savings Bank: 1,750 branches; 265,000 members; deposits: Frs. 4,100 mill. Insurance Society: 150,000 policyholders; premiums: Frs. 163 mill.; reserves Frs. 480 mill.
 L'Economie Populaire, *30, rue des Champs, Ciney (Namur).*
 Branches: 385; membership: 70,731; turnover: Frs. 627 mill.; savings deposits: Frs. 370 mill.; capital and reserves: Frs. 75 mill.; own production: Frs. 91 mill.
 Institut Provincial de Coopération Agricole, *42, rue des Augustins, Liege.*
- OPHACO** (Office des Pharmacies Coopératives de Belgique), *602, chaussée de Mons, Brussels.*
 Union of 17 cooperative societies owning 249 pharmacies, 50 optical departments and counters, 7 drug stores. 13 wholesale depots. Turnover (1959) Frs. 761 mill. Distributed surplus: Frs. 64 mill.
 Société Coopérative Fédérale de Belgique, *83-85, rue Vanderschrick, Brussels.*
- BRAZIL:** Centro Nacional de Estudos Cooperativos, *Av. Franklin Roosevelt 39, 12º, Sala 1216, Rio de Janeiro.*
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., *21, Crawl Street, Georgetown.*
- BULGARIA:** Central Cooperative Union, *21, rue 6 Septemvri, Sofia.*
- BURMA:** National Cooperative Council, *290-300, Lewis Street, (2nd Floor), Rangoon.*
- CANADA:** Co-operative Union of Canada, *202, Queen Street, Ottawa 4, Ont.*
 Affiliated Societies (1959): 726; membership 832,032; turnover: marketing: \$ 586,228,263; merchandising: \$ 168,415,244; assets: \$ 355,136,863.
 Conseil Canadien de la Coopération, *684, Est Grande Allée, Quebec.*
- CEYLON:** The Co-operative Federation of Ceylon, *Co-operative House, 455, Galle Road, Colombo 3.*
- CHILE:** Federación Chilena de Cooperativas de Ahorro, Ltda., *Huerfanos 1639, Clasificador 760, Santiago de Chile.*
- COLOMBIA:** Cooperativa Familiar de Medellín Ltda., *Calle 49, No. 52-49, Medellín.*
- CYPRUS:** Cooperative Central Bank, Ltd., *P.O. Box 411, Nicosia.*
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, *Tesnov 5, Prague II.*
- DENMARK:** De samvirkende danske Andelselskaber (Andelsudvalget), *H. C. Andersens Boulevard 42, Copenhagen V.*
 Representing 28 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 500,000 individual members. Turnover: 8,696 mill. Danish Kroner.
 Det Kooperative Faellesforbund i Danmark, *Gaydenloevsgade II, Copenhagen V.*
 Affiliated Societies (1957): 625; total sales 790 mill. D.Kr.; employees 10,600; comprises: Consumers' Workers', Artisans', Productive and Housing Societies etc.
- EGYPT:** Société Coopérative des Pétroles, *4, Midan el Falaki, Cairo.*
- EIRE:** The National Cooperative Council, *35, Lower Gardiner Street, Dublin.*
- FINLAND:** Suomen Osuuskappojen Keskuskunta (S.O.K.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1960): 364 members: 488,268; wholesale turnover: Fmk. 72,580 million; own production of SOK: Fmk. 20,052 million.
 Yleinen Osuuskappojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1960): 364 members: 488,268; turnover of societies: Fmk. 135,068 million; total production of the affiliated societies: Fmk. 3,037 mill.
 Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki.*
 Affiliated Societies (1960): 113; members 510,957; turnover of Societies Fmk. 98,470 mill.; production of societies 15,654 million.

- Osuustukkukauppa (O.T.K.), Hämeentie 19, Helsinki.
 Affiliated Societies (1960) 113; turnover Fmk. 63,579 mill.; own production Fmk. 19,896 mill.
 Pellervo-Seura, Simonkatu, 6, Helsinki.
- FRANCE: Fédération Nationale des Coopératives de Consommation, 89, rue de la Boétie, Paris VIII.
 F.N.C.C. France. Affiliated Societies (1959): 582; Members 3,157,826; Turnover 2,383,000,000 NF; No. of shops 8,165 + 355 warehouses.
 Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88, rue de Courcelles, Paris VIII.
 Confédération Générale des Sociétés Coopératives Ouvrières de Production de France et de l'Union Française, 88, rue de Courcelles, Paris VIII.
 Banque Coopérative des Sociétés Ouvrières de Production de France, 88, rue de Courcelles, Paris VIII.
 Fédération Nationale de la Coopération, de la Mutualité et du Crédit agricoles, 129, Bd. St. Germain, Paris VIe.
 Caisse Nationale de Crédit Agricole, 30, rue Las Cases, Paris VIIe.
 Fédération Nationale de la Coopération Agricole, 129, Bd. St. Germain, Paris VIe.
 Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, Foyer Coopératif, 17, rue de Richelieu, Paris I er.
 Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, Paris VIII.
- GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., Besenbinderhof 43, (24a), Hamburg I.
 Affiliated Societies (1960): 270 membership: 2,576,495; turnover: D.M. 3,204,4 mill.
 Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., Besenbinderhof, 52, (24a) Hamburg I.
 Total turnover (1959): DM. 1,528,400,000; own production: DM. 524,3 mill.
 Gesamtverband Gemeinnütziger Wohnungsunternehmen, Breslauer Platz 4 (22a), Cologne.
- GREAT BRITAIN: The Co-operative Union Ltd. Holyoake House, Hanover Street, Manchester 4., Affiliated Societies (1960): 859. Membership: 12,956,839. Retail Societies' share capital: £ 254,101,348. Retail sales: £ 1,032,749,334.
 Co-operative Wholesale Society Ltd., 1, Balloon-Street, Manchester 4.
 Affiliated Societies (1959): 944; sales: £ 475,565,896; Bank turnover: £ 5,551,114,532; reserve and insurance funds: £ 34,618,626; total resources: £ 182,601,748.
 Co-operative Insurance Society, Ltd., 109, Corporation Street, Manchester 4.
 Assets exceed £ 187 mill.
- Scottish Co-operative Wholesale Society Ltd., 95, Morrison Street, Glasgow C. 5.
 Affiliated Societies (1960): 177; Sales: £ 88,588,751; reserves and insurance funds: £ 7,609,072; total resources £ 19,645,615.
 The Co-operative Productive Federation, Ltd., 138, Charles Street, Leicester.
 Sales: £ 5,415,067; employees: 4,557; societies: 33.
- GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), 6, Othonos Street, Athens.
- HOLLAND: Coöperatieve Vereniging O.A., Centrale der Nederlandse Verbruikscoöperaties, "Co-op Nederland", Vierhavensstraat 40, Rotterdam 7.
- ICELAND: Samband Isl. Samvinnufjelaga, Reykjavik.
- INDIA: National Cooperative Union of India, 72, Jorbagh Nursery, New Delhi-3.
 All Bombay Consumers Cooperative Societies' Federation, Ltd., 3rd Floor, Military Square Lane, Fort, Bombay 1.
 National Agricultural Cooperative Marketing Federation, Ltd., 248A Krishna Bhawan, New Delhi.
- INDONESIA: Dewan Ko-operasi Indonesia, Jalan Djenderal Sudirman 28, Djakarta.
- IRAN: Cherkate Taavoni Masrafe Artèche (Army Consumers' Co-operative Society), Avenue Sevjom Esfand, Rue Artèche, Teheran.
- ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israeli "Hevrat Ovdim", Ltd., P.O.B. 303, Tel-Aviv.
 Affiliated Societies (1957): 1,951; including 703 agricultural, 237 producers' and services, 400 consumers', 249 housing, 1 credit society and 361 pension and provident funds.
 Hamashbir Hamerkazi, P. O. Box 130, Tel-Aviv.
 "Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, P. O. Box 75, Tel-Aviv.
 "Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, 8 Hakirya Street, P.O.B. 209, Tel-Aviv.
- ITALY: Lega Nazionale delle Cooperative e Mutue, Via Guattani 9, Rome.
 Confederazione Cooperativa Italiana, Borgo Santo Spirito, 78, Rome.
- IVORY COAST: Centre National de la Coopération et de la Mutualité Agricoles, B.P. 702, Abidjan.
- JAMAICA: The Jamaica Cooperative Union, Ltd., 74½ Hanover Street, Kingston, B.W.I.

Review of INTERNATIONAL COOPERATION

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I.C.A. MEETINGS AT GENEVA

THE 1962 programme of international Cooperative events arranged by the International Cooperative Alliance opened at Geneva with a series of meetings between the 16th and 20th January. The meetings of the Executive Committee and two of its sub-committees were preceded by an all-day meeting of the full International Committee on Agricultural Cooperation of which Mr. A. Axelsen Drejer (Denmark) is Chairman. At the Executive and sub-committee meetings, the President of the Alliance, Dr. Mauritz Bonow, was in the chair throughout.

Reorganisation of the Secretariat

Both the Executive and its Sub-committee devoted considerable time to the nominations and applications for the post of Director received by the President in answer to a communication sent to all affiliated Organisations in October 1961. The Sub-committee was authorised by the Executive to interview selected candidates and, if possible, bring forward recommendations concerning the choice of the new Director to the next meeting which will be held at Scheveningen in Holland at the end of April. The Executive may then be able in its turn to submit a recommendation to the Central Committee which will meet immediately afterwards at the same place. According to the rules of the Alliance, the Director is elected by the Central Committee.

The I.C.A. in S.E. Asia

Reports covering the first complete year's activities of the I.C.A. Regional Office and Education Centre and their draft programmes for 1962 were considered by both the Technical Assistance Sub-committee and the full Executive. These activities were, in the nature of things, largely exploratory. The Regional Officer undertook journeys first in India and Pakistan and in the late summer eastwards to the Philippines and Japan, in order to make contact with Cooperative Organisations and acquaint himself with the situation of the Movement in the various countries. In addition he maintained a liaison on behalf of the Alliance with other international organisations, notably the United Nations Economic Commission for Asia and the Far East, with which it has consultative status.

The Education Centre, in addition to arranging courses on its own responsibility and in conjunction with National Cooperative Organisations, has made a beginning with research and the organisation of a library. In October the Advisory Committee of representatives of Cooperative Organisations in the region, which provides guidance on the activities of the Centre, held its first meeting at New Delhi, adopted standing orders to govern its own functioning and made suggestions for the 1962 programme. These initial efforts were noted with satisfaction by the Executive.

Technical Assistance

The meeting of the Technical Assistance Sub-Committee which preceded the Executive meeting was of exceptional importance. Its agenda not only revealed how the I.C.A.'s interests and activities are extending in Africa, Asia and America, but also included a first examination of a problem of vital importance for the promotion of Cooperation in all the less-developed regions, namely, the recruitment and training of Cooperative experts for technical assistance projects. This problem has for some time been causing anxiety to the inter-governmental organisations concerned in promoting Cooperation within the framework of the U.N. Expanded Programme of Technical Assistance.

The discussion in the Sub-Committee, which was introduced by Mr. Ch.-H. Barbier with a short paper, indicated that the problem was exceedingly complex. It involved, not only the training and briefing of suitable candidates for their missions, but also their release from their regular posts and replacement, as well as their re-instatement or re-employment after their missions had terminated. Other aspects of the problem were brought out in an interview with Mr. S. N. Roy, Chief of the Cooperative and Small-Scale Industries Division and other I.L.O. officers arranged between the two sittings of the Sub-Committee. Action on the national level this year in Germany, the U.S.A. and other countries, possibly in collaboration with National Committees for Technical Assistance, was foreshadowed.

The technical assistance projects approved by the Sub-Committee for action by the Secretariat included help to a women's cooperative productive society in Zanzibar, a housing project in Basutoland, a regional cooperative union in

Kenya, the new Co-operative Union of Tanganyika, the teaching of consumers' cooperation to trade unionists in Uganda, the provision of mobile audio-visual units to Co-operative Unions in Eastern and Western Nigeria, a contribution towards printing machinery for the State Co-operative Union in Assam, a subsidy towards a cooperative manual in Arabic for Jordan, training in management for the nominee of the Consumers' Co-operative Union of Peru.

Plans submitted by the officers for study periods abroad for selected Cooperators from South East Asia and Africa were approved by the Technical Assistance Sub-Committee. Affiliated Organisations will be offered the opportunity to nominate one of their officials or employees who has given some years of service to the Cooperative Movement for a period of study of a subject of practical value to the work of the Organisation. This period will generally be not less than six months and may well be longer. The expense of travel and costs of living will be borne by the I.C.A. Development Fund. Six such grants will be made available in 1962.

The Sub-Committee also decided that the I.C.A. would be represented at the Asian Conference on Agricultural Cooperation convened for Tokyo in April by the Central Union of Agricultural Cooperatives.

As a step towards closer contact and coordination between the Technical Assistance Sub-Committee and the Auxiliary Committees of the Alliance, the Sub-Committee will meet a delegation from the International Cooperative Insurance Committee at the Hague in April. The main question under consideration will be the promotion of Cooperative Insurance in the developing countries.

Finance for Agricultural and Cooperative Extension

Mr. G. Davidovic, I.C.A. Secretary for Agricultural Cooperation, submitted to both the Committee on Agricultural Cooperation and the Executive, a report on his presentation at the recent General Conference of the U.N. Food and Agriculture Organisation of a statement advocating the establishment of an International Agricultural and Cooperative Bank. While the importance of providing greater financial resources for agriculture and cooperative development inseparable from it was recognised, doubts were expressed both at the Conference and the I.C.A. Executive whether a Bank was the appropriate institution through which it should be supplied. It was decided that, as a first step, the guidance of F.A.O. should be sought on the best way in which further progress could be made in finding the most effective solution for this problem and on action which the I.C.A. might take. The project has a direct relation to the "Freedom from Hunger" Campaign of F.A.O., because in the long run malnutrition and semi-starvation can only be banished by developing the right kind of food production and marketing in the countries where they are prevalent.

Cooperative agricultural finance on the national plane was also the subject of a study by Mr. Davidovic of banking systems developed in Finland, Japan and the U.S.A., considered by the Committee on Agricultural Cooperation. This study, after some revision, will be given wider publicity.

Cooperation in Latin America

The Director reported to the Technical Assistance Sub-committee and the Executive on his attendance as I.C.A.

observer at the Inter-American Cooperative Conference held at Bogota, Colombia, in October. This Conference, the first of its kind, was attended by delegates from the great majority of the countries of North, Central and South America and is likely to become a historic landmark. Its chief recommendation was to establish a comprehensive Cooperative Organisation of the Americas with ancillary all-American institutes for finance and education. The precise relation of this Organisation to the I.C.A. cannot yet be determined, but the Executive approved the Director's recommendation that the Alliance should maintain close and sympathetic touch with those who were drafting its constitution, and meanwhile give what practical aid it could to Cooperative development in Latin American countries. A project for help to the Consumers' Cooperative Movement in Peru, arising directly out of the Conference, was approved by the Technical Assistance Sub-committee.

I.C.A. and Unesco

Under Unesco's system of consultative relations with non-governmental organisations which has recently been reorganised, the Executive Board has decided to place the International Cooperative Alliance in Category A, the highest category which implies "consultative and associate relations". This category is reserved for organisations which are broadly international in membership and of proven competence in an important field of education, science or culture and which have a record of major contributions to Unesco's work. Coupled with this are certain obligations in the form of close collaboration with Unesco, expanding activities of special interest to Unesco and assisting Unesco to promote

'international coordination of the activities of non-governmental organisations. The Acting Director General's offer of consultative status with Unesco was before the I.C.A. Executive which formally signified its acceptance.

The Selection Committee which adjudicates on Study Tours in Europe has recommended to the Executive Board of Unesco that fourteen Cooperative Organisations shall receive grants in aid of approved tours in 1962. A further twelve were awarded priorities for grants from money not taken up by Organisations awarded grants but unable to use them. Altogether 49 applications were received from Cooperative Organisations.

Central Committee Agenda

For the yearly meeting of the Central Committee convened at Scheveningen in Holland for the 27th-29th April, the Executive decided that, in order to continue the discussion of the Lausanne Congress resolution on Cooperation in a Changing World, the agenda should include, besides the usual topics and reports, the following points:

1. The democratic organisation of the Movement.
2. New methods of recruiting and training key personnel.
3. Methods applied in the National Movements to obtain financial resources for the huge investments demanded by structural changes.
4. New methods of training laymen elected to the authorities of large retail and wholesale societies.

International Cooperative School

The invitation of the German Central Union of Consumers' Cooperatives to hold this year's International Cooperative School (the 32nd) at the Union's

training centre at Sasel, outside Hamburg, was accepted. The School will be held from the 23rd July to the 3rd August.

New Associate Member

The application of the Sarawak Cooperative Central Bank, Ltd., with headquarters at Kuching, for associate membership of the Alliance was granted. The Bank's present membership consists of 115 cooperative societies with about 10,000 individual members.

W. P. W.

BRITISH CO-OPERATION

by **A. Bonner**

This is the most important book on British Cooperation since Hall and Watkins' "Cooperation" was published in 1934. In the 18 chapters and 540 pages of "British Cooperation" Arnold Bonner traces the Movement from its commencement to the present day, emphasising its development since the first world war.

Every informed Cooperator should possess a copy of "British Cooperation". Apart from being the standard text book for students of Cooperation, it will be a principal work of reference for years to come.

The price of this comprehensive and up to date work is 17s. 6d., by post 19s. 6d.

Published by the
CO-OPERATIVE UNION LTD.,
Holyoake House,
Hanover Street, Manchester 4

PROBLEMS OF COOPERATIVE MARKETING

By **R. Hewlett,**

*International Federation
of Agricultural Producers, Rome.*

The following article is taken from the Lecture given by the Cooperative Officer of IFAP at the International Cooperative School held in Athens in September, 1961.

COOPERATIVE Movements more often than not begin in the field of credit or supply, where a start can be made with only the simplest of facilities, small investment and part-time management. Marketing, on the other hand, generally implies collection, processing and storage, with consequent investment in plant and the need for more specialised and full-time management. But Cooperation usually does not have a decisive impact on the economic situation of farmers until it includes marketing of their products. In some less developed countries, where subsistence farming is predominant, this means something like a revolution in farmers' habits—persuading them to produce for a market that may be distant and difficult to reach and where the competition of other areas may have to be met. It may even mean creating a market where none existed. It is not surprising then that cooperative marketing meets with many obstacles, more perhaps than other branches of cooperative enterprise.

Solidarity

This can be considered as a principle of all Cooperation. It implies full support by all members for the decisions

taken by the cooperative and for the regulations embodied in the bylaws.

In the case of marketing cooperatives facing competition from private business, this solidarity is often put to the test by tempting offers from the latter. When the product concerned is in short supply private traders will often give higher prices than those practised by the cooperative—temporarily and to chosen suppliers. When there is a surplus they are not interested. By these tactics it is hoped to create difficulties for the cooperative.

To meet this situation, marketing cooperatives in some countries include in their bylaws a clause which obliges members to deliver all their marketable production to the cooperative and to have no dealings with competing enterprises.

It is hard to judge the effectiveness of this method. Today it is probably true that the vast majority of cooperators in Scandinavia would continue to deal exclusively with their cooperatives even if no provision existed in the bylaws to that effect. This may be explained by an active feeling of loyalty to the cooperative: a conviction that in the long run it pays to market everything through the cooperative: or simply

force of habit. It is worth noting that cooperatives have seldom taken cases to court involving infraction of this rule, and courts are generally reluctant to enforce the rights of the cooperative against the individual in similar situations. Objectively, therefore, such provisions in the bylaws are of doubtful efficacy.

A Technical Viewpoint

A general conclusion can be that it may be useful in the early stages of a marketing cooperative to have a clause in the bylaws forbidding all dealings with competing business, but that as the cooperative becomes stronger and its members understand its value better such rules tend to become mainly symbolic.

This whole problem, instead of being seen as a matter of cooperative solidarity, can be approached from the purely technical viewpoint. A cooperative that invests in a processing plant must—like any other business—have a reasonable assurance that the plant will run at capacity or at any rate at an economic level. If its members do not accept an obligation to deliver all, or a specified percentage, of their production to the cooperative, this condition cannot be assured except through some kind of price war with competing enterprises, from which farmers may benefit temporarily, but which may lead to monopolistic exploitation.

Equality of Members

Most cooperatives build on the idea that their members are men and women having equal rights, and not unequal economic units. This is a conception that distinguishes them sharply from joint stock companies. It is expressed in the Rochdale principle "One man, one vote". While this principle itself is not

seriously contested in primary cooperatives, some practices that seem to derive from it are the subject of much rethinking, more especially in marketing cooperatives.

It has been, and no doubt still is, customary to pool transport costs involved in collection of the product (milk, livestock, etc.). This may be, to some extent, an application of the above-mentioned principle, and it may also be a necessity in order to obtain agreement on the siting of a new plant. In effect, the farmers situated close to the plant subsidise those farther away. Similarly, the practice of paying the same unit price irrespective of quantities delivered is equivalent to a subsidy by the larger producers to the smaller, since handling charges per unit are higher for small consignments than for large.

Concessions needed

While it is quite feasible to have a thriving marketing cooperative of small producers, a cooperative that builds itself up with a proportion of large farmers in its membership and later begins to lose them is bound to experience difficulties. In such circumstances it will probably be ready to make the concessions needed to retain the large farmers in membership. There are today plenty of examples of cooperatives that do make some distinction—generally slight—between large and small producers, sufficient to satisfy the former without antagonising the latter. It must be emphasised that this is not—or not yet—a major problem in marketing cooperatives. Where it arises it will in most cases be solved by concessions to the economic case of the larger farmers—the extent of the concessions depending on the relative strength of large and small

farmers in the individual cooperative and on other local factors.

Finally, it is interesting to note a certain parallel with the universally recognised principle of payment according to quality. In some instances this may mean in effect granting a more favoured position to the larger producer. As an example, the technical standards insisted on for the payment of certain premiums for specially pure milk may be too costly for the small dairy farmer. The parallel is complete in the sense that higher quality and larger consignments both represent an economic gain to the cooperative, and it is normal that this gain should find its way back to those members who originated it.

Financing

Whatever may be said in general terms about this problem, very much depends on the possibilities available in each country and these vary considerably. In some countries—France, U.S.A., Sweden and others—credit is available from cooperative institutions in substantial quantities. Elsewhere cooperatives may have to rely on commercial lending institutions.

It is a widespread criticism that cooperatives do not provide from their own resources a sufficiently large portion of their capital requirements—in other words, that they rely too heavily on loans. This criticism is not addressed to those cooperatives whose members have accepted unlimited liability, because in this case there is no share capital, and loans—obtained on favourable terms because of the unlimited liability—necessarily play a major part in financing. It concerns rather the cooperatives with limited liability and share capital.

In connection with this problem of autofinancing, it has become increasingly clear that contributions by the members should be in proportion to the use they make of the cooperative's services. The share capital assessment made when a farmer joins obviously cannot directly meet this condition and has to be based on the size of his farm, on the acreage under the crop handled by the cooperative, or again the size of his herd of cattle. The larger farmers may be required to contribute very substantial sums in share capital to several different cooperatives (in the case of specialised cooperatives). This, of course, is an advantage rather than a disadvantage, so long as the farmers concerned are willing to pay up. But there have been occasional difficulties, with the result that in some instances an upper limit has been placed on share contributions, or alternatively some limited extra voting power has been given to the largest shareholders.

To secure financing by the members in proportion to the use they make of the cooperative, a method that is gaining favour is the revolving fund. At the end of the year patronage refunds are allocated in the usual way (in proportion to business done by each member) but instead of being paid out in cash, all or part is retained by the cooperative for its own financing. It is usual to fix a period for the repayment of these, in effect, temporary loans by the members—usually not less than five years. During this time a low rate of interest is paid by the cooperative on the amounts retained.

Relations with Consumer Cooperatives

Relations between farmers' marketing and consumer cooperatives vary so

widely from one country to another that there is no point in trying to generalise about them beyond saying that nowhere have the full possibilities of collaboration been realised. Farmers sometimes have too negative an attitude towards the consumer, seeing in him the man or woman who always grumbles about high food prices and assumes that farmers are all making enormous fortunes. This feeling has often been too strong to be quite overcome even as between cooperatively organised farmers and consumers. On both sides there has been a tendency to emphasise only the obvious conflict between the two in the matter of prices. Preoccupation with the price issue obscures other important questions in which farmers and consumers—especially if organised in cooperatives—have similar interests.

Common Interests

Producers and consumers are, of course, complementary and mutually dependent. They have everything to gain from a good understanding and collaboration. They have a common interest in maintaining regular supplies of high quality products, avoiding abrupt fluctuations of price which generally benefit only speculators in the long run. Improving the efficiency of marketing and eliminating superfluous intermediary stages is of advantage to both, since much of the high price that consumers often complain about goes not to the producer but to traders and intermediaries of all kinds. There is a common interest in cutting out extravagant and unscrupulous advertising. And even on price there is, in the long run, the basis of a real understanding, for too high a price to the consumer will limit consumption and too low a

price to the farmer will ultimately reduce production and lead to a reaction.

In the structure of production, marketing and distribution that characterises the materially advanced countries today, collaboration between farmers' cooperatives and consumers' cooperatives becomes ever more important. It would take too long to describe even rapidly some of the major developments of the past ten years or so. Their tendency is to concentrate enormous power within a few integrated enterprises. As an example, take the supermarkets and chain foodstores in U.S.A. of which a few giants dominate the retailing of food throughout the national territory. But these organisations, if only because of their size, cannot be just retailers. They own large farms for the production of, for instance, meat, poultry and eggs, they contract directly with many farmers for the supply of further quantities, they possess meat packing plants, feed mills and other facilities connected with agricultural production and processing. Their influence is tremendous, and is directed towards making profits and not in order to serve either producers or consumers. A cooperative counterweight is necessary.

Closer Collaboration

Even over such a comparatively short period as the past ten years there has been a considerable evolution in the thinking of cooperators, both consumers and farmers, towards the idea of a much closer and more effective collaboration, in those countries where both movements are well established. In the developing countries consumer cooperation is only beginning and the problems mentioned above do not have to be faced

yet. But there is all the more reason to avoid right from the start the assumption that farmers' and consumers' cooperatives must be neutral towards one another, if not actually in opposition.

Advertising

It is only relatively recently that it has been considered necessary to advertise such things as milk, meat and eggs. These had hitherto been regarded as products whose consumption would respond only to changes in price. They were also seen as relatively homogeneous, as compared with, say, motor cars or toothpastes, and consequently unsuitable for advertising techniques which aim at creating the image of a somehow unique commodity.

A number of factors have altered this situation. One is of course the amazing spread of advertising. Another is the development of competing food products—the classic example is margarine. Another is the popularisation of some notions of nutritional science, and the changes in food habits that have been taking place concurrently. Still another is to be found in the proliferation of consumer goods which now compete more or less directly with expenditure on food and other products of agricultural origin.

Advertising seems to be less and less concerned with objective criteria such as protein or vitamin content and more and more with subconscious motivations. Such advertising methods ought not to be accepted unreservedly by cooperatives. Yet there is a fear in some cooperative quarters that traditional straightforward advertising is not so effective. For instance is it legitimate to make play with the "prestige" value of butter in advertising? Or to imply that consuming butter promotes radiant

health and hence puts the consumer on the high road to financial and sentimental conquests? May not severely factual advertising seem dull and un compelling to young people brought up on high pressure salesmanship?

The same questions arise when a cooperative wishes to advertise its own brand of the product. But the scope for such aggressive advertising is perhaps more limited in this case. For, whatever may be said in praise of milk and beef and eggs, it is hard to convince the consumer that these products as supplied by a cooperative are substantially different from what may be obtained elsewhere—harder, at least, than in the case of cigarettes, cosmetics, television sets and a hundred other items. In fact, however, many cooperatives do not advertise because their product does not keep its identity.

Where the cooperative product has a separate identity some kind of advertising is generally essential and for this purpose a trademark is often used. This is the case especially where a large proportion of the product is exported (e.g. Danish butter), but examples are not lacking of cooperative products sold mainly on the home market under a trade-mark (eggs in Sweden, dairy products and many other items in different parts of U.S.A.). It is curious to note that reference to cooperation is usually avoided (though the name of the producing cooperative normally figures somewhere on the package). There are notable exceptions, including a large regional cooperative in the U.S.A. that sells fuels and lubricants under the COOP brand. The general feeling is that the associations of the word "cooperative" in the mind of the public are not positive enough to recommend its use in a trademark.

THE FERTILISER CONFLICT

A PHASE IN THE GROWTH OF V.O.L.G.

In 1961, V.O.L.G., the Swiss Union of Agricultural Cooperatives, celebrated its 75th Anniversary. Very early in its existence, it came into conflict with big business in the shape of the fertiliser manufacturers. V.O.L.G.'s persistence in carrying this fight to a successful conclusion not only gave the Union a firm foundation, but brought about reductions in prices and the present friendly collaboration between the Cooperative Movement and the private trade.

The following extract from the handsome anniversary volume published by V.O.L.G. traces the history of this conflict. *Ed.*

THE trade in fertilisers and seed constitutes the oldest activity of V.O.L.G., but it was through the former that the Union actually came into being. It was in 1865 that Conrad Schenkel, the first President of the Union, imported some fertiliser from South America for himself and some of his neighbours. These early negotiations led to the establishment of the "Elsau Agricultural Union" and subsequently to that of the Agricultural District Union of Winterthur. On 17th October 1886, the latter organisation became the Union of Agricultural Cooperative Societies of East Switzerland — V.O.L.G.

The development of the fertiliser trade is the most interesting part of the story of V.O.L.G.

About the middle of the 19th Century agricultural chemistry began to make great strides in the evolution of artificial manures and thus set the stage for intensive cultivation. But hardly had these new fertilisers been discovered, before they were taken up by unscrupulous manufacturers and dealers, and used to swindle the ignorant peasant

folk. Misleading descriptions, inflated prices, falsifications etc., were daily occurrences in the 70's and 80's of the last century. Frequently, an unknown or perhaps even non-existent expert was camouflaged under an elegant fancy name or his own suitably altered.

From the very outset V.O.L.G. was only interested in trading in high grade fertilisers, since the farmers relied on their society to supply them with genuine aids to cultivation at favourable prices. The first obstacle with which the Union had to contend was in reaching an understanding with the manufacturers of fertilisers. It was essential to conclude contracts with them which gave full guarantee of delivery of goods of unquestionable quality. After numerous meetings, the Board decided to introduce a policy of testing the fertilisers they bought and paying for them on the basis of their soil nourishment content. This was included in the contract terms of V.O.L.G., and was adopted with very slight alterations by Cooperative societies formed subsequently.

The Cooperatives soon realised that

the purchase of fertilisers through the Union brought with it many advantages. Consequently, within a very short time V.O.L.G.'s fertiliser trade reached very respectable proportions, turnover even in the first year amounting to 148 wagons to the value of Frs. 181.860.—.

That profound humourist, Wilhelm Busch, wrote somewhere: "Hardly has someone got a little something, than someone else comes along and gets angry about it".

Price ring

This bitter truth V.O.L.G. was to discover after barely two years of existence. At its meeting of 3rd December 1888 the Board considered a letter from both Swiss and foreign manufacturers of artificial fertilisers, informing V.O.L.G. that they had combined to form a cartel, ring or syndicate, as such structures are called today, with a view to establishing fixed minimum prices. This price ring only envisaged the introduction of yearly agreements.

Difficulties first arose in 1897 and 98 with the German slag and phosphate works which proposed to raise their prices by 13 centimes per 100 kg. of basic slag. The German Agricultural Cooperatives protested vigorously against this increase and suggested that the Swiss Union should join in a boycott of the manufacturers. V.O.L.G. was the only organisation to take part on the Swiss side in this particular war. The engagement ended in a rout for the self-help organisations. The cooperative societies and the Cooperative Unions were still not strong enough to engage in such economic contests and the farmers whom the boycott was intended to help had neither the understanding nor the courage to back up their societies.

Constant friction

In the years that followed there was constant friction between the fertiliser manufacturers' cartel and the Cooperative Unions. It was not until 1906, however, that the dispute came into the open, and so bitterly was it carried on by both parties that it rightly came to be known as the "Fertiliser War". In attempting to describe this conflict we shall indicate the difficulties with which the young cooperative movement had to come to terms.

The fertiliser manufacturers — the producers of superphosphates and mixed fertilisers — were now less concerned with a general increase in prices than with the actual destruction of the Cooperative Unions themselves, an objective which they sought to bring about by devious means. At one time they allowed the private dealers larger discounts than the Unions, so that they could undercut the cooperatives and drive them off the market. In embarking on this policy the manufacturers banked on the short-sightedness and — in their view — poor sense of solidarity of the farmers.

Quota system

Another measure adopted was to introduce a system of quotas for fertilisers. Individual member-firms of the cartel were only permitted to deliver to Cooperative Unions the average of what they had received over the previous three years. The cooperatives were furthermore obliged to buy from certain specified factories. To prevent the self-help organisations from obtaining supplies from firms which were outside the cartel, special agreements were concluded between the cartel and those non-members likewise.

So serious was this situation that the

cooperatives were themselves forced to take joint action quickly. Each Union did its utmost to make clear the intentions of the cartel to the societies in its sphere of action and to win them over to a policy of reducing their fertiliser orders from outside firms. The combined efforts of the farmers' apex organisations were successful in covering a part of the fertiliser requirements outside the cartel.

This time the Cooperative Unions won. In 1906 the fertiliser ring sold some 1,000 wagons less in Switzerland than in the previous year. It therefore thought fit to call a truce. Prices fell; the manufacturers allowed various concessions to the Unions and relations with the cartel became much more friendly.

The quarrel with the superphosphate and mixed fertiliser manufacturers came into the arena again when a big struggle began with the basic slag producers, which arose out of a complaint made by V.O.L.G. about a consignment. The Union supported its complaint with an analysis by one of the Federal Testing Institutes, but the producers of the basic slag would not recognise the analysis, maintaining that they could only regard their own works analysis as valid. They even went so far as to forbid all Swiss buyers to test the slag in Switzerland. Such humiliating treatment made any further trade impossible between V.O.L.G. and the cartel.

Firm stand

The firm stand made by V.O.L.G. in this instance served likewise — at least for the time being — to break down the resistance and the cartel withdrew the restrictions. It undertook to recognise the analysis by the Federal Testing Institute, but reserved the right to refuse



View from the air of the Headquarters of V.O.L.G. in Winterthur

to bear the cost of any further investigations which might be called for later.

Subsequently, in 1909, there was a further dispute between V.O.L.G. and the basic slag manufacturers. On this occasion, the Union managed to procure its requirements in basic slag from outside the cartel.

The whole structure of the fertiliser market disintegrated during the first world war and had to be rebuilt entirely when peace was declared. In this reconstruction both the fertiliser manufacturers and the Cooperative Union found their proper place, and since that time the trade has been carried on without noticeable friction between the two groups.

The differences mentioned above are by no means the only ones which arose out of V.O.L.G.'s intervention in the fertiliser trade in its early years. In ad-

COOPERATIVE COMMENTARY

Unesco Tours in Europe

The Selection Committee, which decides on awards and priorities for applications for Unesco grants in aid of study tours in Europe, met at Paris early in December. It had at its disposal a budgetary allocation of \$840,000 for which a total of 173 applications had been submitted. Of these 49 had come from cooperative organisations affiliated to the I.C.A.

In the final decision, out of 57 grants awarded, Cooperative organisations received 14 and, in addition, 12 of their applications received priorities, that is to say, will be eligible for grants in the event of any organisations being unable to carry out their projects and to take up the sums allotted. The importance of priorities is illustrated by the fact that 4 cooperative organisations from Austria, Finland, Scotland and Switzerland, which in 1961 were awarded priorities, received grants totalling \$3896 which will enable them to carry out their projects in 1962.

The least satisfactory feature of the use by cooperative organisations of the Unesco Study Tours is that about half the applications each year come from two countries.

dition to the manufacturers of basic slag, superphosphates and mixed fertilisers, the potash cartel also clashed from time to time with the agricultural unions.

Friendly compromise

Today, the fertiliser industry in Switzerland is efficient and important enough to supply the whole domestic requirements in nitrogenous fertilisers and even a considerable proportion of the phosphorous. Firms such as Lonza AG., the Schweizerhall and the Uetikon Chemical Works, Geistlich Söhne AG., the Märstetten Lime and Fertiliser fac-

tory, the Emser Works AG., and others have become suppliers of the Swiss farmers.

Before the manuring season begins each year, agreements as to prices are concluded between the Swiss Union of Agricultural Cooperative Societies and the home fertiliser producers. Claims and counterclaims are weighed up until finally a friendly compromise is arrived at to which, it must in fairness be admitted, the agricultural fertiliser trade contributes great understanding, as evidenced by the Advisory Service which the various firms have built up for the use and information of farmers.

Record Year of C.C.A.

It must be emphasised once again that the number of grants awarded to Cooperative Organisations is in proportion to the total number of applications received from them. To submit a number of applications is, therefore, to increase the chances of all cooperative organisations of receiving an award or priority.

Reports of the last annual meeting of the Consumers' Cooperative Association, Kansas City, indicate that the remarkable expansion shown by this organisation in recent years continues at an accelerated pace. Its trade volume, over \$193 million for the business year which ended on 31st August 1961, is a new record and exceeds that of the preceding year by \$25 million. The net saving amounted to \$14.8 million, compared with \$8.8 million in 1959-1960. Of this nearly \$6 million was refunded to the affiliated societies. These figures substantiate the claim of C.C.A. to be largest organisation engaged in the supply of farm requisites in the U.S.A.

The annual meeting, which brought over 5,000 visitors to Kansas City, gives further evidence of the vigour of the organisation. Part of the proceedings was the official inauguration of C.C.A.'s School of Cooperation which had actually commenced its first courses in October and which will certainly improve the quality of the management and leadership of C.C.A. and its affiliated societies in years to come.

The annual meeting was also the occasion of a manifestation of gratitude and admiration on the part of the delegates for the services rendered to C.C.A. since, or even before, its foundation by Mr. Howard A. Cowden, the whole meeting standing to applaud. During the past year Mr. Cowden, who was president and general manager of C.C.A. for almost the whole period of its existence, has laid down nearly all his offices, retaining only the position of director.

In concluding his last report as Chairman of the Board, Mr. Cowden threw down a fourfold challenge to the delegates: to take their Cooperative responsibilities seriously; to bring about better public relations for agriculture; to bring about closer relations with other cooperatives; to become more active in the development of international Cooperative relations. In this last respect, Mr. Cowden himself, as Chairman of the International Cooperative Petroleum Association, is setting them a good example.

Japanese Agricultural Congress

The Japan Agricultural Cooperative News, a stencilled bulletin first introduced last year by the Central Union of Agricultural Cooperatives, Tokio, carries in its December 1961 issue a report of the 9th Congress of Agricultural Cooperatives, held at Nagano City in November. An attendance of 2,000 delegates, representing agricultural Cooperatives all over the country, was presided over by Mr. Y. Hasumi, President of the Central Union.

The congress adopted a number of resolutions on Cooperative and general agricultural policy. Two of these were concerned with price stabilisation. The first advocated the continuation of the present food control system on the grounds that it contributed to the stabilisation of the household economy of consumers and the assurance of remunerative production to producers. The second resolution urged a better balance between the income from agriculture and that from other industries, the removal of the various handicaps suffered by agriculture and, *inter alia*, measures to increase the demand for farm products, the rationalisation of their circulation and price-stabilisation for livestock, vegetables and fruit.

An emergency resolution demanded that liberalisation of trade in farm products should be confined to those items which would not severely damage Japanese agriculture and that the views of the agricultural cooperatives should be sounded before products are selected for liberalisation.

Another resolution emphasises the need for raising the standards of living of the farm population and declares that agricultural cooperatives should carry on activities such as welfare projects and recreational facilities in rural communities. Staff recruitment and training are also the subject of a resolution urging the societies to respect the status of members of their staffs, raise their wage levels and expand facilities for training and re-education.

The background to these resolutions is given in a study of the marketing operations of Japanese Agricultural Cooperatives in the same issue of the bulletin. Rapid and far-reaching changes are taking place in the pattern of consumption of agricultural products. An enormous increase in demand is expected for vegetables, fruit and meat products and the right line of development for the agricultural cooperatives will therefore lie in the direction of increased production and expanding enterprise in the processing sector.

Larger *Ie-No-Hikari* In spreading progressive ideas among its members the Japanese Agricultural Cooperative Movement has a powerful instrument in the magazine *Ie-No-Hikari* (*The Home Light*), the Cooperative journal with the largest circulation in the world. After a series of opinion-surveys amongst its readers, the editors of *Ie-No-Hikari* decided, from September 1961, to increase its size. Along with this, they have increased the space devoted to pictures, and are printing more articles on changes in the agricultural system and the role of Cooperation in modernising agricultural activity. At the same time, more pages will be allotted to stories and light reading as well as articles inspired by radio and television programmes.

Notwithstanding the increasing circulation of competing women's and family magazines, the management of *Ie-No-Hikari* has boldly raised its price by 30 per cent to 85 yen and retained its readers' support through the improvement in its contents and appearance. The educational influence of the magazine is increased and made more pervasive by a network of local courses, reading circles and cultural activities under the leadership of 120 instructors. These are brought together periodically at Tokio for refresher courses and exchanges of experience.

Iceland's largest Enterprise

In a recent supplement devoted to Iceland, the *Scandinavian Times* describes the Cooperative Union of Iceland, SIS, as the country's largest commercial undertaking and cites figures to prove its statement. To begin with, S.I.S. is Iceland's biggest importer, handling 30 per cent of its purchases abroad of foodstuffs and fodder. SIS handles more building materials than any other undertaking, besides importing very large quantities of textiles and footwear. Incidentally, its own production of these two groups of commodities is far from insignificant.

The export trade of S.I.S. is correspondingly important, comprising nearly 60 different products ranging from live ponies to wool and hides, to meat products and eiderdown. It handles 25 per cent of the exported frozen fish, processed in the 25 plants belonging to its affiliated societies. The 7 ships which S.I.S. owns include two oil tankers, one of which, the *Hamrafell*, is a vessel of 16,730 tons.

Housewives Mobilised

The latest issue of *Liaisons Cooperatives* to reach the I.C.A. contains an account of a noteworthy meeting of the general women's committee of the Union of Lorraine, the biggest consumers' Cooperative society in France, held at Nancy in October last. In opening the meeting, Mr. Jean Lacroix, Secretary of the Society, pointed out that it marked a change of direction in the activity of the Women's Committee. It had concentrated its efforts during its early years on education and information but was now passing over to action.

One purpose of the meeting was, in fact, to launch a campaign to obtain the signatures of 100,000 women to a petition for the compulsory labelling of textile goods. It would appear that the necessary decree had already been drafted but was being blocked by vested interests. Another consumers' society, the *Union Coopérative Lorientaise*, also supported the campaign.

The steady développement of the activity of the Union of Lorraine among housewives over the last 5 years is certainly encouraging. In 1960, over 4,000 women attended 200 meetings. The work has encountered many difficulties, not least the lack of suitable meeting halls, but it has now reached a stage when it merits the careful examination of the other consumers' societies which have not yet any such housewives' organisation.

W. P. W.

INTERNATIONAL COOPERATION — 1949-57

Volume V

Desmond Flanagan writes:

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RURAL RECONSTRUCTION IN EAST PAKISTAN

THE first Annual Report (1961) of the Rural Cooperative Pilot Experiment for Comilla Thana, East Pakistan, published by the Pakistan Academy for Village Development, in July 1961, tells the story of a man's vision and his belief in the village peasant—"the uncouthed man of Asia". The man is Mr. Akhter Hameed Khan, Director of the Pakistan Academy, Comilla, and it was his perseverance that saw the pilot experiment through, and his inspiration that brought about successful group action. The report has been written by Henry W. Fairchild of Michigan State University who acted as Adviser, and Shamsul Haq, Special Officer for Cooperatives.

Village Development

The Pakistan Academies for Village Development were founded by the Pakistan Government in 1956, for the purpose of providing the highest possible level of village development. There are two academies—one in West Pakistan and the other in East Pakistan. The site of the experiment described here is the 80 square mile police station and government administrative area surrounding Comilla town and known as Comilla Kotwali Thana—referred to in the report as Comilla Thana. It is an area attached to the Academy as a working laboratory for rural development experimentation. Comilla itself is a small city of 50,000, just four miles west of the Pakistan border and in the plain. It is the central service centre for a region covering several hundred square miles, and before

partition, was closely tied to the economy of the hill area, providing a market for hill products such as thatching grass, bamboo, pineapples, firewood. There was an integrated economy between the plains (now in Pakistan) and the hills (now in India). Landless labourers from the plains collected thatching grass from the hills and sold it in the delta villages. Farmers, too, owned land in the hills, pasturing their sheep and cattle there, while many hill dwellers owned paddy land in the delta where they grew their rice and vegetables.

Partition Problems

Partition severed this economy and many people suffered and are still suffering as a result. The border problem is a central factor in the life of many villages of Comilla Thana and has to be taken into account when trying to organise village cooperatives in the border area.

There are about 400 villages in the Thana, whose rural areas are estimated to have over 1,500 persons per square mile. Most of the villages are cultivators' villages, but there are others where weavers and potters and other craftsmen practise their trade which is often the sole source of income.

Agriculture is dominant in the Development Area and is itself dominated by paddy culture. There are three rice crops. The report comments that the social and economic problems of the area are also common to most of East Pakistan—small and fragmented farms, debt laden people, illiteracy, over-pop-

ulation, high unemployment rate and traditional agricultural methods.

These and other problems facing the Academy in launching a pilot cooperative experiment, are made clear in the report by describing a typical village. In the course of a century the population of South Rampur has increased from about 150 to 500, but there has been no comparable increase in the amount of cultivated land. The present acreage per person is only half an acre—a third of what their ancestors had—and the average size of a farm 2.68 acres. Flooding, illiteracy, cyclones and tornados are other hazards that beset the villagers, making them frustrated and hopeless. Not least is their indebtedness. Practically every farmer has to borrow from local moneylenders, and the author of the report collected figures which show that the average family in South Rampur owes more than Rs. 1000. At the interest rates of two *maunds* of polished rice for each Rs. 100 loan, most farmers owe 20 *maunds* of rice each year just as interest payments—over a half of their total rice production.

A Scheme for People

In April, 1961 a local tornado ravaged South Rampur, and it was in this atmosphere of hardship that the Academy set to work organising a village cooperative among the 90 poverty stricken families. Today South Rampur is considered one of the best cooperatives in the Academy's programme.

Comilla Thana's pilot cooperative scheme was conceived and carried out in terms of people. The report not only describes a typical village, but also a typical family, showing how the peasants live and work and the hazards constantly with them. At the Academy it was recognised that careful thought must go to

the best way of effecting rural development and weaning people from their traditional agricultural methods. Various schemes were discussed and many visits made to villages in the area, and the opinions of village groups were sought.

Improved methods

It was finally decided to initiate an experiment in agricultural and economic development by promoting the formation of small cooperative groups of farmers who would adopt improved methods, implements and machines, and who would endeavour to become self-supporting. Members would also learn to save, and thus provide their own capital for investment in better farming. The handicap of small holdings would be overcome by a cooperative group, and joint use of farm equipment which no one could afford to own individually, would be the basis for building a bigger structure of cooperative credit and marketing. It would also arouse the farmers' interest and support when they realised that improved implements meant a prospect of immediate gain.

So the pilot scheme was launched and the Academy invited economic experts from Michigan State University and other experts from America, Britain and Pakistan, to evaluate the work. It was found that farming families, after numerous discussions, were willing to come together and form a cooperative group through which they would jointly buy implements and hire them out among themselves—but they were not prepared to pool their actual holdings.

The report is a frank record and the more valuable because it never tries to gloss over the inevitable disadvantages and disappointments. The leading idea is expressed in the following sentence:—

“The prospect of immediate gain will induce the members to save and make sacrifices in order to build up their own working capital. Thus the idea of profitable investment in farming will grow and displace the old idea of investment in only buying land”.

The deeper significance of the experiment is in the words of Henry Fairchild, “It proposes to change rural East Pakistan from the tradition-bound society to a modern technological society through methods of reform rather than methods employing a class struggle. . . . The struggle in this model is for prosperity and plenty for all, and against disease and poverty and class struggle”.

Cooperative Extension Agents

The pilot plan followed by the Academy proceeded on the lines proposed by Mr. A. K. M. Wajihullah, Assistant Registrar of Cooperatives for East Pakistan. First, an intensive programme of cooperative education among the villagers, then proper training for representatives of small groups who had organised themselves for joint action as a result of their cooperative education; secondly, small units, on the basis of one society for one village; thirdly, three types of primary societies—agricultural credit and service cooperatives, industrial credit and service cooperatives, and commercial credit and service cooperatives; fourthly, a central federation, separate from the Comilla Central Cooperative Bank, to represent the different types of primary units, providing not only credit, services, distribution and marketing, but also cooperative education and member training.

In 1960 the Academy began organising village groups, choosing enlightened farmers with some standing in their community, to act as cooperative exten-

sion agents, training them in cottage industry and agricultural and cooperative organisation methods. The target was 25 groups in the first year. South Rampur, the first pilot village cooperative, was registered on July 21st, 1960, and two or three more were registered the same year. The remainder of the 25 groups were registered early in 1961. There was one exception—the Amratoli Weavers’ Cooperative Society. This was an old society, registered in 1958, which was taken over and reorganised under the pilot scheme.

Though the extension agents were not highly enlightened or highly trained, they were interested and willing and did get groups together. Once a group was formed, the Special Officer for Cooperatives met the group. He first set out to find the group’s intentions—whether they were really interested in becoming a cooperative or more interested in some special compensation they might get. Then he looked into the reasons for organising the group, to see if members could really afford a cooperative. Once he was satisfied the group was genuine, and large and homogenous enough to develop into a viable social organism, he stated the conditions under which the Academy would work with them.

Ten-point programme

These conditions laid down, among other things, that the group must elect officers and ultimately become registered; that regular weekly meetings be held and money saved in a regular fashion, each member to have his own pass-book; that a trusted and intelligent man be selected from the group as organiser, to attend twice weekly meetings at the Academy; that good accounts be kept, improved farming practices adopted through joint planning and use; that

there should be long discussion periods among all members, thus preventing government of the cooperative by the management committee only; that the group agree later to joining a cooperative federation for securing credit, purchasing and marketing services and educational materials.

The ten point programme is implemented through the organisers who come weekly to the Academy, and through the Special Officer and his assistants, who are constantly among the villagers, observing, discussing and making suggestions, and by means of many meetings held by the members as they work together.

Cooperative organisers get a good general grounding. Since the pilot experiment began, 56 meetings were held up to June 1, 1961, and average attendance was 95 per cent of all organisers. A typical agenda for a day's training includes collection of savings, procedure for distribution of power pumps, procedure for cooperative registration, training in family planning and training members for pilot projects, collection of economic data of village cooperatives, instruction in wheat cultivation. Organisers are also taught cooperative principles and practice, improved cultivation methods, joint use of agricultural implements and water storage, joint planning, capital formation by savings, services through a mutual aid team, formation of bullock groups, conduct of meetings, accounting, marketing of agricultural produce, and credit—supervised on pre-planning by the group.

These village organisers have also learnt a lot indirectly, as a result of exposure to new ideas. They have met educated people and skilled business men, become used to going to the bank on cooperative business, seen Japanese

farmers working with modern methods and equipment on the Academy farm.

Systematic Saving

One of the most important aims of the pilot project was to get the villagers to save systematically—a thing they had never done before. The results over 18 months have been most successful, and success was due to the fact that “one credit institution—the money lender—was replaced by an equally disciplined savings system, that provided by the cooperative group”. By June 1st 1961, the 25 societies in the project had a total of 1,122 members and a total of Rs. 27,819.00—an average of Rs. 24.00 per member on deposit.

Encouragement was not only for weekly cash savings, but for savings in-kind, which is part of Pakistan's money system. The Academy organised a drive at the end of 1960 to attain in-kind savings by the cooperatives, and asked members to pledge a quarter of their harvest as in-kind savings. All the farmers' societies but one pledged paddy, and the 21 participating groups between them pledged a total of 2680 *maunds* of rice. By June 1961 they had deposited at the bank a total of Rs. 7090.00 from the sale of 530 *maunds* of paddy — an amount of money equal to 28 per cent of the regular weekly cash savings. The result has proved that in-kind saving is a good idea and will work in East Pakistan.

”A monumental Effort”

Group planning and supervised credit are other points in the Academy programme, and it is realised that they cannot be really effective until much more education has been given to the villagers. The cooperative societies are encouraged to discuss their problems, to

plan jointly for a solution, and to put this plan on paper. This, for villages where only a small number of members are literate, represents "a monumental effort".

In the early months of the pilot project many apparently interested groups sprang up all over the Thana and as quickly lost interest when they found the Academy had no money to dispense. In the knowledge that it will take several years of member education and experience before supervised credit is fully accepted, the Academy has gone to work on the following lines; groups wanting a loan—as all do—are told they must work out a production plan based on the realities of the village. If that is satisfactory, and provided there is the ability to repay out of production, the loan is given.

It was found that the villagers of the Comilla Development Area would do as little as was absolutely necessary to get a loan—and so sanctions accompanied the spoken word. If members did not save regularly, or attend meetings, or make in-kind savings, or omitted other essential things, they were refused a loan. Gradually, some societies are learning what supervised credit is, and are becoming strong advocates of it. But it will take years of experience by the villagers themselves before the idea is fully accepted in the community.

Member Education

Member education is of three types—specialised technical education, such as accountant and organiser training; general member education to do with the cooperative and how it can serve members, and improved methods and skills education.

Weekly meetings have been the backbone of the first two types, and book-

lets in Bengali have been distributed to village cooperatives. There are special classes for teaching improved skills and methods, subjects ranging from bee-keeping and poultry raising to family planning. Conferences are organised for wheat and potato growers and silkworm farmers. Improved agricultural methods are taught through picture stories and there are demonstrations of new techniques. Cooperative officers have a special responsibility to see that booklets are read aloud to the villagers, since most of them cannot read. Until illiteracy is banished, the programme for general member education cannot be properly completed; equally, the educational programme can be vastly improved in all sorts of other ways, but only as literacy increases.

Joint action in the use of power water pumps, tractors, purchasing of cotton yarn and rickshaws, and pooling of bullocks, has benefited cooperative members—"the significant omission is the failure of members to try and pool their land".

As distinct from the farmer cooperatives, where the Academy could organise with the help of experts, there were also some diverse types of societies where there was no precedent to follow—a women's thrift group, a rickshaw pullers' cooperative, a vegetable growers' group, and a weavers' group. Not surprisingly, these groups were not as successful as the farmer groups, and only one stood out as an example of good cooperation—the rickshaw pullers' cooperative, whose excellent organiser is a man of skill and intelligence.

By March 1961, as new groups had been springing up outside the pilot project, the Academy decided the pilot experiment could be expanded to include a total of 60 groups. By June, 1961, it

was working with 43 groups consisting of 33 agricultural groups and ten artisan and thrift societies; other new groups were anxious to join in the experiment.

Federal Structure

The recommendation for a federal structure was not forgotten, and the Director, in planning for the year 1961–62, outlined the Academy's intention to form credit, service and education federations. These federations began to function in 1960, but have not as yet been formally constituted.

The first year's work has been spent in self-education by the Academy staff, in testing certain hypotheses about village and community organisation, and in discovering how to work together. A pattern for organising village groups cooperatively has emerged, and proved workable. Federations and their management is a task ahead and there will be much to learn. There is much development work to be done in cooperative marketing and joint purchasing, and nothing has yet been attempted in joint processing.

It will take another three or four years of hard and continuous development, says the report, really to show the social and economic impact of the project. By that time, there should be about 200 to 300 organised village cooperatives in Comilla Thana; net farm income should have doubled in many villages, and three or four federations should be operating at Comilla, providing the credit production requisites, storage, marketing and educational facilities the villagers need. There should be more children in schools, prove fertiliser used, increased sale of goods. "These are the measures" the report concludes, "by which this experiment should be judged in the long run".

F. W.

COOPERATION IN THE SUDAN

COOPERATION in the Sudan was initiated by the people themselves, as a result of economic needs in a country mainly agricultural, where the problem was one, not of land—which is plentiful—but of mechanisation of agriculture.

Since land was mostly held in small lots, the way to mechanisation and improved productivity was seen to be through Cooperation. Pump schemes and irrigation societies sprang up in the thirties, and cooperative societies spread all over the country. In 1948, law and order was brought to a rapidly expanding but unregulated organisation by the Sudan Cooperative Ordinance of 1948, when a Commissioner and Registrar of Cooperative Societies was appointed.

Enthusiastic Cooperators

A government department was set up to help him, but it never assumed the rôle of authority or dictatorship—always, its aim has been to stimulate cooperative enterprise through active help, and to guide the Movement along right lines without attempting either to compel or replace local initiative and self help. Moreover, the staff of this Department are carefully selected, and trained in such a way that they are enthusiastic cooperators rather than civil servants carrying out Government duties.

The Cooperative Law provides for a Cooperative Movement on the strictly

The following article is taken from a report by Col. Mahgoub Taha, Commissioner and Registrar of the Department of Cooperation for the Sudan, given at a Seminar on Rural Cooperation held in Berlin in 1961, under the auspices of the German Foundation for the Developing Countries.

Ed.

traditional lines of open membership, democratic control, dividend on purchases, and restricted interest on shares. The agricultural societies—the first to be formed—are still the most important, and include the related marketing, producer, credit, and a few multipurpose societies.

There are 151 agricultural cooperatives, with a membership of 24,802, and a turnover of £240,849. The grand total of 569 registered societies in the Sudan includes 206 consumer cooperatives, 41 multipurpose societies, 13 fishery societies, and three milk production cooperatives.

Great Difficulties

The consumer movement faces great difficulties. Its 206 societies are scattered all over the Sudan, the stores are small, and so is the local membership and, as a result, the share capital. The wide areas of sparsely populated land create transport difficulties; there is a lack of secondary organisations that could make goods available to societies at reasonable prices; and not least there is the competition of larger and more efficient private enterprise to meet.

The only top organisation was the Sudan Cooperative Union—a wholesale cooperative society that was initially successful, but afterwards suffered from far too great a diversification of its activities, entering into marketing, financing,

cold storage and the butchery business, among other things. The result was overwhelming financial loss in 1958, and latterly the Registrar has ordered liquidation and re-organisation of this body, which was financed by the share capital from its 89 member societies, and by Government loans.

Artisans' Cooperatives

Not much has been done in the field of industrial societies. But there are great possibilities for cooperative organisation among shoemakers and weavers, and indeed many of them are already working on cooperative lines and only lack registration.

The over-all situation of the Cooperative Movement is indicated by the following table:

Number of Societies	569
Capital	£ 354756
Reserve	£ 143781
Turnover	£1323352
Membership	89682

Four main problems face the Sudanese Cooperative Movement—the illiteracy of the population, the vastness of the land area and consequent transport difficulties, lack of efficient cooperative management, and lack of capital. Despite these drawbacks, however, Cooperation has firmly established and proved itself, and as the problems are conquered the Movement should gain correspondingly in strength and usefulness and steady expansion.

F. W.

NATIONAL CONGRESSES IN 1962

<i>Belgium</i>	
Société Générale Coopérative	22nd-23rd September, Antwerp
Ligue Nationale des Coopératrices	15th September, Antwerp
<i>Canada</i>	
Cooperative Union of Canada	3rd-6th April, Winnipeg
<i>Czechoslovakia</i>	
Ustredni Rada Druzstev	23rd June-1st July, Prague
<i>Denmark</i>	
Det Kooperative Faellesforbund	1st-2nd June, Copenhagen
Faellesforeningen for Danmarks Brugsforeninger	29th May, Copenhagen
<i>Finland</i>	
Yleinen Osuuskauppojen Liitto	16th-17th May, Helsinki
Kulutusuosuuskuntien Keskusliitto	23th-27th May, Jyväskylä
<i>France</i>	
Confédération Générale des Sociétés Coopératives Ouvrières de Production	21st-23rd June, Paris
Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction	21st June
Confédération Nationale de la Mutualité de la Coopération et du Crédit Agricoles	21st-26th May, Bordeaux
<i>Great Britain</i>	
Cooperative Union	11th-14th June, Blackpool
<i>Holland</i>	
CO-OP Nederland (private)	17th-18th May, Amsterdam
<i>Italy</i>	
Lega Nazionale delle Cooperative	15th-18th February, Rome
<i>Norway</i>	
Norges Kooperative Landsforening	27th-29th August, Sandfjord
<i>Sweden</i>	
Kooperativa Förbundet	4th-5th June, Stockholm
<i>Switzerland</i>	
Verband schweiz. Konsumvereine	15th-17th June, Berne
<i>U.S.A.</i>	
Cooperative League of the U.S.A.	13th-15th November, Washington
<i>U.S.S.R.</i>	
Centrosoyus	August, Moscow
Will not hold Congresses in 1962 —	
Konsumverband, Vienna	
Gesamtverband gemeinnütziger Wohnungsunternehmen, Cologne	
Svenska Riksbyggen, Stockholm	
Zentralverband deutscher Konsumgenossenschaften, Hamburg	
Pan-Hellenic Confederation, Athens	

- JAPAN:** Nippon Seikatsu Kyodokumiai Rengokai, (Japanese Consumers' Cooperative Union), *Rokin-Kaikan, 5, 2-chome, Shiba-Tamuracho, Minatoku, Tokyo.*
- Zenokou Nogyokyodokumiai Chuokai, (Central Union of Agricultural Cooperatives) *11, Yurakucho, 1-chome, Chiyoda-ku, Tokyo.*
- Zenkoku Gyogyo Kyodokumiai Rengokai, (National Federation of Fishery Co-operative Associations), *Sankaido Building, Akasaka-ta meikomachi, Minato-ku, Tokyo.*
- JORDAN:** Jordan Co-operative Central Union Ltd., *P.O.B. 1343, Amman.*
- MALAYA:** Cooperative Union of Malaya, *8, Holland Road, Kuala Lumpur.*
- Federation of Co-operative Housing Societies, *8, Holland Road, Kuala Lumpur.*
- MALTA:** Farmers' Central Cooperative Society Ltd., *New Building, Middleman Street, Marsa, Malta.*
- MAURITIUS:** Mauritius Cooperative Union, *Dumat Street, Port Louis.*
- MEXICO:** Confederación Nacional Cooperativa de la Republica Mexicana, C.C.L., *Lic. Verdad 3, Mexico 1, D.F.*
- MOROCCO:** Cooperative Study and Action Circle "Georges Fauquet", *Rabat*
- NEW ZEALAND:** Hutt Valley Consumers' Cooperative Society, Ltd., *P.O.B. 41, Lower Hutt.*
- NIGERIA:** Cooperative Union of Eastern Nigeria Ltd., *Cooperative Bank Buildings, Milverton Ave, Aba.*
- Co-operative Union of Western Nigeria, Ltd., *c/o Co-operative Buildings, New Court Rd. Ibadan.*
- NORWAY:** Norges Kooperative Landsforening, Organisasjonsavdelingen, *Kirkegaten 4, Oslo.*
- Affiliated societies (1960): 1,158; membership: 305,534 turnover of local societies: Kr. 1,375 mill.; of N.K.L.: Kr. 382 million.
- BBL A/L Norske Boligbyggelags Landsforbund, *Trondheimsveien 84-86, Oslo.*
- PAKISTAN:** All-Pakistan Cooperative Association, *c/o The Punjab Provincial Co-operative Bank Ltd., Lahore.*
- Karachi Central Cooperative Bank, Ltd., *14, Laxmi Building, Bunder Road, Karachi 2.*
- Karachi Central Cooperative Consumers' Union, *Block No. 53, Pakistan Secretariat, Karachi, 3.*
- Karachi Cooperative Housing Societies' Union, *Shaheed-e-Millat Road, Karachi 5.*
- Karachi Cooperative Institute Ltd, *Pir Illahi Bux Cooperative Housing Society, Karachi 5.*
- Karachi Fishermen's Cooperative Purchase and Sales Society Ltd., *West Wharf Road, Karachi.*
- Punjab Provincial Cooperative Bank Ltd., *Lahore.*
- Membership: 10,950; share capital: Rs. 12,85,163; reserve fund: Rs. 33,32,919; loans and deposits Rs. 5,48,65,281.
- Sind Provincial Cooperative Bank Ltd., Provincial Cooperative Bank Building, *Serai Road, P.O. Box 4705, Karachi 2.*
- West Pakistan Co-operative Union, *31, Lower Mall, Lahore.*
- ROUMANIA:** Uniunea Centrale a Cooperativelor de Consum „Centrocoop”. *Calea Victoriei 29, Bucharest.*
- SARAWAK:** Sarawak Co-operative Central Bank Ltd., *Kuching.*
- SCANDINAVIA:** Nordisk Andelsforbund (Scandinavian Co-operative Wholesale Society), *Njalsgade 15, Copenhagen 5.*
- SINGAPORE:** Singapore Co-operative Union, Ltd., *Post Box 366, Singapore.*
- SUDAN:** Sudan Cooperative Union, *P. O. Box 834, Kartoum, Sudan.*
- SWEDEN:** Kooperativa Förbundet, *Stockholm 15.*
- Affiliated retail societies (1960): 592; membership: 1,177,000; total turnover of distributive societies: Kr. 3,365 mill.; total turnover of K.F.: Kr. 2,256 mill. (Kr. 1,355 mill. sales to affiliated societies); own production: Kr. 1,156 mill.; total capital (shares and reserves) of K.F. and affiliated societies: Kr. 877 million.
- Kooperativa Kvinnogillesförbundet, *Stockholm, 15*
- Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund (H.S.B.), *Fleminggatan, 41, Stockholm 18.*
- Affiliated Building Societies: 186; with individual members: 160,000; number of flats administered by local societies: 160,000; value of real-estate: 5,000 mill. Kr.
- Svenska Riksbyggen, *Box 14031, Stockholm, 14.*
- SWITZERLAND:** Verband schweiz. Konsumvereine (V.S.K.), *Thiersteinerallee 14, Basle.*
- Affiliated societies (1960): 550; shops: 3,297; membership: 701,122; turnover of affiliated societies: Frs. 1,235,600,000; turnover of wholesale: Frs. 780,717,711.
- Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), *Schaffhauserstrasse 6, Winterthur.*
- Schweiz. Verband Sozialer Baubetriebe, SBHV., *Postfach Sihlpost, Zürich 1.*
- U.S.A.** The Co-operative League of the U.S.A., *343 South Dearborn Street, Chicago III, and 1012 14th Street, N.W., Washington 5, D.C.*
- Consumers' Cooperative Association, *P.O. Box 7305, Kansas City, 16, Missouri.*
- U.S.S.R.:** Central Union of Consumers' Cooperative Societies of the U.S.S.R. "Centrosoyus", *Ilyinka Tcherkassy pereulok 15, Moscow.*
- Societies: 22,868; members: 32,8 mill.; stores: 256 619.
- YUGOSLAVIA:** Glavni Zadruzni Savez FNJR., *Ulica I Maja 15/111, Belgrade.*



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THE INTERNATIONAL COOPERATIVE ALLIANCE

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

It comprises 104 organisations in 50 different countries and its total affiliated membership through national organisations exceeds 153,000,000. The Consumers' Movement accounts for the majority of this membership, but agricultural, credit, workers' productive and artisan cooperatives are well represented.

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

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

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

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

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

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

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

AFFILIATED ORGANISATIONS

- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, *Avda. Suarez, 2034, Buenos Aires.*
- AUSTRALIA:** Cooperative Federation of Australia, *45, Mandolong Road, Mosman, Sydney, N.S.W.*
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, *Theobaldgasse 19, Vienna VI.*
 Membership (1960): 400,014; turnover: Consumers' Societies: Sch. 2,429 mill.; Wholesale (G.O.C.): Sch. 1,179 mill.; Department Stores: Sch. 301 mill.; own production: Sch. 301 mill.; GÖC and Subsidiaries: Sch. 375 mill.
 Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, *Bösendorferstrasse 7/11, Vienna I.*
 (1960): Member Societies: 224, Assocs. 107; No. of members: 82,971; Dwellings administered: (socs.) 68,329; Assocs. 93,750; Total Balance: (Socs.) Sch. 5,670,105,800; (Assocs.) Sch. 7,352,955,200.
 Österreichischer Genossenschaftsverband, *Peregringasse, 4, Vienna 9.*
 Österreichischer Raiffeisenverband, *Seilergasse 16, Vienna I.*
- BELGIUM:** Société Générale Coopérative, *17—21 Place Emile Vandervelde, Brussels*
 Affiliated Societies: 59; membership: 352,865; turnover: frs. 3,771,070.
 Société Coopérative d'Assurances "La Prévoyance Sociale", *P.S. Building, 151, rue Royale, Brussels.*
 Premiums (1959): Frs. 814 mill.; Reserves: Frs. 3 milliards; Insurance Funds, Life: Frs. 11 milliards; Fire: Frs. 134 milliards.
 Fédération Nationale des Coopératives Chrétiennes, *Rue de la Loi, 141, Brussels.*
 Société „Bien-Etre": 1,320 shops; turnover Frs. 1,205 million; dividends: 60 million Frs. Savings Bank: 1,750 branches; 265,000 members; deposits: Frs. 4,100 mill. Insurance Society: 150,000 policyholders; premiums: Frs. 163 mill.; reserves Frs. 480 mill.
 L'Economie Populaire, *30, rue des Champs, Ciney (Namur).*
 Branches: 385; membership: 70,731; turnover: Frs. 627 mill.; savings deposits: Frs. 370 mill.; capital and reserves: Frs. 75 mill.; own production: Frs. 91 mill.
 Institut Provincial de Coopération Agricole, *42, rue des Augustins, Liege.*
- OPHACO** (Office des Pharmacies Coopératives de Belgique), *602, chaussée de Mons, Brussels.*
 Union of 17 cooperative societies owning 249 pharmacies, 50 optical departments and counters, 7 drug stores, 13 wholesale depots. Turnover (1959) Frs. 761 mill. Distributed surplus: Frs. 64 mill.
 Société Coopérative Fédérale de Belgique, *83-85, rue Vanderschrick, Brussels.*
- BRAZIL:** Centro Nacional de Estudos Cooperativos, *Av. Franklin Roosevelt 39, 12º, Sala 1216, Rio de Janeiro.*
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., *21, Croad Street, Georgetown.*
- BULGARIA:** Central Cooperative Union, *21, rue 6 Septemvri, Sofia.*
- BURMA:** National Cooperative Council, *290-300, Lewis Street, (2nd Floor), Rangoon.*
- CANADA:** Co-operative Union of Canada, *202, Queen Street, Ottawa 4, Ont.*
 Affiliated Societies (1959): 726; membership 832,032; turnover: marketing: \$ 586,228,263; merchandising: \$ 168,415,244; assets: \$ 355,136,863.
 Conseil Canadien de la Coopération, *684, Est Grande Allée, Quebec.*
- CEYLON:** The Co-operative Federation of Ceylon, *Co-operative House, 455, Galle Road, Colombo 3.*
- CHILE:** Federación Chilena de Cooperativas de Ahorro, Ltda., *Huerfanos 1639, Clasificador 760, Santiago de Chile.*
- COLOMBIA:** Cooperativa Familiar de Medellin, Ltda., *Calle 49, No. 52-49, Medellin.*
- CYPRUS:** Cooperative Central Bank Ltd., *P.O. Box 411, Nicosia.*
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, *Tesnov 5, Prague II.*
- DENMARK:** De samvirkende danske Andelselskaber (Andelsudvalget), *H. C. Andersens Boulevard 42, Copenhagen V.*
 Representing 28 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 500,000 individual members. Turnover: 8,696 mill. Danish Kroner.
 Det Kooperative Faellesforbund i Danmark *Gyldenloevsgade II, Copenhagen V.*
 Affiliated Societies (1957): 625; total sales 790 mill. D.Kr.; employees 10,600; comprises: Consumers' Workers', Artisans', Productive and Housing Societies etc.
- EGYPT:** Société Coopérative des Pétroles, *94, Kasr el Eini Street, Cairo.*
- EIRE:** The National Cooperative Council, *35, Lower Gardiner Street, Dublin.*
- FINLAND, Suomen Osuuskauppojen Keskuskunta** (S.O.K.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; wholesale turnover: Fmk. 82,333 million; own production of SOK: Fmk. 20,380 million.
 Yleinen Osuuskauppojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; turnover of societies: Fmk. 145,354 million; total production of the affiliated societies: Fmk. 3,251 mill.
 Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki.*
 Affiliated Societies (1960): 113; members 510,957; turnover of Societies Fmk. 98,470 mill.; production of societies 15,654 million.

Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

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

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THE PARIS CONSUMER CONFERENCE

CHEMISTS, domestic scientists, economists, lawyers and editors were among the 43 delegates from 12 countries attending the Paris Consumer Conference. It was fitting that the French capital should be the meeting place of the Second Consumer Conference, for it was the F.N.C.C. resolution on consumer protection and enlightenment adopted at the 1957 Stockholm Congress that set in train the series of events which led to the Conference on the Health of the Consumer at Garmisch-Partenkirchen in September 1959, and subsequently to the Paris Conference. At the close of the Second Consumer Conference, the President of the I.C.A., Dr. Bonow, formulated a programme for future action and outlined a plan for creating a permanent working party to deal with activity in the field of consumer protection and enlightenment.

Past Resolutions

The F.N.C.C.'s 1957 Stockholm resolution, whilst making reference to the need for protection of the consumer in matters other than foodstuff purchases, placed special emphasis on the need to examine the impact on consumer health of new techniques in the industrial manu-

facture of foodstuffs involving the use of chemical preservatives, emulsifiers and colourings. The Garmisch-Partenkirchen Conference explored the question of legislation concerning consumer health and recommended an assessment of national legislation in the light of a set of uniform international principles. The cooperative laboratories' research efforts and the national movements' programmes of consumer education and enlightenment were also the subject of recommendations at Garmisch-Partenkirchen.

The recommendations of the Conference on Consumer Health provided the basis for the first paper examined by the Paris Conference. An analysis of reports from member organisations on their implementation of the recommendations of the Garmisch-Partenkirchen Conference which had been prepared by the Secretariat, revealed not only some points where progress had been made but others where no appreciable advance had occurred.

Consumer Protection

The somewhat different character of the Second Consumer Conference emerged when the Conference turned to two papers introduced by F. D. Boggis of the

Alliance's Economic Research Section. Developments in the field of consumer protection in the course of 1960–1961 formed the basis for the first paper. Some of the growing points of consumer discontent—misleading packaging, high prices for drugs, premium offers and pollution of the atmosphere—were described. The broader 'policy' questions occupying consumer opinion, the pressure of competitive advertising, resale price maintenance, consumer needs in the affluent society, were also outlined.

The second paper reviewing events in the years 1960 and 1961 dealt with legislation and regulations for the protection of the consumer. Draft bills and acts from a number of countries were reviewed by Mr. Boggis in his paper. The topics considered ranged from the proposals for credit labelling in the United States to the creation of a National Consumers' Committee in France.

Credit Trading

Credit was also the subject of a paper by J. M. Wood, Secretary of the Co-operative Union Parliamentary Committee. Mr. Wood described the extent and nature of credit trading in the United Kingdom, the attitude of the Co-operative Movement to such trade and the current state of the law.

The Secretariat's three papers and Mr. Wood's contribution occupied the first day of the Conference.

On their second day at the Paris Consumer Conference, delegates heard two papers which stimulated considerable discussion. The Head of the French Co-operative Analytical and Research Laboratory (F. Custot) discussed in his paper the problems posed by comparative testing of consumer goods and the

communication of test results. Dr. Gebauer of the *Zentralverband deutscher Konsumgenossenschaften* dealt with the situation confronting the consumer and the cooperative movement in an economy of abundance, despite Dr. Gebauer's masterly short survey of the problem, it became obvious in the course of the most interesting discussion that this was a topic deserving of far more exhaustive examination than the timetable of the Consumer Conference permitted.

An illuminating account of the work of the Netherlands *Consumenten Contact Orgaan* by G. G. Groenewegen aptly illustrated the way in which a Co-operative Movement (in this case CO-OP Nederland) can collaborate with other consumer organisations to good purpose.

The final paper of the Conference was an examination of the case for an I.C.A. working party on consumer protection by Madame Ancion (National League of Women Cooperators, Belgium). Madame Ancion pleaded eloquently for the creation of such a group, which would have a vital rôle to play in the enlightenment of consumers in their fight for more adequate legislation and to end the abuses of dishonest business enterprises.

Consumer Affairs

Dr. Bonow concluded the conference proceeding by placing the discussions of the earlier sessions in the wider setting of changes in the Western economy. Policies of economic expansion and full employment had given consumers continuous and real increase in real incomes. As a result the structure of consumer demand had undergone rapid and drastic changes. Co-operative organisations had to adapt themselves to these changes and take account of the long-term future.

The Alliance had already adopted at its Lausanne Congress a programme of action, which was gradually being implemented, dealing with these basic problems. Now it was necessary, said Dr. Bonow, to formulate a practical programme in the field of consumer affairs.

The programme Dr. Bonow outlined involved action by existing committees and working groups within the Alliance as well as a proposal that a working party dealing specifically with consumer protection and enlightenment be instituted.

The President indicated problems which had been discussed at the Conference which should be examined by the Economists and Market Research Workers Group. These included, resale price maintenance, credit trading, deceptive packaging and mis-leading advertising and agricultural policies within the emerging economic groupings such as the Common Market.

The heads of cooperative laboratories would be asked to broaden the scope of their work to include as well as methods of analysis such problems as the hygienic handling of foodstuffs.

Similarly the heads of test kitchens would be drawn into the work of consumer protection and enlightenment.

Other groups, heads of cooperative colleges, editors of cooperative publications, auxiliary committees such as that for housing—would be asked to contribute to the work as it developed.

The special working party on consumer protection would, in Dr. Bonow's view, be small in number and occupied with the work of determining principles and formulating recommendations to be considered by the Executive Committee. The working party would draw on the preliminary work undertaken by the specialist groups.

Clearly, the programme of work in this field which was envisaged would require a coordination of effort not only within the Alliance but within national organisations too.

The Consumers Affairs Bulletin

The programme of future work and the special working party proposed by Dr. Bonow thus complete the necessary initial centralised effort in the consumer field. The Alliance has, in its new publication the *Consumers Affairs Bulletin* and in the proposed working party, the means of formulating and disseminating the view of the Cooperative Movement on consumer matters. The *Consumer Affairs Bulletin* also provides a means of keeping the Movement informed of what is happening in the broader field of consumer affairs as well as informing the newer 'consumer movement' of the cooperative contribution to the defence of consumer interests.

The Cooperative Movement does not need to be convinced of the necessity to protect the consumer; that need was the reason for its very inception. What has still to be done, as Marcel Brot hinted in the course of the conference, is to convince the unorganised consumer and the 'unaware' cooperative consumer of the significance and importance of the work of consumer protection and enlightenment and the rôle which the Cooperative Movement has to play in this work.

F. D. B.

* * *

Note: A full report of the proceedings of this conference and the text of the working papers will be given in a special double number of the *Review* devoted to Consumer Protection and Enlightenment to be published later this year.

Editor

I.C.A. PRESS CONFERENCE AT PARIS

CONFERENCES of Cooperative editors and journalists have been held in conjunction with I.C.A. Congresses for over thirty years. While it is obviously expedient to seize the opportunity offered by their presence at Congress in order to bring them together for an exchange of views and experience, the opinion has been growing that these conferences were neither long enough nor frequent enough. Moreover their value would be enhanced if the I.C.A. had some permanent consultative organ through which it could maintain touch with the national Cooperative Press and obtain guidance in preparing conferences.

The conference which met at Paris on the 25th and 26th January was the direct outcome of the understanding reached at the Lausanne conference on two points. These were:—that the I.C.A. should establish a working committee for the press; and that the two principal subjects on the Lausanne agenda, which could not be adequately discussed in the time available, should be taken up again. These two subjects were given first and second place on the agenda at Paris. Two more were added after consultation with the National Organisations. The constitution of the Working Committee made a fifth item.

Mr. Ch.-H. Barbier, member of the I.C.A. Executive and director of the Swiss Cooperative Union, V.S.K., in charge of its Press, Education and Propaganda Department, presided over an attendance of 20 representatives from 11

European countries and one from the celebrated *Ie-No-Hikari*, the magazine of the Japanese Agricultural Cooperative Movement, together with the officers of the I.C.A. The attendance included a representative selection of editors and journalists engaged on the two principal types of periodical published by Cooperative Organisations namely newspapers or magazines addressed to the general membership and technical journals for administrators, managers and employees with special interests.

Cooperative Ideology

It fell to Mr. Barbier to introduce this subject once again as he had already done at Lausanne; how to present Cooperative Ideology today. The question, he said, had two aspects: the ideology itself and its formulation. How was it to be communicated to a public not always able to understand what was being offered? The present situation of the Cooperative Movement was characterised by pressure to keep up with its competitors because the services rendered by Cooperation were not so evident, perhaps not so real, as they once were. What was at fault, the Movement's doctrine or its practice?

Was there an ideological crisis coincident with a structural crisis? Cooperative journalists had not re-thought their doctrine as they ought, along with or even before radical changes such as were proposed for example, in the Gaitskell Report. They had not

exercised their function of leadership as they should. They had either not been as free as they should be, or they had been too conformist or, out of false notions of loyalty, continued to present the same arguments on old themes.

The Rochdale Principles were still perfectly valid, especially for consumers' cooperative societies, but seemed to have lost their power as a dynamic. They were not capable of producing a shock. The idea of a gradual advance towards a Cooperative Commonwealth was also out of date and should be abandoned. It was necessary to recognise how the Cooperative Movement had compelled its private competitors to associate and develop common services.

Today Cooperation should still be presented as an alternative solution to state or private capitalism. It should also be shown how Cooperation could be applied to non-economic needs, such as education, to which there was no limit. Cooperators had committed the same error as the classical economists in concentrating on the economic man.

Cooperation must renew its pioneering spirit, especially in the less-developed countries. Today Rochdale is everywhere. Cooperators could become the pioneers of this century, if the press could secure the good will of readers who are not yet interested in Cooperation. The Movement must transform itself in order to grow.

In the ensuing discussion Mr. R. Kérinec (F.N.C.C., France) remarked that, if Cooperative journalists did not any longer know what public they were addressing, they should organise enquiries and motivation studies in order to determine what opinions new members held of the Movement. Their object must be to present the idea behind the visible practical achievements of

the Movement. They must not give up presenting the economic advantages of Cooperation, but should emphasise the ways in which the Movement was unlike other kinds of economic organisation. If dividend on purchases had come to be looked upon as an element of price, the Movements' struggle to abolish profit nevertheless continued in the form of combating rings and cartels. By seizing on such topics as housing and to the less-developed countries the Movements' journals could show that Cooperation was diverse and flexible enough to meet the problems of today and so make a more powerful appeal to the young. Through topicality inspired by the Cooperative spirit they could exercise a persuasive influence, all the more effective because unconscious.

Professor Avenati (C.C.I., Italy) emphasised that the larger public was more interested in material benefits and the protection afforded by Cooperation to different classes of people than in theoretical questions. Cooperative journals should educate the public in the direction of the realisation of Cooperative ideology as well as better comprehension of the contemporary world in which solidarity was becoming increasingly the ruling principle. After Mr. V. Janjich (General Federation, Yugoslavia) had declared that Cooperative ideology today was still Rochdale and that the central problem was the control of the Movements' organs by Cooperators, Dr. A. Vukovich (Konsumverband, Austria) expressed agreement with Mr. Barbier's view that Cooperation went beyond the economic, but it must start with the economic. If it forgot its true nature, it would decline into a purely economic organisation. It must promote solidarity amongst its members by touching wider human in-

terests. Their sense of participation would depend partly on the Movements' public reputation, but also on their recognition of its value to them.

Mr. C. Vienney (S.G.C.C., France) said the journalist is obliged to present ideas but is not responsible for the fact that ideology or practice fail to correspond to the needs of the modern world. He emphasised the dynamic rôle of the journalist who could employ knowledge of the external milieu in order to change the policy of the Movement. Cooperative journals should be independent of the Movement's central commercial organisations. The educative and propagandist rôles of the press should be sharply distinguished for official propaganda articles destroyed the true action of the journalist.

Mr. A. Meyer (V.S.K., Switzerland) said that Professor Henzler's idea of the basic task of Consumers' Cooperation should also apply to the relations of the press and its readership. Present day youth rejects ideology because its elders too often talked ideology and acted differently. The task of the Cooperative press was to present ideas without mentioning ideology; Mr. Eggert Nielsen (F.D.B., Denmark) while agreeing with Mr. Barbier's presentation, maintained that it was difficult to present ideology to readers who shrank from deep thinking and objected to preaching. Some authoritative international body should revise the Cooperative programme. Replying to the discussion, Mr. Barbier said that his main contentions had been accepted by the conference but that the subject should continue to be studied by a special sub-group. If the press were not to speak of ideology, it must draw attention to what the Cooperative Movement can offer that has value. Cooperative journalists bear a respons-

ibility if they do not take notice and call attention to what is happening. The status of the journalist was important; his was a difficult task to discharge. He must present Cooperation as a method by which people can associate to satisfy their needs and at the same time produce interesting journals which hold their readers' attention 'by pleasing them. Fortunately, the Movement possessed a powerful asset in the goodwill of the public.

The Technical Level of the Cooperative Press

Mr. Birger Lundberg (K.F., Sweden) who edits *Vi*, the weekly magazine of the Swedish Consumers' Cooperative Movement, discussed the evolution of press techniques with direct reference to the development and practice of his own journal. *Vi* was originally *Konsumentbladet*, a members' journal intended, among other things, to wean them from bad kinds of credit trading. About 30 years ago it was converted into a family magazine and its present circulation was a little less than half the 1,200,000 membership of the Swedish Consumers' Movement. It has long since turned over to photogravure, but newsprint had by no means had its day. Newsprint was still used by the private traders' paper which was *Vi's* keenest competitor.

For a magazine of its type, visual impression determined the reader's choice. Only high standards would draw a public used to attractive presentation. The printed word had to be supported by illustrations but it was not wise in Cooperative journalism to go over to the other extreme and produce all-picture papers. Like most illustrateds, *Vi* contained articles of various kinds and short stories. Its reportage methods

required continual study and the utmost care was taken in the choice of photographs. Conventional pictures were given reduced space or weeded out entirely. *Vi's* pictures were drawn from all over the world.

Answering a question from Dr. Simonen (S.O.K., Finland) Mr. Lundberg said that his editorial staff included some specialists but were mostly all-rounders. There was a special chief for the family section and women specialists for children and youth. It was not difficult to recruit journalists but it was difficult to get good writers on Cooperative affairs. They tried to train their younger colleagues for example by sending them into the country to write stories of the opening of modern shops etc.

Mr. René Autry (C.G.S.C.O.P., France), who opened the discussion, emphasised that in the present revolution in technique the good journalist must also be a technician. In addition, a Cooperative journalist must understand the psychology of Cooperators and adapt his methods to their requirements. Make-up was a special technique of growing importance.

Mr. Hugh Steel (C.W.S., Great Britain) explained the policy of the Cooperative Home Magazine which did not compete with the large commercial magazines, but was aimed at a specialised readership with mainly feminine interests in order to carry on propaganda and assist in selling Cooperative products. Mr. Kérinec pointed out that the technical level of the Cooperative press revealed what opinion the leaders of the Movement have of their press and its importance, even for the commercial operations of the Movement.

Mr. Gallini (F.N.C.A., France) emphasised the need of journalists possess-

ing several different talents. Illustrated journalism required reporters who were also photographers. Mr. Gulbrandsen (N.K.L., Norway) said that his organisation had abandoned photogravure in favour of a newspaper type of journal which served as a means of communication between societies spread over great distances. On the question of advertising policy, the Chairman pointed out that the Swiss Cooperative press now draws an income of over Frs. 1,000,000 from advertising and this revenue widened the possibilities of technical improvement.

Replying to the discussion, Mr. Lundberg explained that the policy of *Vi* was to provide consumers with good reading at a low price. It maintained a better cultural standard than the commercial magazine and cost half as much. Its advertising policy was to accept advertisements of high quality goods from firms selling to consumers' societies through K.F., but not goods competing with K.F. products.

In his summing up the Chairman remarked on the progress made by the Cooperative Press since he first began attending these conferences. The attitude of the Boards of Central Organisation was more enlightened. The technical resources of Cooperative journals today were much greater than they were 30 years ago. The press had become one of the most tempered weapons of the Cooperative Movement.

The Cooperative Press, the General Press and the Public

For the discussion of this subject the Conference had a working paper prepared by the I.C.A. Secretariat summarising information supplied by a number of National Organisations. This information showed great differences as

between one country and another. In some the press was employed chiefly as a means of information and communication within the Cooperative Movement. In others deliberate and on the whole successful attempts had been made to obtain for the Cooperative Press a recognised status in the national press, particularly as a source of authoritative information about the Cooperative Movement. Beyond this in a few countries press relations had opened up the possibility of projecting Cooperative ideas and opinions into the mind of a wider public than the existing Cooperative membership.

Mr. F. Carlsen (D.K.F.) and Mr. Eggert Nielsen described the situation in Denmark, the latter pointing out that because of the large section of the population covered by *Samvirke* with its circulation of 500,000 the need for contact with the ordinary press was not greatly felt. Dr. Vukovich described the success of his Union with its information and article service for the Austrian press, particularly magazines for women and youth. They had encountered a hostile section of the press which would not publish cooperative material.

Mr. U. Frey (V.S.K., Switzerland) described the publicity conducted by his organisation to express Cooperative opinion and influence the electors on questions of national policy. It was the regular practice of the V.S.K. to arrange press conferences in connection with congresses and other notable events. Dr. Gebauer (Z.d.K., Federal German Republic) reported that his Union had met with unexpected goodwill amongst the press and a good reception for its news service, issued twice weekly which expressed Cooperative consumers' attitudes to current economic and social questions.

Mrs. C. Ancion (S.G.C., Belgium) complained of the neglect by the Cooperative Press of the feminine point of view. It should do more to attract the attention of women to the importance of the Movement and take the chances offered to correct popular errors about it. It should display more enterprise. Why for example, was there no Cooperative fashion journalist to report the Paris collections? Mr. Kérinec and Mr. Okahara (Japan) also described the situation in their respective countries.

Mr. Steel indicated how the Cooperative Press in Great Britain had developed its relations with the general press which still had a tendency to ignore or depreciate the Movement. Old-fashioned Cooperative leaders were prone to regard the press purely as a defensive mechanism. This was too negative. Action hitherto had been insufficient. Reference to the Movement in the editorial columns of newspapers was not enough. It should engage in institutional advertising like other great industrial groups. The advent of television gave the movement an opportunity to start afresh and secure fair representation in the programmes offered.

The International Exchange of Press Material

The Chairman, summing up the discussion, emphasised the distinction between *our* public and *the* public. If we ignore those who are not members, we have no right to complain if the public ignores us. The Movement lacked aggressiveness in regard to the press in general. Many opportunities had been lost. Relations with the public and the press depended on the ability and courage of the editors. They should aim higher, seek the best. With good contributors, a paper will surely be read.

In the absence of Dr. E. Hasselmann (Z.d.K., Hamburg) this subject was introduced by the Director of the I.C.A. who pointed out that the idea of exchange implied mutual give and take, not only between editorial offices but also between them and the Publications Section of the I.C.A. The latter had always been handicapped because the National Organisations had only imperfectly fulfilled their obligation under the Rules, to keep the I.C.A. supplied with news and information. The only satisfactory solution would be an International Cooperative Press Agency, but the Movement as a whole was not yet prepared to finance such an institution. Meanwhile there was scope for direct exchanges between national editorial offices as well as for the extension of I.C.A. press services.

In the course of the discussion it was pointed out by several delegates that the needs of the Movement's technical journals were different from those of its more popular publications. The technical journals needed more rapid factual information if possible from the I.C.A. and more background information so that they could rightly interpret the course of events. Some speakers considered the I.C.A. could display more activity in collecting information for the *Review of International Cooperation* and News Services. Others point out that there were limits to the extent to which editors could use material provided by the I.C.A. without careful adaptation to the needs and tastes of their readers. Others again pointed out the need for better education of editors and their contributors in international Cooperative affairs and suggested the organisation of study tours and courses. Closer personal acquaintance between

editors and journalists of different countries was also advocated. Mr. Lundberg suggested that the editorial offices might collaborate in carrying out some reportage ideas such as sending writers and photographers to less-developed regions of the world.

Summing up, the Chairman remarked that editorial offices mostly needed a personal equipment much greater than they had at present. Direct contacts between them, however, should not prevent the development of the services of the I.C.A. There was no rational or satisfactory solution to the problem of exchange except through strengthening the press services of the Alliance, lacking which the national editorial offices were like retail societies without a wholesale.

Organisation of an I.C.A. Press Committee

Introducing this suggestion, the Chairman referred to the long-standing demand for a Press Committee and the agreement of the I.C.A. Executive after the Lausanne Congress to its establishment. He proposed that press conferences at congresses and at other times should be maintained. As continuity, however, was necessary, a Press Committee should be set up consisting of 6 members, together with the officers of the I.C.A. The members should be invited to serve by the Alliance and selected according to the subjects taken up for consideration. Generally, the Committee should deal with urgent questions, such as the training of Cooperative journalists. It could also carry out enquiries and prepare the agendas of Conferences.

In the discussion, Messrs. Viergever (Co-op Nederland) and Vienney pointed out that the need was for two com-

mittees or sub-committees, according to the different types of Cooperative journals. The desire was also expressed for press conferences at shorter intervals of three years and sitting for longer than one day.

The Chairman emphasised that in order to be effective a committee should be reasonably small. The committee could not deal with all problems at once and its composition could be changed according to the problems to be solved. The results of its work would be communicated to the various editorial offices and co-ordinated in the periodic press conferences.

It may be added in conclusion that the proceedings of the conference will be reported to the Executive and Central Committee of the Alliance when they meet at Scheveningen in April and steps will be taken meanwhile to prepare for the constitution of the Press Committee with a view to a meeting at the earliest convenient date afterwards.

W. P. W.

EMIL LUSTIG

1883—1962



WITH the death on the 17th January of Emil Lustig, the International Cooperative Movement of today loses one more personal link with the period between the two World wars and indeed, with a still earlier period of European Cooperative history. Emil Lustig's service to the Movement extended over approximately half a century. Born in 1883, he became active in the Czech Consumers' Cooperative Movement in the early years of this century when, under the influence of the rising nationalist spirit, it was asserting its separate existence from the other Cooperative Movements of the former Austro-Hungarian Empire.

Lustig will be chiefly remembered, however, for his leadership, throughout the twenty-one years of the first Czechoslovakian Republic, of the Cooperative Wholesale Society, "Velkonakupni spolecnost druzstev", of which he was General Director. Under his direction, despite the alternation of boom and depression during the 1920s and 1930s, the Wholesale Society both developed its productive enterprises, notably the margarine factory at Nelahozevy, and steadily improved its financial position.

Executive Member

When the Executive Committee of the I.C.A., after the International Congress at Basle in 1921, became international in its composition, Lustig was one of its members and was re-elected after each succeeding Congress until and including 1937.

The tragic events of 1939 brought his

career in Czechoslovakia to an abrupt end. Thanks to the intervention of Albin Johansson he was permitted to leave Czechoslovakia for Sweden. After a few months in the latter country he left for Buenos Aires as representative of K.F. attached to the Luma agency. Here he worked successfully until 1945.

Contacts with Argentina

Lustig's stay in Argentina was of inestimable advantage to international Cooperative relations. He made friends with Argentine Cooperators, notably with Professor Bernardo Delom and other leaders of the Federation of Consumers' Societies (FACC), the affiliated member of the I.C.A. This connection was maintained after Lustig returned to Europe. He was able to give the authorities of the I.C.A. first-hand knowledge of the situation and problems of the Argentine Cooperative Movement and, in addition, became a regular substitute for the Argentine member of the Central Committee, besides representing the FACC at International Congresses. At a time when the Federation was passing through a troubled period and being subjected to politically-inspired attacks and interference, Lustig's good personal relations were of the utmost value to the Alliance.

After his retirement in 1958, Lustig continued to display a lively interest in international Cooperative affairs and the I.C.A. Secretariat maintained touch with him until virtually the close of his life. His friendship and collaboration will be greatly missed. W. P. W.

FINANCING OF AGRICULTURAL COOPERATIVES

by G. Davidovic, *I.C.A.*

THE success of agricultural cooperatives and the efficiency of their rôle in the service of the farmer and of agricultural economics, largely depend on sound finance. But, like the farmer himself, farmers' cooperatives often face financial difficulties. For this reason the solving of their financial problem is of primary importance.

Co-operative Sources of Finance

There are two main sources of finance for cooperatives; their own, and outside resources. Their own, or cooperative sources of finance are the reserves, share capital, members' savings deposits, and loans from cooperatively owned, central credit institutions. Also, financing from own sources is cooperatively the most correct way. Self-financing is the logical complement of the cooperative principle of self-help, self management, and self-control.

Some cooperative movements have been highly successful in creating their own resources in the form of reserves or share capital. There are other countries where cooperatives have found an ample source of finance in mobilising members' savings. Agricultural credit cooperatives in Holland are responsible for 40 per cent of all saving deposits collected by all categories of credit institutions.

In some countries cooperative movements have established their own banking institutions and, thereby, an independent cooperative financial system. However, self-financing, although an

ideal, is neither an easy nor a simple task.

In many countries, State financing of cooperatives is a need and a reality that cannot be ignored or challenged. The question is, how can it be organised so that it does not hamper true cooperative development and the building of an independent cooperative financial system? The solution depends on conditions, economic development, and political systems. And they are at great variance as between capitalist and communist countries, advanced and emerging countries, and between countries with a planned or a competitive economy.

The Financial Position of Cooperatives in Communist Countries

Cooperatives, under communist rule, become an inextricable part of the planned political and economic communist structure. They are guided by the communist philosophy and are ideologically, economically, and financially bound to the communist State. In their own particular field of activity they share responsibility for the achievement of communist ends, but have no separate interests to defend, no separate ideology to follow, and no separate cause to fight for, as they have in capitalist countries. Their main objective is to serve the communist cause and to work for the ultimate establishment of a communist society, not of a cooperative commonwealth—as for example in India or Indonesia—with all the financial effort in-

volved. They are not formed according to the needs and interests of individuals or individual groups. Neither are they established in a wide variety of forms, such as credit, consumers, marketing, supply, insurance, production, processing, health and electricity—all of which have their own particular financial requirements. The scope of their activity is well defined and strictly limited by State policy and rigid economic planning.

On the whole, Cooperation in communist countries is limited to two forms—collective farming societies and rural consumers' societies. The activity of the former is mainly concerned with the production of primary agricultural produce, and that of the latter with the supply of consumer goods to rural areas. All other fields are the responsibility of State enterprises, which the cooperatives support and complement, but with which they do not compete.

In the sphere of activity assigned to them by State economic planning, these cooperatives are financed by State banks and are dependent on them to the same extent as State enterprises. Under these conditions they attach very little importance to the principle of self-financing. In the case of the Soviet Union for example, the participation of members in the building of cooperative capital of societies, is limited to one share only. Again, in Yugoslavia, members' shares represent only 1 per cent of the total resources used by cooperatives. A Yugoslav representative has pointed out that the members' liability for cooperative finance has largely disappeared, and "cooperative property has become public property". This means, of course, that in practice the difference between cooperative and State enterprises also largely disappears.

State Financing of Cooperation in Capitalist Countries

The position of cooperatives is, of course, quite different in countries with a capitalist or competitive economy. They go their own way, follow their own ideology, and are primarily concerned with the particular needs and interests of their members. They are often very critical of the existing system, and insist on the need for a new and better Society. Many cherish the idea of an economic system after their own image—of a cooperative economy in which personal freedom and discipline, individual and collective interests, economic independence and social welfare, rights and responsibilities, would be harmoniously reconciled and merged. Others have no such tendencies. They simply want to defend and improve the position of their members, within the framework of the capitalist society. But they are all equally jealous of their economic and financial independence; and as they are often short of resources of their own, they have to look for outside finance.

However, they are unwilling to be too dependent on capitalist banks, which in any case are not easily prepared to finance them. They therefore often knock at the State's door. But they are not prepared to surrender their independence to the State, either, and do not like to accept the interference of State bureaucrats in their affairs. This has made the question of how to combine State financing of cooperation and cooperative independence, how to build an independent cooperative financial system with State help, an important issue.

These questions have been answered differently in various parts of the world. But the experience gained in three coun-

tries with quite different conditions, and belonging to three different continents—in Finland, Japan, and the U.S.A.—deserve particular consideration. In all of them powerful, independent—or nearly independent—cooperatively owned banking institutions have come into being with State help. They deserve to be analysed, as they might well serve as inspiring patterns to other countries.

The Finnish Example

O.K.O., the Finnish Agricultural Co-operative Bank, has already a long history. It was founded in 1903 on the initiative of Pellervo. But since at that time there were no credit cooperatives in existence to serve as constituent members, the Bank was formed as a public company—which it has remained.

Initially, the Bank's capital amounted to only 300,000 Finnish marks, being subscribed by farmers and other individuals. It was only a nominal capital, the actual working capital being supplied by the State, then still under the rule of the Russian Tzar. State funds were supplied in the form of a loan of 4 million marks, at 3 per cent interest. In addition, the Bank was granted an annual subsidy of 200,000 marks.

For a long time O.K.O.'s rôle was that of transmitting State funds to credit cooperatives. But the position changed after 1920, when the Bank was authorised, together with credit cooperatives, to collect savings deposits from non-members. This enabled them to mobilise large financial resources. The Bank's capital was gradually increased to 1,200 million marks, and almost entirely passed into cooperative ownership. Only 25 million marks, or less than 2 per cent, remained in the hands of the State, which, as the Finns like to point out, is

also considered as "a member of the Bank".

In 1954, O.K.O. received deposits amounting to F. marks 5,222 million. It has also established another source of finance by issuing bonds, and 4,000 million marks were obtained from this source. Credits were also obtained from the Bank of Finland, to the value of 3,157 million marks. Finally, the Bank was entrusted with public funds to the amount of 9,570 million marks, for the purpose of resettlement and internal colonisation of people who had come from the areas ceded to the USSR. Thus, O.K.O. became a powerful financial institution.

Originally, O.K.O.'s rôle was limited to the financing of credit cooperatives. In 1915 it began granting credits to other forms of agricultural cooperatives. In 1928, in addition to cooperatives, it also began to finance communes and parishes, as well as organisations which were cooperative in essence, although registered as limited companies.

An interesting feature of O.K.O.'s credit and financial policy is that cooperatives which are granted loans are bound to take up shares to a corresponding extent. Thus, cooperative organisations contribute to the Bank's capital in proportion to the service they obtain. This also keeps the ownership of the Bank firmly in cooperative hands.

It is interesting to note that under the guidance of the Bank, the financial structure of credit cooperatives also changed substantially. Originally, the Bank was their only source of finance. In 1954, however, they only borrowed 16,799 million marks from the Bank, whereas the resources they had created for themselves by collecting savings amounted to 54,698 million mark, over three times as much.

In spite of its non-cooperative form, O.K.O. became largely cooperative in essence. It not only serves, and is owned by cooperatives, but it is very much cooperatively managed. At its annual meetings, all shareholders have only one vote each, regardless of the number of shares they possess—and this includes the State itself. Nevertheless, O.K.O.'s management is not completely cooperative. Its managing board consists of 21 members, of which three are nominated by the State. This is due to the existing legislation, but does not seem to worry Finnish cooperators unduly.

Agricultural cooperation in Japan has various achievements to its credit. It also has an interesting structure. At the bottom there are the multi-purpose cooperatives, with specialised federations and unions at regional and national level. The whole financial structure is covered by the highly influential Central Cooperative Bank for Agriculture and Forestry.

The Bank was founded in 1923 and originally had to serve all sections of the Cooperative Movement, agricultural and urban. In the post war period it limited its activity to the field of agriculture.

The initial capital of the Bank was 30 million yen—half of it subscribed by the Government, and half by cooperatives. Owing to war and post war conditions, the Bank lost the whole of its capital. In 1948, entirely new capital was raised through the cooperatives, and thus the ownership of the Bank passed fully into cooperative hands. The Bank's membership now consists of about 23,000 cooperative organisations.

The Bank has a wide and varied field of activity. It grants credits to member organisations, discounts bills, gives overdrafts, takes guarantees, collects deposits from members, public entities, and non-profit making organisations. Further, it

runs a domestic exchange service for members, gives short-term loans to finance organisations and industries related to agriculture and fisheries.

At the beginning of 1960, the Bank's reserves and share capital amounted to 3.286 million yen. The balance of deposits totalled 191.7 billion yen, and issued debentures 42.2 billion yen.

In the past, the Bank had a large source of finance in credits from the Bank of Japan. Since 1956, however, it has never borrowed from this source, thanks to the increased deposits and debentures. In March 1960, the Bank granted loans totalling 202.8 billion yen, of which 45.8 billion went to affiliated agricultural, forestry, and fishery cooperatives.

The Bank is organised as a cooperative, with limited liability, and is based on a special Law. The general meeting of shareholders has no right to elect the Board of the Bank. They are appointed by the Government—six as full-time, and 13 as part-time members: but they are chosen from among cooperative representatives.

For a long time, the cooperatives have insisted that they themselves should elect the Board, and as a result the Government is now preparing an amendment to the Law on the Central Cooperative Bank which will transfer the election of the Board entirely into cooperative hands. According to information received by the I.C.A. from the Bank itself, the management is now almost fully in cooperative hands, because the president has great influence, all appointments of directors are made on his proposals, and there is hardly any Government interference in the Bank's affairs.

(To be concluded in the April number)

COOPERATIVE COMMENTARY

Dividend or no dividend

In an article contributed to the *Cooperative Review*, the official organ of the British Cooperative Union, Mr. John Hough, the Union's Research Officer, forecasts that the average rate of dividend on purchases paid by British Consumers' Cooperatives in 1961 will be found to have decreased in comparison with 1960 and so will the total amount. In this the trend of the last four or five years will be re-affirmed. The causes are well-known: the relatively slow increase in the retail turnover and the relatively rapid increase of distributive expenses. This is accentuated for the consumers' societies by the declining trading margins in grocery and other branches of food distribution which account for the overwhelmingly greater part of the societies' retail turnover.

Recently another factor has appeared, namely, the abandonment of dividend payment by societies, not as formerly under the alleged compulsion of resale price maintenance, but voluntarily as a riposte to price-cutting by competitors. This issue was discussed in the same issue of the *Cooperative Review* by Mr. Arthur Jupp who was president of the Union's Congress in 1960.

Whether dividend on purchases is to be reckoned an inviolable principle or not depends in part on how a principle, or on how "the principles of Cooperation", are defined. What is certain is that it was never intended as a mere device to attract custom or to make saving painless and automatic. It may well be that, as Mr. John Jacques, the Congress president of 1961, remarked, "A society's efficiency in the public mind is measured by the rate of dividend it pays". But this is an example of local or perhaps British Cooperative truth, rather than of universal Cooperative truth. For a generation or more, several of the most progressive and efficient Consumers' Cooperative Movements of the European continent have accustomed their members to relatively low dividend rates and have asserted their economic efficiency by their capacity to regulate prices by under-selling their competitors and providing superior services.

The full significance of the dividend system, however, is never revealed by a one-sided economic approach, as Mr. Jupp clearly sees when he writes that it is "an open assertion of the difference between Cooperative methods and those adopted by private trade". Underlying both the dividend on purchases system and the payment of fixed interest on capital (which is its necessary condition) is the real principle the Rochdale Pioneers were trying to carry into practice—equity, or justice in distributing the rewards of economic activity. It was their attachment to this principle which led them to seek an alternative to the system of all-profits-to-the-capitalist and to include the word 'equitable' in the title of their Society. The real difference between Cooperation and other kinds of economic organisation resides precisely in its subordination of business techniques to ethical ideas. Apart from this difference the Movement has no finally satisfactory reason for its existence.

Swedish Cooperative Seminar

The progressive spirit of the Swedish Cooperative Movement has made it for many years a lodestone for students and enquirers of all kinds. The number of these who visit Sweden, which has been increasing in recent years, imposes a burden on the Cooperative Organisations in the shape of hospitality and instruction which they willingly and generously bear. It is felt, however, that the knowledge sought by many of their visitors can be more effectively conveyed and acquired if instruction is more systematically organised.

The Cooperative Union K.F. and the Swedish Agricultural Cooperative Confederation (S.L.) are accordingly planning a twelve-months seminar, to begin in the autumn of 1962. The seminar will be open to students from the newly-developing countries who are awarded a scholarship by a Swedish or an international institution and who already possess a good knowledge of Cooperation in addition to a satisfactory general education and knowledge of English.

In brief outline, the Seminar will enable the students to acquire in their first six months a knowledge of Sweden, its economic and social conditions, its consumers' and agricultural Cooperative Movements and the Swedish language. They will pursue their studies first as a group at the colleges of the two organisations, but as they progress, their work will become more individual and they will be expected to relate what they learn about

Sweden to the conditions prevailing in their countries of origin. The last months of the course, between March and August 1963, will be spent entirely in individual studies planned according to the students' attainments and the work they ultimately plan to do. A recapitulation course of one or two weeks will end the seminar in August 1963.

Realism in Western Nigeria

The Prime Minister of W. Nigeria, Chief S. L. Akin-tola, since he returned from a two months economic study-tour abroad at the end of last year, has been telling his fellow citizens in very plain language what the industrial development of their country will demand from them. Launching a campaign to collect financial resources for Nigeria's £613 million national development plan, he declared his policy to be "prosperity via austerity". He insists that economic progress entails self-denial and that the availability of finance from abroad will be in direct relation to the willingness of Nigerians to make savings and invest them in the future of their country. "If our plan is to be carried out successfully", he has said, "we shall require the assistance of our friends throughout the world. But however generous these friends may be, the bulk of the finance must be provided by ourselves".

Self-help on the national plane demands a firm foundation in self-help among the citizens. Here it is evident that the Cooperative Movement has an important part to play in the industrialisation of Nigeria because it can teach, better than almost any other agency, the practice of saving and investment and their vital role in economic growth. The Western Nigerian Government has already a useful instrument at its disposal in a well-manned Cooperative Department, through which it can carry out the popular education essential to the fulfilment of its economic and social plans.

School Cooperatives in France

The quarterly *Revue de la Coopération Scolaire*, the organ of the Central Office of School Cooperatives in France, reached its 100th issue with the fourth number for 1961. This publication first came out in October 1929 as a simple information bulletin of four pages. It was produced by Emile Bugnon, the founder of the Central Office and one of the greatest pioneers of Cooperative education in France.

Some idea of the extent of the movement served by the Central Office may be gained from the report submitted to its general meeting last October. Altogether there are 25,975 school cooperatives with 1,300,000 members at-

tached to the Office. Of these societies, 24,280 are in primary schools, 915 in secondary schools and 780 in technical schools.

Space does not permit here of an account of the manifold activities of the Office and its affiliated cooperatives. Nevertheless, one passage from an article, reviewing the past, present and future, which Mr. Bugnon contributed to the 100th issue, states the object of the movement in memorable language and must be quoted:

"We have never asked the primary school to carry out the training of adult cooperators but simply to impress on the minds and hearts of the children, with all the force of voluntary discipline and the approval of the community, the great ideas and sentiments of secular morality and republican democracy . . . the will to set oneself an object in life, the practice of honest/, the value of example, the joy of serving others while loving them and of being served by them with affection."

Silver Anniversary

On the 1st February, Dr. Erwin Hasselmann, the member of the Board of the Central Union of German Consumers' Societies (ZdK) responsible for publications, completed 25 years full-time service in the Cooperative Movement. His activity in the Movement actually goes back much farther. When he joined the publications staff of the I.C.A. in 1937 he had already been for several years a contributor to the *Review of International Cooperation*, and he had been a member of the Supervisory Council of the celebrated Hamburg consumers' society *Produktion* before he came to live in England in 1934.

A fortnight before his anniversary, Dr. Hasselmann sustained a severe injury in a road accident and, at the time of writing this note, is still in hospital. He was, in consequence, prevented from attending the recent I.C.A. Press Conference in Paris and there introducing the subject of the International Exchange of News, Information and Press Material for which he had almost unique qualifications, having served eleven years in the I.C.A. Secretariat before he took charge of the editorial offices of the ZdK. The number of Cooperators who can examine the problem of press exchanges from both the international and national standpoints is inevitably very small, and the conference, despite having in its hands a summary of Dr. Hasselmann's speech, missed the contribution he could have made. His many friends will wish him a complete and rapid recovery, in order that he may continue his admirable work in making German Cooperation better understood internationally and International Cooperation better understood in Germany.

The Lega in Sicily

The news that the *Lega Nazionale delle Cooperative e Mutue* has initiated a systematic action in Sicily is encouraging because it has long been evident that the gallant and self-sacrificing efforts of individual reformers, like Danilo Dolci, were unable to command the massive resources necessary to lift much of the population to a tolerable level of economic and social well-being.

On the 10th January, the *Lega* held a regional congress at Palermo and decided to replace its former regional office by a Regional Commission of which Mr. Giuseppe Banchieri will be the chairman. In his address to the congress, Mr. Banchieri pointed out that 1961 had been a year of Cooperative revival and progress in the island which might provide a basis for future activity. It will be of the greatest interest to see what kind of programme the Commission will produce and by what methods it will carry on its work.

Problems of Technical Assistance

The third annual meeting of representatives of International Organisations concerned with the promotion of Cooperation, held at Paris on the 12th and 13th February, was largely occupied in discussing questions of technical assistance to Cooperative activity in the developing countries. A synopsis prepared by the I.C.A. for a handbook to European Cooperative Movements for U.N. travelling fellows and similar students from other continents was considered in detail. Agreement was reached on responsibility for drafting particular sections and the general editorship of the work, which will probably be published by F.A.O. in English, French and Spanish.

Besides reviewing the programmes of activity of the several Organisations in the Cooperative field for 1962 and, as far as could be foreseen, for 1963, the meeting discussed two subjects of growing importance for which no simple solution is yet apparent. The first was the increasing tendency for technical assistance to be given under bilateral arrangements independently of, and sometimes overlapping with, the programmes of the International Organisations. This is the outcome, partly of the growing responsiveness of many of the industrialised countries to the need for technical help among the less-developed, partly also to the tendency of the governments of a number of the developing countries to seek and accept help from any, and every, source from which it may be likely to be forthcoming.

In respect of Cooperation, ministries may engage in

competition for aid based on mutually incompatible plans. The need for coordination henceforth, on both the international and national levels, is obvious and there will certainly be more consultation in future between the International Organisations than has hitherto been the case. The I.C.A. can claim with some satisfaction that several of its own affiliates have kept the I.C.A. fully informed of their wishes and intentions in the matter of technical help in S.E. Asia and Africa and in some cases have concluded agreements integrating their own national projects with the I.C.A. programme.

The second subject was the recruitment and training of experts in Cooperation. The recent conversations between I.L.O. officials and the I.C.A. Technical Assistance Sub-Committee at Geneva were reported and the representative of Unesco described the methods adopted at the Briefing Centre for technical assistance workers recently established by Unesco near Paris. On the whole, however, the general opinion of the meeting was that problems of training and briefing would prove less intractable than problems involved in the release from and reinstatement in regular employment of persons whom it was desired to recruit for temporary missions in the developing countries.

W. P. W

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COOPERATION AND THE TEENAGE CONSUMER

Under the Chairmanship of Mr. Cyril Forsyth, Nottingham, the Working Group of the I.C.A. Committee on Retail Distribution has been studying the teenage market. At its meeting in London in November, 1961, the Group heard a talk by Dr. Mark Abrams of the London Press Exchange, whose opinions are summarised in the following report.

ONE of the interesting and important questions for the Cooperative Movement is that of the buying habits and buying interests of teenagers. Without contradiction, the Movement can make a contribution within this field by showing the teenagers that it can and will give them the most and the best, and that it is open to the younger generation—open to those who will one day take over the responsibility.

At the Group's Stockholm meeting in September information was submitted on the Swedish teenage campaign called "Young Line", and specifically on the activity of the Stockholm Society. A report on this campaign will be given later. This article deals only with the points brought forward at the London meeting by Dr. Abrams and in the discussion following his talk.

Before the war no one troubled to collect statistics about teenage spending, and no one felt it worthwhile to consider the impact of such spending. But today it is the subject of analysis and debate throughout Western Europe and North America. The reason is obvious. Before the war teenagers were the poorest paid workers and most of what they earned they handed over to their parents to spend for them; nowadays their earnings are high and, to a large extent, they

keep what they earn and spend their money as they wish.

The change in the incomes of young people is well illustrated by what has happened in Britain. Between 1938 and 1960 the index of the weekly earnings of the average young people employed in industry went up from 100 to 500. Over the same period the index of adult earnings rose from 100 to only 350. This change can be expressed in another way. In 1938 the earnings of the average teenager were worth only 33 per cent of the earnings of the average adult, but today they have risen to 50 per cent. In the light of these figures it is not surprising that British manufacturers have taken a new and deeper interest in the teenage spender, which has led, among other things, to a greater readiness to carry out market research in this section of the economy.

For the purpose of this study, teenagers have been defined as those boys and girls between the ages of 15 and 24 who are not married. Fifteen is taken as the starting point because in Britain that is the lowest age at which children leave school and start work; in fact, almost 80 per cent today have finished their full-time schooling by the time they reach 16 years of age. Twenty-four is taken as the finishing point be-

cause that is the point at which the majority of young people have started married life. Irrespective of their age, all young married people are excluded, because on marriage the young person's spending pattern changes completely. Lavish spending on gramophone records, clothes, cosmetics, etc. stops, and is replaced by relatively heavy spending on rent, furniture, household goods and other necessities.

Within the definition in Great Britain at mid-1959 there were five million teenagers—2³/₄ million boys and 2¹/₄ million girls; boys outnumber girls in the teenage population because many girls marry in their early twenties and thus cease to come within the definition of teenagers. Of the total five million teenagers, approximately 2 million boys and 2 million girls had left school and were at work in business and industry; of the other 1 million, 650,000 were still at school or college and 350,000 in the Armed Forces. These five million teenagers constituted 13 per cent of the total British population aged 15 and over.

Buying Power

In 1959 the average male teenager in industry was earning approximately £8 a week, and the average girl £6. After meeting their State and family obligations, Britain's five million teenagers spent £830 millions, or slightly over 5 per cent of the total national consumer expenditure.

At a first glance, this seems a very modest ratio for a group of people who constitute 10 per cent of the total population and 13 per cent of the population aged 15 and over. However, in some markets, for instance, clothing, cosmetics, soft drinks, teenage spending bulks so large that it almost determines the character and prosperity of the trade.

Some idea of the importance of teenage spending in particular markets is provided by a recent study by Odhams Ltd., into spending on women's outer garments. Outer garments were defined as skirts, jumpers, cardigans, twinsets, suits, blouses, dresses, coats, jackets and raincoats. The survey found that in 1959 the average girl teenager bought 13 of these garments and spent £32 on them; the average woman outside the teenage world bought only 7 garments and spent £18 on them. Thus, in this particular market, the average teenage consumer is worth almost two non-teenage consumers.

The average boy spends nearly one-third more than the average girl. At the same time, male teenagers outnumber girl teenagers by 5 to 4, and one consequence of these two disparities is that male spending accounts for nearly two-thirds of all teenage spending. The average boy spends 31 per cent of this total on drinks, cigarettes and entertainment admission, while the average girl spends less than 14 per cent. On the other hand, she spends nearly 40 per cent of her budget on clothes, shoes and cosmetics.

Increase in Number

The number of teenagers is growing much faster than the rest of the population, and this difference in growth rates is likely to persist for some time. Between 1959 and 1966 the number of teenagers in Great Britain will increase by 13 per cent, in Belgium by 12 per cent, in France by 21 per cent, and in the Netherland by 27 per cent. This rapid expansion is, of course, a consequence of the sudden jump in the birth rate in the 1940s. The same phenomenon will be experienced in all Western European countries except Western Germany, which will have a decrease of

17 per cent during the same time, because the higher birth rate did not appear until the middle of the 1950s.

Increase in Earnings

The earnings of teenagers are increasing faster than those of the rest of the population, a situation which is again likely to persist for sometime. For example, in Great Britain between 1950 and 1959, the weekly earnings of male adults in industry increased by 80 per cent; over the same period the earnings of male teenagers went up by 96 per cent. The explanation for this difference is simple enough: many adults are finishing their working lives in stagnating industries—railways, agriculture, cotton textiles, etc., while, on the other hand, post-war teenagers have entered the expanding and highly prosperous industries—chemicals, electronics, light engineering, etc.

A Volatile Market

The teenage market is highly mobile in its composition with a high wastage rate and a high recruitment rate. Of the current 5 million members, 450,000 will marry in the next twelve months, abandon their teenage spending habits and transfer their spending power to the very different adult market. Over the same period a similar number of recruits will take their place on leaving school, and on starting to earn, will adopt teenage spending habits. In short, for the entrepreneur engaged in this market the pace never slackens; the teenage market has none of the comfortable inertia common to many adult markets.

In spite of the stability of its basic consumer needs the teenage market is highly volatile in accepting and rejecting particular goods to meet these needs. The manufacturer 'must gear himself

both temperamentally and productively to accept, even to welcome and stimulate, frequent change.

The teenage market is one where working class spending among teenagers heavily outweighs middle class spending in the same age group, and most European business men have had little experience in providing goods and services for prosperous working-class teenagers. The latter have, therefore, in shaping their consumption standards and habits, depended very heavily on the United States. In Europe we still have to produce a generation of business men who understand and appreciate the tastes and needs of these young people.

Advertising

In all West European countries teenagers have developed an interest in particular mass media which is not shared by their elders. For example, in Britain,

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the great majority of adults no longer go to the cinema, but we find that among teenagers half go to the cinema at least once a week. Again, there have appeared in recent years several weekly magazines aimed specifically at teenage readers. Some have failed to survive, but at least half a dozen are now flourishing but have practically no readership among adults. This means that the advertising channels which are most important for reaching young people are these with which the average business man is unfamiliar. Moreover, these specifically teenage magazines are highly internationalised. Their special character is that it keeps the teenager in touch with what other teenagers are doing as consumers of goods and leisure throughout the world.

The short teenage years between childhood and marriage are a period of intense pre-occupation with discovering one's identity, with establishing new relations with one's age group and one's elders, with those younger than oneself, and with the other sex. In short, teenagers more than any other section of the community, are looking for goods and services which are highly charged emotionally. Most of the goods they buy help to fulfil several psychological functions for the teenager. They help him or her to ward off the inevitable feeling of insecurity in the transition from the status of protected child to that of independent adult. Again, these goods increasingly provide the knowledge and language teenagers require to deal with their emotional and social problems.

BOOK REVIEW

Handbook to the Industrial and Provident Societies Acts, 1893 to 1961.

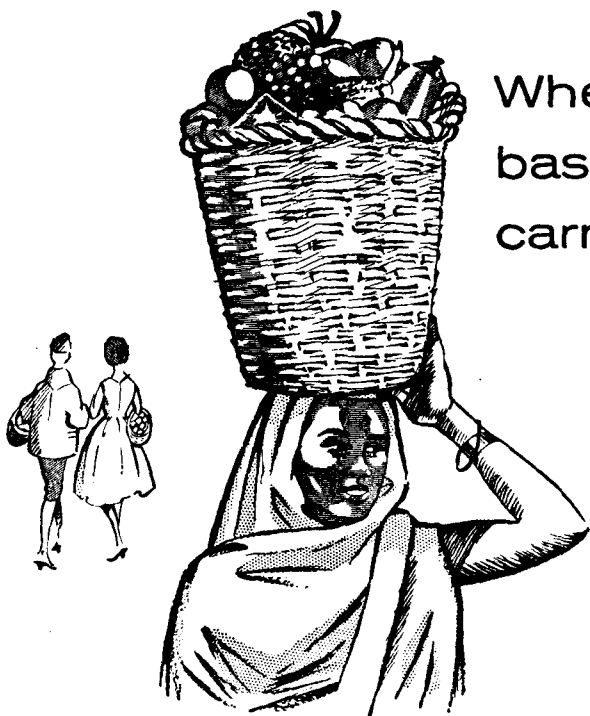
*By Robert Southern and Paul B. Rose.
Second Edition. Cooperative Union,
Ltd., Manchester 1961. 228 pages.
Price 17s. 6d.*

Lord Rusholme contributes a foreword to the second edition of this important work of reference, as he did to the first edition when it appeared in 1938. As he says, the book has become a standby to every Cooperative Secretary in Great Britain. The steady demand for it necessitated a reprint without revision in 1947, but the passage since then of four amending Acts to the basic Industrial and Provident Societies Acts, besides other legislation directly affecting Cooperative Societies, obviously made a new edition desirable.

Mr. Southern has carried out this task with the assistance of Mr. Paul B. Rose, a former member of the Legal Department of the Cooperative Union, and the book is now completely up-to-date. It is not only the working Cooperative secretary, however, who will find it indispensable. It will be equally valuable to the student of comparative Cooperative legislation, for the problem of building and maintaining an appropriate legislative framework within which a Cooperative Movement can receive support and protection while retaining all desirable freedom to act and develop according to its own principles is perennial. It is of particular importance at the present time for newly independent countries in which the expansion of Cooperation in a variety of forms is recognised as an important factor of economic advance. W. P. W.

- Osuustukkukauppa (O.T.K.), Hämeentie 19, Helsinki.
 Affiliated Societies (1960) 113; turnover Fmk. 63,579 mill.; own production Fmk. 19,896 mill.
 Pellervo-Seura, Simonkatu, 6, Helsinki.
- FRANCE: Fédération Nationale des Coopératives de Consommation, 89, rue de la Boétie, Paris VIII. F.N.C.C. France, Affiliated Societies (1959): 582; Members 3,157,826; Turnover 2,383,000,000 NF; No. of shops 8,165 + 355 warehouses.
 Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88, rue de Courcelles, Paris VIII.
 Confédération Générale des Sociétés Coopératives Ouvrières de Production de France et de l'Union Française, 88, rue de Courcelles, Paris VIII.
 Banque Coopérative des Sociétés Ouvrières de Production de France, 88, rue de Courcelles, Paris VIII.
 Fédération Nationale de la Coopération, de la Mutualité et du Crédit agricoles, 129, Bd. St. Germain, Paris VIe.
 Caisse Nationale de Crédit Agricole, 30, rue Las Cases, Paris VIIe.
 Fédération Nationale de la Coopération Agricole, 129, Bd. St. Germain, Paris VIe.
 Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, Foyer Coopératif, 17, rue de Richelieu, Paris Ier.
 Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, Paris VIII.
- GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., Besenbinderhof 43, (24a), Hamburg I.
 Affiliated Societies (1960): 270 membership: 2,576,495; turnover: D.M. 3,204,4 mill.
 Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., Besenbinderhof, 52, (24a) Hamburg I.
 Total turnover (1959): DM. 1,528,400,000; own production: DM. 524,3 mill.
 Gesamtverband Gemeinnütziger Wohnungsunternehmen, Breslauer Platz 4 (22a), Cologne.
- GREAT BRITAIN: The Co-operative Union Ltd. Holyoake House, Hanover Street, Manchester 4., Affiliated Societies (1960): 859. Membership: 12,956,839. Retail Societies' share capital: £ 254,101,348. Retail sales: £ 1,032,749,334.
 Co-operative Wholesale Society Ltd., 1, Balloon Street, Manchester 4.
 Affiliated Societies (1959): 944; sales: £ 475,565,896; Bank turnover: £ 5,551,114,532; reserve and insurance funds: £ 34,618,626; total resources: £ 182,601,748.
 Co-operative Insurance Society, Ltd., 109, Corporation Street, Manchester 4.
 Assets exceed £ 187 mill.
- Scottish Co-operative Wholesale Society Ltd., 95, Morrison Street, Glasgow C. 5.
 Affiliated Societies (1960): 177; Sales: £ 88,588,751; reserves and insurance funds: £ 7,609,072; total resources £ 19,645,615.
 The Co-operative Productive Federation, Ltd., 138, Charles Street, Leicester.
 Sales: £ 5,415,067; employees: 4,557; societies: 33.
- GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), 6, Othonos Street, Athens.
- HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikcoöperaties, "Co-op Nederland", Vierhavensstraat 40, Rotterdam 7.
- ICELAND: Samband Isl. Samvinnufjelaga, Reykjavik.
- INDIA: National Cooperative Union of India, 72, Jorbagh Nursery, New Delhi-3.
 All Bombay Consumers Cooperative Societies' Federation, Ltd., 3rd Floor, Military Square Lane, Fort, Bombay 1.
 National Agricultural Cooperative Marketing Federation, Ltd., 248A Krishni Bhawan, New Delhi.
- INDONESIA: Dewan Ko-operasi Indonesia, Djalan Djenderal Sudirman 28, Djakarta.
- IRAN: Cherkate Taavoni Masrafe Artèche (Army Consumers' Co-operative Society), Avenue Sevjom Esfand, Rue Artèche, Teheran.
- ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., P.O.B. 303, Tel-Aviv.
 Affiliated Societies (1957): 1,951; including 703 agricultural, 237 producers' and services, 400 consumers', 249 housing, 1 credit society and 361 pension and provident funds.
 Hamashbir Hamerkazi, P. O. Box 130, Tel-Aviv.
 "Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, P. O. Box 75, Tel-Aviv.
 "Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, 8 Hakirya Street, P.O.B. 209, Tel-Aviv.
- ITALY: Lega Nazionale delle Cooperative e Mutue, Via Guattani 9, Rome.
 Confederazione Cooperativa Italiana, Borgo Santo Spirito, 78, Rome.
- IVORY COAST: Centre National de la Coopération et de la Mutualité Agricoles, B.P. 702, Abidjan.
- JAMAICA: The Jamaica Cooperative Union, Ltd., 74½ Hanover Street, Kingston, B.W.I.

- JAPAN:** Nippon Seikatsu Kyodokumiai Rengokai, (Japanese Consumers' Cooperative Union), *Rokin-Kaikan, 5, 2-chome, Shiba-Tamuracho, Minatoku, Tokyo.*
- Zenokou Nogyokyodokumiai Chuokai, (Central Union of Agricultural Cooperatives) *11, Yurakucho, 1-chome, Chiyoda-ku, Tokyo.*
- Zenkoku Gyogyo Kyodokumiai Rengokai, (National Federation of Fishery Co-operative Associations), *Sankaido Building, Akasaka-ta meikomachi, Minato-ku, Tokyo.*
- JORDAN:** Jordan Co-operative Central Union Ltd., *P.O.B. 1343, Amman.*
- MALAYA:** Cooperative Union of Malaya, *8, Holland Road, Kuala Lumpur.*
- Federation of Co-operative Housing Societies, *8, Holland Road, Kuala Lumpur.*
- MALTA:** Farmers' Central Cooperative Society Ltd., *New Building, Middleman Street, Marsa, Malta.*
- MAURITIUS:** Mauritius Cooperative Union, *Dumat Street, Port Louis.*
- MEXICO:** Confederación Nacional Cooperativa de la Republica Mexicana, C.C.L., *Lic. Verdad 3, Mexico 1, D.F.*
- MOROCCO:** Cooperative Study and Action Circle "Georges Fauquet", *Rabat*
- NEW ZEALAND:** Hutt Valley Consumers' Cooperative Society, Ltd., *P.O.B. 41, Lower Hutt.*
- NIGERIA:** Cooperative Union of Eastern Nigeria Ltd., *Cooperative Bank Buildings, Milverton Ave, Aba.*
- Co-operative Union of Western Nigeria, Ltd., *c/o Co-operative Buildings, New Court Rd. Ibadan.*
- NORWAY:** Norges Kooperative Landsforening, Organisasjonsavdelingen, *Kirkegaten 4, Oslo.*
- Affiliated societies (1960): 1,158; membership: 305,534 turnover of local societies: Kr. 1,375 mill.; of N.K.L.: Kr. 382 million.
- BBL A/L Norske Boligbyggelags Landsforbund, *Trondheimsveien 84-86, Oslo.*
- PAKISTAN:** West Pakistan Co-operative Union, *31, Lower Mall, Lahore.*
- Punjab Provincial Cooperative Bank Ltd., *Lahore.* Membership: 10,950; share capital: Rs. 12,85,163; reserve fund: Rs. 33,32,919; loans and deposits Rs. 5,48,65,281.
- Karachi Central Cooperative Bank, Ltd., *14, Laxmi Building, Bunder Road, Karachi 2.*
- Karachi Central Cooperative Consumers' Union, *Block No. 53, Pakistan Secretariat, Karachi, 3.*
- Karachi Cooperative Housing Societies' Union, *Shaheed-e-Millat Road, Karachi 5.*
- Karachi Cooperative Institute Ltd, *Pir Illahi Bux Cooperative Housing Society, Karachi 5.*
- Karachi Fishermen's Cooperative Purchase and Sales Society Ltd., *West Wharf Road, Karachi.*
- Sind Provincial Cooperative Bank Ltd., Provincial Cooperative Bank Building, *Serai Road, P.O. Box 4705, Karachi 2.*
- ROUMANIA:** Uniunea Centrale a Cooperativelor de Consum „Centrocop”. *Calea Victoriei 29, Bucharest.*
- SARAWAK:** Sarawak Co-operative Central Bank Ltd., *Kuching.*
- SCANDINAVIA:** Nordisk Andelsforbund (Scandinavian Co-operative Wholesale Society), *Njalsgade 15, Copenhagen 5.*
- SINGAPORE:** Singapore Co-operative Union, Ltd., *Post Box 366, Singapore.*
- SUDAN:** Sudan Cooperative Union, *P. O. Box 834, Kartoum, Sudan.*
- SWEDEN:** Kooperativa Förbundet, *Stockholm 15.*
- Affiliated retail societies (1960): 592; membership: 1,177,000; total turnover of distributive societies: Kr. 3,365 mill.; total turnover of K.F.: Kr. 2,256 mill. (Kr. 1,355 mill. sales to affiliated societies); own production: Kr. 1,156 mill.; total capital (shares and reserves) of K.F. and affiliated societies: Kr. 877 million.
- Kooperativa Kvinnogillesförbundet, *Stockholm, 15*
- Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund (H.S.B.), *Fleminggatan, 41, Stockholm 18.*
- Affiliated Building Societies: 186; with individual members: 160,000; number of flats administered by local societies: 160,000; value of real-estate: 5,000 mill. Kr.
- Svenska Riksbyggen, *Box 14031, Stockholm, 14.*
- SWITZERLAND:** Verband schweiz. Konsumvereine (V.S.K.), *Thiersteinallee 14, Basle.*
- Affiliated societies (1960): 550; shops: 3,297; membership: 701,122; turnover of affiliated societies: Frs. 1,235,600,000; turnover of wholesale: Frs. 780,717,711.
- Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), *Schaffhauserstrasse 6, Winterthur.*
- Schweiz. Verband Sozialer Baubetriebe, SBHV., *Postfach Sihlpost, Zürich 1.*
- U.S.A.** The Co-operative League of the U.S.A., *343 South Dearborn Street, Chicago III, and 1012 14th Street, N.W., Washington 5, D.C.*
- U.S.S.R.:** Central Union of Consumers' Cooperative Societies of the U.S.S.R. "Centrosoyus", *Ilyinka Tcherkassy pereulok 15, Moscow.*
- Societies: 22,868; members: 32,8 mill.; stores: 256 619.
- YUGOSLAVIA:** Glavni Zadruzni Savez FNJR., *Ulica I Maja 15/111, Belgrade.*



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THE INTERNATIONAL COOPERATIVE ALLIANCE

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

It comprises 104 organisations in 50 different countries and its total affiliated membership through national organisations exceeds 153,000,000. The Consumers' Movement accounts for the majority of this membership, but agricultural, credit, workers' productive and artisan cooperatives are well represented.

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

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

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

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

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

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

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

AFFILIATED ORGANISATIONS

- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, *Avda. Suarez, 2034, Buenos Aires.*
- AUSTRALIA:** Cooperative Federation of Australia, *45, Mandolong Road, Mosman, Sydney, N.S.W.*
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, *Theobaldgasse 19, Vienna VI.*
Membership (1960): 400,014; turnover: Consumers' Societies: Sch. 2,429 mill.; Wholesale (G.Ö.C.): Sch. 1,179 mill.; Department Stores: Sch. 301 mill.; own production: Sch. 301 mill.; GÖC and Subsidiaries: Sch. 375 mill.
Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, *Bösendorferstrasse 7/11, Vienna I.*
(1960): Member Societies: 224, Assocs. 107; No. of members: 82,971; Dwellings administered: (socs.) 68,329; Assocs. 93,750; Total Balance: (Socs.) Sch. 5,670,105,800; (Assocs.) Sch. 7,352,955,200.
Österreichischer Genossenschaftsverband, *Peregringasse, 4, Vienna 9.*
Österreichischer Raiffeisenverband, *Seilergasse 16, Vienna I.*
- BELGIUM:** Société Générale Coopérative, *17—21 Place Emile Vandervelde, Brussels*
Affiliated Societies: 59; membership: 352,865; turnover: frs. 3,771,070.
Société Coopérative d'Assurances "La Prévoyance Sociale", *P.S. Building, 151, rue Royale, Brussels.*
Premiums (1959): Frs. 814 mill.; Reserves: Frs. 3 milliards; Insurance Funds, Life: Frs. 11 milliards; Fire: Frs. 134 milliards.
Fédération Nationale des Coopératives Chrétiennes, *rue de la Loi, 141, Brussels.*
Société "Bien-Etre": 1,320 shops; turnover Frs. 1,251 million; dividends: Frs. 60 million; Savings Bank: 1,800 branches; 300,000 members; deposits: Frs. 5,000 mill. Insurance Society: 160,000 policy holders; premiums: Frs. 193 mill.; reserves Frs. 500 mill.
L'Economie Populaire, *30, rue des Champs, Ciney (Namur).*
Branches: 411; membership: 74,956; turnover: Frs. 687 mill.; savings deposits: Frs. 404 mill.; capital and reserves: Frs. 77 mill.
Institut Provincial de Coopération Agricole, *42, rue des Augustins, Liège.*
OPHACO (Office des Pharmacies Coopératives de Belgique), *602, chaussée de Mons, Brussels.*
Union of 17 cooperative societies owning 249 pharmacies, 50 optical departments and counters, 7 drug stores, 13 wholesale depots. Turnover (1959) Frs. 761 mill. Distributed surplus: Frs. 64 mill.
Société Coopérative Fédérale de Belgique, *83-85, rue Vanderschrick, Brussels.*
- BRAZIL:** Centro Nacional de Estudos Cooperativos, *Av. Franklin Roosevelt 39, 12º, Sala 1216, Rio de Janeiro.*
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., *21, Croal Street, Georgetown.*
- BULGARIA:** Central Cooperative Union, *21, rue 6 Septemvri, Sofia.*
- BURMA:** National Cooperative Council, *290-300, Lewis Street, (2nd Floor), Rangoon.*
- CANADA:** Co-operative Union of Canada, *202, Queen Street, Ottawa 4, Ont.*
Affiliated Societies (1959): 726; membership 832,032; turnover: marketing: \$ 586,228,263; merchandising: \$ 168,415,244; assets: \$ 355,136,863.
Conseil Canadien de la Coopération, *684, Est Grande Allée, Quebec.*
- CEYLON:** The Co-operative Federation of Ceylon, *Co-operative House, 455, Galle Road, Colombo 3.*
- CHILE:** Federación Chilena de Cooperativas de Ahorro, *Ltda., Huerfanos 1639, Clasificador 760, Santiago de Chile.*
- COLOMBIA:** Cooperativa Familiar de Medellin, *Ltda., Calle 49, No. 52-49, Medellin.*
- CYPRUS:** Cooperative Central Bank Ltd., *P.O. Box 411, Nicosia.*
- CZECHOSLOVAKIA:** Ustredni Rada Drusztev, *Tesnov 5, Prague II.*
- DENMARK:** De samvirkende danske Andels-selskaber (Andelsudvalget), *H. C. Andersens Boulevard 42, Copenhagen V.*
Representing 28 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 500,000 individual members. Turnover: 8,696 mill. Danish Kroner.
Det Kooperative Faellesforbund i Danmark, *Gyldenloevsgade II, Copenhagen V.*
Affiliated Societies (1957): 625; total sales 790 mill. D.Kr.; employees 10,600; comprises: Consumers' Workers', Artisans', Productive and Housing Societies etc.
- EGYPT:** Société Coopérative des Pétroles, *94, Kasr el Eini Street, Cairo.*
- EIRE:** The National Cooperative Council, *35, Lower Gardiner Street, Dublin.*
- FINLAND, Suomen Osuuskauppojen Keskuskunta (S.O.K.), Vilhonkatu 7, Helsinki.
Affiliated societies (1961): 362; members: 511,812; wholesale turnover: Fmk. 82,333 million; own production of SOK: Fmk. 20,380 million.
Yleinen Osuuskauppojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki.*
Affiliated societies (1961): 362; members: 511,812; turnover of societies: Fmk. 145,354 million; total production of the affiliated societies: Fmk. 3,251 mill.
Kultusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki.*
Affiliated societies (1961): 111; members 115,115; turnover of societies Fmk. 106,049 mill.; production societies 16,333 million.**

- Osuustukkukauppa (O.T.K.), *Hämeentie 19, Helsinki.*
 Affiliated Societies (1961) 111; turnover Fmk. 68,666 mill.; own production Fmk. 20,697 mill.
- Keskinäinen Vahinkovakuutusyhtiö Kansa, *Hämeentie 19, Helsinki.*
 Affiliated societies: 117; Life insurance coverage: Fmk. 43,284 mill., 282,364 insured persons; Fire insurance coverage: Fmk. 284,854 mill., 159,195 policies, Assets (1960): Fmk. 7,444 million.
 Pellervo-Seura, *Simonkatu, 6, Helsinki.*
- FRANCE: Fédération Nationale des Coopératives de Consommation, *89, rue de la Boétie, Paris VIII.*
 F.N.C.C. France. Affiliated Societies (1959): 582; Members 3,157,826; Turnover 2,383,000,000 NF; No. of shops 8,165 + 355 warehouses.
 Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, *88, rue de Courcelles, Paris VIII.*
 Confédération Générale des Sociétés Coopératives Ouvrières de Production de France et de l'Union Française, *88, rue de Courcelles, Paris VIII.*
 Banque Coopérative des Sociétés Ouvrières de Production de France, *88, rue de Courcelles, Paris VIII.*
 Fédération Nationale de la Coopération, de la Mutualité et du Crédit agricoles, *129, Bd. St. Germain, Paris VI.*
 Caisse Nationale de Crédit Agricole, *30, rue Las Cases, Paris VII.*
 Fédération Nationale de la Coopération Agricole, *129, Bd. St. Germain, Paris VI.*
 Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, *Foyer Coopératif, 17, rue de Richelieu, Paris I.*
 Confédération des Organismes de Crédit Maritime Mutuel, *18 bis, Avenue Hoche, Paris VIII.*
- GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., *Besenbinderhof 43, (24a), Hamburg I.*
 Affiliated Societies (1960): 270; membership: 2,576,495; turnover: D.M. 3,204,4 mill.
 Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof, 52, (24a) Hamburg I.*
 Total turnover (1959): D.M. 1,528,400,000; own production: D.M. 524,3 mill.
 Gesamtverband Gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4 (22a), Cologne.*
- GREAT BRITAIN: The Co-operative Union Ltd. *Holyoake House, Hanover Street, Manchester 4.,*
 Affiliated Societies (1960): 859. Membership: 12,956,839. Retail Societies' share capital: £254,101,348. Retail sales: £1,032,749,334.
 Co-operative Wholesale Society Ltd., *1, Balloon-Street, Manchester 4.*
 Affiliated Societies (1959): 944; sales: £475,565,896; Bank turnover: £5,551,114,532; reserve and insurance funds: £34,618,626; total resources: £182,601,748.
 Co-operative Insurance Society. Ltd., *109, Corporation Street, Manchester 4.*
 Assets exceed £187 mill.
 Scottish Co-operative Wholesale Society Ltd. *95, Morrison Street, Glasgow C. 5.*
 Affiliated Societies (1960): 177; Sales: £88,588,751; reserves and insurance funds: £7,609,072; total resources £19,645,615.
 The Co-operative Productive Federation, Ltd., *138, Charles Street, Leicester.*
 Sales: £5,415,067; employees: 4,557; societies: 33.
- GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), *6, Othonos Street, Athens.*
- HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikscoöperaties, "Co-op Nederland", *Vierhavensstraat 40, Rotterdam 7.*
- ICELAND: Samband Isl. Samvinnufelaga, *Reykjavik.*
- INDIA: National Cooperative Union of India, *72, Jorbagh Nursery, New Delhi-3.*
 All Bombay Consumers Cooperative Societies' Federation, Ltd., *3rd Floor, Military Square Lane, Fort, Bombay 1.*
 National Agricultural Cooperative Marketing Federation, Ltd., *248A Krishni Bhawan, New Delhi.*
- INDONESIA: Dewan Ko-operasi Indonesia, *Djalan Djenderal Sudirman 28, Djakarta.*
- IRAN: Cherkate Taavoni Masrafe Artèche (Army Consumers' Co-operative Society), *Avenue Sevjom Esfand, Rue Artèche, Teheran.*
- ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv.*
 Affiliated Societies (1957): 1,951; including 703 agricultural, 237 producers' and services, 400 consumers', 249 housing, 1 credit society and 361 pension and provident funds.
 Hamashbir Hamerkazi, *P. O. Box 130, Tel-Aviv.*
 "Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, *P. O. Box 75, Tel-Aviv.*
 "Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, *8 Hakirya Street, P.O.B. 209, Tel-Aviv.*
- ITALY: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome.*
 Confederazione Cooperativa Italiana, *Borgo Santo Spirito, 78, Rome.*
- IVORY COAST: Centre National de la Coopération et de la Mutualité Agricoles, *B.P. 702, Abidjan.*
- JAMAICA: The Jamaica Cooperative Union, Ltd., *74½ Hanover Street, Kingston, B.W.I.*

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COOPERATIVE COMMENTARY

German Flood Disaster

THE coincidence of spring tides and high winds with flooded rivers superadded, brought about extensive inundations in February along the North Sea coast of Germany similar to those in Holland nine years ago. Like their Dutch counterparts, the consumers' cooperatives of the coastal regions from Emden in the west to Husum in the east, suffered considerable damage to premises and stocks. The largest of them, the celebrated 'Produktion' of Hamburg, estimates its losses at DM 500.000. The society had 20 branches in the inundated area, including Willemsburg on the embanked island between the northern and southern branches of the river Elbe.

Fortunately, thanks to the devotion of the employees, important installations of 'Produktion' and the Wholesale Society G.E.G. were protected and saved from serious damage. 'Produktion's' bakery, in particular, was able to keep working and give invaluable aid in supplying food to the population of the stricken area, many of whom lost everything but their lives. Emergency aid for the purchase of essential clothing was made available by the G.E.G. by a grant of DM 150.000 from the Henry Everling Fund.

The message of sympathy reproduced in *Der Verbraucher* reveal the strong sense of solidarity always manifested at such times of calamity throughout the international Cooperative Movement. Mercifully, so far as is known at the time of writing, the death-roll among Cooperators is not a long one.

G.E.G. in 1961

The figures recently issued relating to the business operations of the Wholesale Society G.E.G. in 1961 show that, despite intensified competition, the organisation more than held its ground. The aggregate turnover of its trading, productive and subsidiary undertakings amounted to DM. 1,726 million, an increase of nearly 6 per cent over 1960. For the first time the sales of the trading departments exceeded DM. 1,000 millions. The sales in-

evitably reflected the persistent change in consumers' requirements. Relatively less continues to be spent on food-stuffs, but there is constant search for better qualities and greater variety which has reacted favourably on the trade in fresh and canned vegetables and fruit. On the whole, the volume of the G.E.G.'s food trade and production was expanding more rapidly than the national turnover in those products. Continual modernisation and improvement in the retail network of the consumers' societies has enabled the G.E.G. to develop new services, such as cold storage and transport of deep-frozen foods in refrigerator vans to cooperative shops.

In the supply of commodities other than food, it is noteworthy that furniture sales increased by 21.4 per cent and two new furniture shops were opened. Mail order turnover, with an increase of 27 per cent, expanded at a faster rate than corresponding trade in the country as a whole and amounted to about DM 80 million. Nearly a million and a quarter copies of the new catalogue for 1962 will be distributed. As a footnote it is interesting to record that the Austrian Wholesale Society, G.Ö.C. is to issue its first mail order catalogue this year. This venture, which has been contemplated for some years and carefully prepared, has been made possible through the recent acquisition of suitable premises and equipment.

Cooperative Banking in Nigeria

An interesting pendant to the quotations from the speeches of Chief S. L. Akintola, Premier of Western Nigeria, in the March number of the *Review* is the news that the Cooperative Bank of Western Nigeria at the end of February received the licence from the Federal Government permitting it to operate as a commercial bank. Hitherto, the Bank, which was established in 1953, has acted as the central financial institution of the Cooperative Movement of the Western Region and played an important rôle in the marketing of the chief crops: cocoa; palm-kernels, rubber and copra. It has also lent considerable aid in the form of advances at low interest rates to the Cooperative Supply Association and to consumers' cooperatives. Other forms of cooperation, both agricultural and industrial, have benefited from the Bank's existence.

Its future activity, however, is likely to be concerned to an ever increasing extent with the operations of the Association of Nigerian Cooperative Exporters. It is already the most important buying agent recognised by the

Western Region Marketing Board and is the main source of finance for 600 produce-marketing cooperatives with a total membership of 45,000.

Chief Akintola himself presided over the ceremony at Ibadan when the Federal licence was handed to the Bank's officers. The ten-storey building, whose construction was financed by the Bank and in which the Bank's headquarters are housed, is one of the most conspicuous landmarks in the city.

World's Largest Dairy?

The dairy of the Kaira District Cooperative Milk Producers' Union at Anand is well-known to thousands of Cooperators in many parts of the world who have seen the film "Garden of Gujerat" produced jointly by the I.C.A. and Unicef. This dairy was recently described by Mr. Arne Knudsen, the Danish Director of the F.A.O. dairying training courses in India, as one of the largest enterprises of its kind in the world. It is the only dairy in India which manufactures all the normal milk products such as cheese, butter, condensed milk and dried milk. Mr. Nyi Nyi, the I.C.A.'s Regional Officer for S.E. Asia, recently visited Anand and found that the business of the Union is steadily expanding. It is now collecting milk twice daily from 50,000 farmers organised in 200 primary producers' societies within an area of about 1,800 square miles.

The bulk of the milk handled at Anand is transported after pasteurisation to the Government Milk Colony at Aarey, outside Bombay, which processes the milk of its own 17,000 buffaloes. The influence of the Anand Union is making itself persistently felt in the improvement in the breeds of buffaloes and cattle, through the establishment of artificial insemination stations, and a factory for cattle-fodder.

Workers' Cooperative Production in Holland

The existence of workers' cooperative productive societies in Holland is perhaps not so widely known as the achievements of the Dutch agricultural and consumers' Cooperative Movements. It may therefore be of interest to report that, since October 1959, a number of workers' societies have been united in the A.B.C. or *Associatie van Bedrijven op Coöperatieve Grondslag* (Association of Enterprises on a Cooperative Basis). Its objects are chiefly to promote friendly relations and business contacts among its members, to advise them and expound the principles of workers' ownership and control of, or co-partner-

ship in, the enterprises in which they are employed. Its affiliated societies include societies of building workers, taxi-owners and transport drivers, besides other types.

In collaboration with the International Institute of Social History, A.B.C. is sponsoring the publication of a 2-volume book by Professor F. de Jong Edz on the history, present position and future possibilities of workers' cooperative productive societies and other types of workers' community. In October 1961, A.B.C. brought out the first number of a stencilled bulletin, *De Productie Coöperatie*.

Tanganyika Cooperative Union

Even before Tanganyika achieved independence Cooperators had decided to establish a Cooperative Union embracing the whole country. On the 16th and 17th February a meeting to inaugurate the Union was held in Dar-es-Salaam. The new Minister for Cooperative and Community Development, Mr. Jeremiah Kasambala, who succeeded Mr. Paul Bomani in that office, addressed the meeting and outlined an ambitious plan of development. This includes the establishment of a Cooperative Bank of Tanganyika, preparations for which are already well-advanced, a Cooperative College which may be open by the end of next year, besides the expansion of marketing cooperatives, consumers' cooperatives, transport cooperatives and an insurance society. The Minister also mentioned fishermen's societies, as well as workers cooperatives in the dock industry and handicrafts. His observation, that these projects would be more than enough to cope with for the time being, would appear to be incontrovertible.

The Tanganyika Cooperative Movement, now about 30 years old, consists today of 827 marketing societies (including 4 mining societies), 2 consumers', 9 industrial and 6 credit societies with an aggregate individual membership of 327,000. The annual value of cooperative produce exported is £13 million, about one-quarter of the country's total exports. The Union has already set up its headquarters in Dar-es-Salaam. Its first Secretary-General is Mr. Werner Kapinga who received part of his training at the British Cooperative College, Loughborough.

International Working Group on Youth Cooperation

A significant new attempt to tackle an old problem was launched on the 16th and 17th February when the committee of the International Federation of Young Cooperators met at Hamburg and decided to pursue the work of the Federation in the form of a Working Group. The

committee consisted of representatives of the Cooperative youth organisations in Austria, Switzerland and Yugoslavia but along with them sat observers from Cooperative Unions in Denmark, Finland, Norway and Sweden.

Directives were agreed for the activities of the working group, whose affairs will be in the hands of a committee of 4, a Swedish member being added to the three members of the I.F.Y.C. committee. The principal feature of the Working Group is that representatives of Cooperative Unions which have no separate youth organisation but which are interested in attracting young people to Cooperation by other methods will be able to participate in its work. The meeting also decided to approach the I.C.A. with proposals that the subject of Youth and Cooperation shall be included in the agenda of the I.C.A. Congress in 1963 and that problems of practical activity in the youth field shall be considered by the Education Conference. It is hoped to publish an article on this new development in the *Review* in a later issue this year.

W. P. W.

CARTEL

★

The Present Status of Anti-trust Laws .

Stephen H. Frishauf (conclusion)

Fostering Fair Competition

Joro Hertwig

Freeing Ireland's Petrol Trade

The Electrical Conspiracies

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DIVIDEND UNDER FIRE

By L. Stettner,

*Economic Research Section,
International Cooperative Alliance.*

DIVIDEND, the most distinctive feature of the "cooperative image", is currently subject to searching scrutiny in the United Kingdom. For decades there has been sporadic discussion of dividend policy in the Cooperative Movement. What is new about the recent discussion, which is accelerating in tempo and urgency of tone, is the recurring suggestion that the dividend is not basic to the Rochdale concepts, and may have to be abandoned to meet the competition from modern forms of retailing. The debate has been precipitated by grim statistics revealing the struggle of consumer cooperatives to hold their relative share of the market, and the striking downward trend of the average dividend rate.

In a growing number of instances the reaction of cooperatives has been to meet cut-price competition with more of the same, i.e., to eliminate dividend, slash prices, and set up streamlined self-service cash-and-carry cooperative shops, variously labelled as "no dividend", "instant dividend", "dividend at the point of sale", or "dividend on the spot" shops. This has led to considerable soul-searching on the issue of dividend, but the rethinking process has not yet culminated in an unequivocal, widely-accepted restatement of its proper rôle. Members and committees are still very much of two minds on the subject and there is a good deal of

groping and ambiguity in the discussion. As one cooperative manager put it, the members of his society "want cut prices for 51 weeks of the year and the usual dividend in the 52nd week". (*Cooperative Official*, April, 1961).

The Nature of Dividend

Since controversy as to the rôle of dividend frequently stems from confusion as to its fundamental nature, it is useful to start with definitions. Cooperative dividends are paid out of surplus which rightly corresponds to the margin between selling price and costs but may be increased by investment revenue. Dividends represent "profit" in the sense of entrepreneurial reward; and like "capitalistic" profit they accrue to owners of the enterprise. But the "owners" are the cooperative members who receive the greater part of their entrepreneurial reward for risk-taking in proportion to patronage. The other portion of entrepreneurial reward, paid as a fixed percentage of share capital and included in costs, not in net margin, is more akin to "interest" than to "dividend" in the capitalistic sense. Nor do dividends constitute the whole of the surplus; a part is allocated to reserves and to special educational and social funds. In addition, a part of the net margin does not represent true surplus if costs have been over-estimated; to that extent patronage dividends

are nothing more than an accounting adjustment.

This difference in method of distributing "profit" has social and economic implications which are fundamental to the rôle of cooperatives. As stated by the Cooperative Independent Commission Report (1958):

... if we look at the matter simply in terms of equality and the distribution of the national income, the actual dividend payment is not the major influence. For no trading organisation, selling at competitive prices and also allocating sums to reserve, could possibly earn and distribute so large a differential profit as significantly to increase the real incomes of 12 million people. The crux is rather the negative fact that the surplus is not distributed as a gradually rising income to a group of private shareholders....

Thus the fact that the Cooperative Movement does not distribute its growing surplus as an equity-income to ordinary shareholders, but pays instead a fixed return on share-capital which is not transferable, creates the possibility of achieving economic growth without a continuous rise in the value of privately-owned property. A cooperative society should properly be called not a non-profit-making organisation, but a non-capital-gains-creating organisation.

Dividends and Price

Traditional cooperative precept has been to sell at current market price and "let dividend take care of itself" as a residual between price and costs. For several reasons, however, this precept is not very useful as a guide to dividend policy. The relation between prices and cooperative dividend is much more complex than that between price and profit in "capitalistic" organisations.

In the first place, what is current market price? In a "perfect" economy on the classical model, the free interplay of supply and demand would yield a single market price. But our actual, very imperfect, economy is characterised by a wide range of prices whose relations to costs are determined in varying de-

gree, not by impersonal market forces, but by monopoly power, restrictive trade practices, resale price maintenance arrangements, etc. In some cases, indeed, the market share of the cooperatives is such that they can themselves influence the level of prices. It was the imperfections of the market that led Swedish cooperators, about 30 years ago, to adopt their "active price policy"—lower prices and reduced dividends—as a way of fighting monopoly and introducing more competition and rationalisation into the market.

Secondly, costs—the other half of the equation determining surplus—are also unreliable as a policy guide. Cost is a dependent, not an independent, variable, since it is influenced both by the price level and by the rate of dividend. The multiples and supermarkets, and more recently the discount houses, have demonstrated that price cutting by significantly increasing turnover can lead to economies of scale and lower cost per unit. For cooperatives, however, possibilities of cutting prices are closely related to dividend policy. Lower prices simply imply low margins which are incompatible with high dividend *rate*. They are also likely to result in more rapid turnover, and these increased sales may actually increase the dividend *total*; in short, more consumers would participate in cooperative benefits but these benefits would take the form of lower prices at the expense of a reduction in dividend rate.

This is the crux of the difficulty, and it is largely psychological. How can cooperatives best attract and retain customers—through competitive prices or through high dividend rates? Those who argue for the latter claim that a substantial dividend constitutes the distinctive feature of cooperatives and

is indispensable to growing patronage and to membership loyalty. Dividend, they say, involves a psychological satisfaction, associated with the concept of a "bonus", which is not derived from lower prices; moreover, it often constitutes the personal savings of the housewife who is, therefore, less interested in the real savings to the household budget from cheaper purchases. It is this dividend lure which provides the rational for those who argue that higher, not lower, dividends will increase turnover and thus reduce costs.

Dividends and Reserves

This emphasis on the importance of a high and sustained rate of dividend frequently leads to encroachment on reserves, thus restricting expenditures for expansion and modernisation—and further confirming that far from being a "residual", dividend has long been regarded as an objective of overriding priority. According to S.C.W.S. Director Tom Taylor:

An examination of balance sheets of societies in the U.K. shows that in the past few months a very substantial sum has been withdrawn from reserves to subsidise dividends while our opponents are ploughing back substantial profits to provide for further developments. Societies which neglect reserves make it impossible to remain efficient and up-to-date in the future.

(Scottish Cooperator, January 13, 1962.)

Since food distribution in the United States is based on very low margins (the multiples look for a maximum of 1% net) little remains for dividend for a cooperative society operating in this cut-price jungle. Last year in fact Greenbelt paid no dividend and had a net profit of less than ½ per cent. . . . (this) fall in profits was the price which the society paid for rapid expansion. Three large stores had been opened last year.

(Scottish Cooperator, January 6, 1962.)

Similarly, William Geddes points out:

There is no doubt whatever that, generally speaking, those societies which over the years

have given pride of place to provisions for depreciation and addition to reserves rather than to payment of dividend are today in a much better position to expand and improve their trading services, so as not only to resist the onslaught of the multiples, but to beat them at their own game, than societies which have not followed this policy.

(Scottish Cooperator, July 1, 1961.)

On the other hand, there are experts who argue that high dividends contribute to financial soundness by increasing sales and hence augment the surplus available for reserves.

From its inception, the Cooperative Movement has stressed the necessity for proper and adequate accumulation of capital and for wise and discriminating employment of capital, and by virtue of its system of selling at current market price and thus creating a surplus which has been distributed as dividend according to purchases, it has found a means of constantly adding to its capital.

(J. A. Hough, Dividend on Cooperative Purchases.)

In recent years dividend has been played down far too much. Low dividend and interest rates are mainly responsible for the shortage of capital. When the average rate of dividend was higher the Movement did not have this problem. The societies with high dividend rates today do not generally have this problem. When the dividend rate is high, sales and confidence are usually high and the amount of dividend left in the society is high. Further, substantial allocations to reserves represent a smaller share of the surplus.

(J. J. Jacques, Presidential Address, 92nd Cooperative Congress, May 22, 1961.)

But note the premise, namely that high dividend rate leads to increased turnover and greater surplus!

Product Differentiation

The issue is further confused by the many dimensions of the products to which cooperatives are attempting to fit an appropriate pricing policy. The price of what? Even in the narrowest physical sense a product comprises more than size, weight and appearance; for example, the cooperatives have always stres-

sed quality. And in the context of the dividend issue, a number of additional factors must be considered. "Service" has also been emphasised and this covers the whole range from credit and delivery to personal attention and consumer protection and information services like testing, labelling and grading. Both "quality" and "service" add to costs and thus influence prices. Moreover, there is the distinction between "fast-moving" and "slow-moving" items which has significant bearing on costs and margins, depending upon the rate of working capital tied up in stocks; fast-moving lines yield a better return on capital and thus a larger surplus, but slow-moving lines yield a higher margin per unit of sales and thus a smaller total surplus, but higher dividend rate. Finally, the effectiveness of dividend as a lure to customers varies from product to product. For standardised commodities like bread, milk and coal, the inducement of a dividend may be decisive. Similarly, where price competition is precluded by resale price maintenance, dividend may be a real attraction. But in the food trade, on the other hand, where keen price competition now prevails, consumers are increasingly price-conscious and accordingly less interested in dividend, and the same is beginning to be true of dry goods where style and display and credit are already more important than dividend.

"The woman has yet to be born who will buy a new hat from the co-op that she thinks does not suit her, just because she can get dividend on its cost."

(Cooperative News, April 6, 1961.)

The dilemma consists largely in the fact that cooperators are at the same time members interested in higher dividend and in viability of their societies, and consumers interested in price,

quality and service; the problem is to strike a reasonable balance between these various considerations. No single solution has yet been found; nevertheless it appears that the area of free choice between price and dividend is more restricted than it once was, and that cooperators may be forced to "swim with the tide".

Because prices have become more uniform, because price-consciousness is greater, and because retail competition is fiercer, there is now a stronger sense of what constitutes both the ruling price and a fair or reasonable price; and there is correspondingly greater reluctance to pay more than this, even to obtain the benefits of dividends. Most consumers today are probably not willing to choose dividend if it is offset by a higher price; they would normally prefer a competitive price and lower dividend.

(Cooperative Independent Commission Report.)

Dividend as Dogma

Be that as it may, time and tradition have endowed the dividend with an aura of sanctity that renders extremely difficult any attempt to tamper with it.

Dividend has been elevated to the rank of a near deity. It has been canonised, and too often it has been regarded as foolish or dangerous to question the value of dividend in the context of today's retailing.

(J. S. Greig, Director S.C.W.S. in address to Glasgow and District Cooperative, November 1961.)

This highly-charged emotional context is illustrated in the following citations:

A good "divi" makes a flourishing co-op—a poor or bad "divi" means a struggling co-op. It's as simple as that—no "divi" means no co-op!

(R. J. Oakley, Cooperative News, October, 1960.)

... instant dividend is the thin edge of a wedge that will split the Movement from top to bottom!

(E. A. Gowlledge, Leicester, Scottish Cooperator, January 13, 1962.)

(if dividend is abolished) what is most fundamental to the very ideals and idea of the

cooperative movement—democratic control and dividends on purchase—will disappear and the whole philosophy and reason for existence of the cooperative movement will go too.

(H. Grevelle, Scottish Cooperator, February 17, 1962.)

It (dividend) is as much a part of Cooperative practice as are many of the standards of life which are embodied in those other great but unwritten principles known as the British Constitution.

(Scottish Cooperator, February 18, 1961.)

In the public mind, dividend is held to mark the difference between the cooperative movement and the private trade. We give back the profit; private trade keeps it. This is the supreme distinction between us, and I feel it is one whose abandonment might prove fatal.

(C. J. Ashby, Cooperative News, September 23rd, 1961.)

The current theory that the advent of the multiples has out-moded dividend is a dangerous one. My view is that without dividend, the movement would be out-moded. The return of profits to customers by way of dividend upon purchases is the only thing the Movement can do that its competitors cannot do.

(J. H. Jacques, Presidential Address, 92nd Cooperative Congress, May 22nd, 1961.)

The Pragmatic Approach to Dividend Policy

These are strong views, reflecting deep faith in, and dedication to, the cooperative idea. Fortunately, cooperators are not faced with the necessity of deciding "for" or "against" dividend, and there is nothing in the current debate or marketing situation which challenges the fundamental principle or the integrity of the cooperative movement.

What *does* constitute a serious challenge to the Movement is the obvious efficiency of modern forms of retailing in meeting consumer demands. It is equally obvious, however, that the self-service multiples, supermarkets and discount houses which have proved so successful in food, durables and appliances are in business for profit; they

have opted for the low-margin high-turnover type of operation because it yields a substantial return on capital. There is nothing to prevent cooperatives from offering comparable products to competitive prices—or, alternatively, better quality and service at comparable price per value received—and still realising a substantial surplus to be distributed as patronage dividend. *The unique contribution of cooperatives is better quality and service at a saving which accrues to consumers rather than shareholders, and this saving is nonetheless real whether it takes the form of lower prices for value received, or of dividend, or of a combination of the two.*

Meeting this challenge, however, will require fairly drastic measures on the part of the cooperatives. Initially dividends may have to be reduced from present low levels in order to build up the capital reserves necessary for expansion and modernisation. Efficiency will have to be greatly improved and costs reduced, amalgamations will probably be required, the shift to modern supermarkets and discount houses will have to be accelerated, and credit and delivery service may have to be curtailed or specifically charged for. Preliminary experiments with "instant dividend" and more aggressive price policies indicate, however, that the end result is likely to be a significant expansion of sales which could provide a sound basis for a steady moderate dividend. Current dividend retrenchment may well prove to be a temporary expedient in the interest of more reliable dividend in the future. Meanwhile, even during the transition while cooperatives are curtailing dividend in order to re-equip themselves for the drive towards more efficient, lower-cost distribution, their

member—consumers will be benefiting from declining costs, lower prices and improved facilities; the cooperative principle of channelling the fruits of improved efficiency to members need not be sacrificed even temporarily.

The most encouraging feature of the dividend debate is the growing evidence that this kind of pragmatic realistic approach is being quoted by the leading cooperative officials—as illustrated by the following citations.

We conclude that dividend is still a vital factor, given that prices are fully competitive.... If they are, then dividend exactly measures the differential financial benefit from trading with a cooperative society; and this differential should give societies a significant advantage over their competitors.... the threat.... now comes not from the easy-going, high-margin local trader, but from formidably efficient, low-margin, large-scale retailers, and notably the multiple shop organisations. Societies would therefore be wise to interpret "market prices" as being the prices of the most successful multiples in each line and each area.... Generally, it should be a principle that the Movement is never undersold, not indeed by an individual small trader or on an individual "loss-leader", but consistently by any of its national competitors.

(Cooperative Independent Commission Report.)

Dividend is not a principle. The principle is the provision of goods and services for use rather than for profit. Dividend is simply the method of returning any surplus to members. Goods and services could be sold at prices approximating to cost plus expenses so that there was no surplus and there would be no sacrifice of principle. Further, there is no sacrifice of principle in paying a flat dividend rate so that one department helps another. If societies have non-dividend subsidiaries such as discount houses, garages or motor car sales rooms, there is no sacrifice of principle in using a net surplus from them to supplement the dividend on food.

(Jacques, Presidential Address.)

A statement by the Cooperative Grocery and Provisions Trade Association expresses the opinion that the task of the movement is to get its costs down and if it does that satisfactorily then a reasonable dividend

could be earned.... even today a well-managed store in a good location should be able to operate on attractive prices and yet reduce its costs to a level at which a reasonable net surplus remains. In general, however, abandonment of dividend or payment of instant dividend is a temporary expedient until the society is able to meet competition on equal terms.

(Cooperative News, July 1, 1961.)

In a circular letter to all retail societies the Development Committee and the Dry Goods Trade Association of the Cooperative Unions noted that discount trading in dry goods is likely to extend considerably and speedily in the near future and that societies cannot afford to stand aloof from these developments.... The letter says it appears advisable that any discount house operation by societies should be kept as distinct and separate as is possible from normal trading operations. This is considered necessary not only from the standpoint of dividend payments, but also owing to the difference in methods of operation which may result in an adverse "image" of the societies' general trading methods being created. The operation of discount houses should, therefore, be through the media of subsidiary companies and in this event the question of dividend need not arise.

(Cooperative News, November 18, 1961.)

Earlier the Dry Goods Trade Association expressed the view that any new discount house started should include a cut-price food section and should operate on no-dividend principles. Any surpluses available would then flow back to the parent society for use either to augment the surplus pool, for allocation to reserve, or to increase dividend available on normal trade.

(Cooperative News, September 23, 1961.)

In an article describing the encouraging early results from a new cooperative cut-price cash and carry no-dividend super-market located 100 yards from a traditional cooperative. Mr. R. C. Harris, Secretary of the Dartford Society, suggested that super-markets appeal to a different clientèle than do traditional cooperatives rather than competing with them. We are more than ever convinced that supermarkets are catering largely for a distinctly different public.... Non-dividend policy is right for large new shops.... We would question the wisdom of converting existing branches to non-dividend trade. Members should be given the choice of dividend and full service in one branch and cut prices and no dividend in

another, provided of course that there is trade available to support both shops.

(Cooperative News, December 16, 1961.)

The idea of offering cooperative members a choice between dividend and no-dividend purchasing has also been put forward by Mr. William Geddes. We have to get rid of our preconceived notions on dividend. If the no-dividend store experiment is successful in other places is it not worth while pursuing it as an experiment, at least in the cities and larger towns, giving our members where possible the option of having cut prices, no services, no credit and no deliveries on the one hand, and full service, full dividend and full prices on the other?

(Scottish Cooperator, February 17, 1962.)

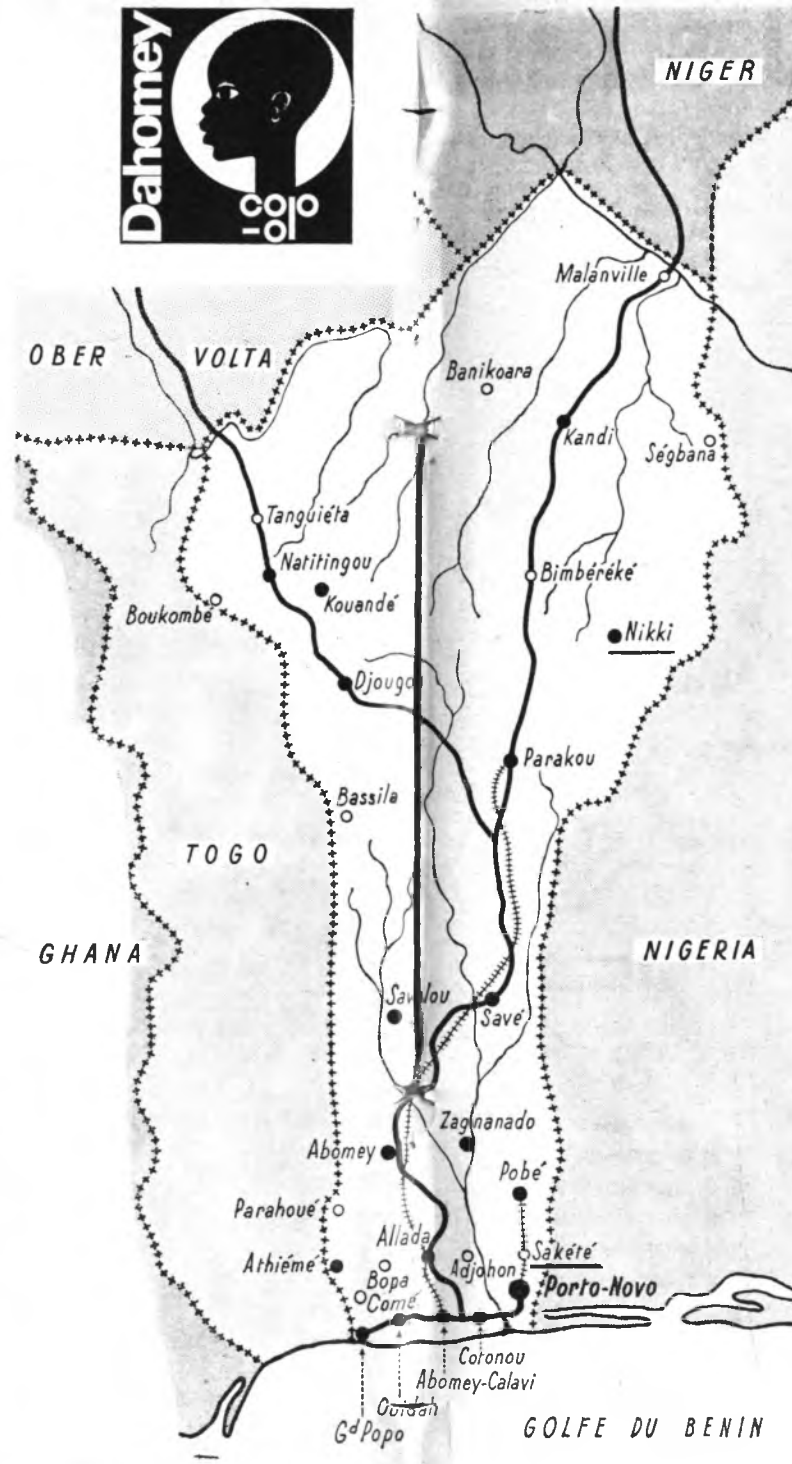
Summary Conclusion

Current ferment in cooperative thinking on dividend policy in the United Kingdom has been stimulated by the rapid spread of new competitive forms of retailing in the fields of foodstuffs and dry goods, and has been partially reflected in a steady decline in average dividend rate over the past five years. The further development of cooperative views on dividend is likely to be influenced by efforts of the British movement to meet this challenge. Already the success of experiments with modernised self-service cooperative shops selling on a cut-price no-dividend basis has won a significant number of converts to a preference for lower prices over dividend, at least for selected items. But the obvious appeal of the dividend idea, and the extent to which it has become identified with the "co-operative image" create formidable resistance to its abandonment. Actually, however, the debate is developing in a pragmatic, realistic way which assumes not abandonment of dividend, but temporary dividend retrenchment—i.e., a temporary shift of emphasis from dividend to price and service as a channel for distributing the surplus—in the in-

terest of modernisation and expansion, and continued experimentation with differential dividend policies, including instant dividend for particular items and areas.

Thus the current discussion is at a groping half-way point. A number of basic issues have been posed, but not disposed; for example: What is the essential purpose of dividend? To facilitate individual thrift? To promote capital accumulation for expansion and modernisation? To attract members and stimulate sales? To redistribute income? Should dividend be paid at a flat rate or differentially as between items, as between departments, as between shops? For which items and which outlets is a no-dividend policy appropriate? Does meeting the competition of multiples and supermarkets require elimination of credit and delivery, or should these be specifically charged for? Is a policy of price-cutting necessarily an alternative to payment of dividend, or should experiments with self-service cash and carry outlets be considered as methods of increasing sales in order to strengthen the dividend base? Are differential dividend rates as between societies perhaps justified as a reflection of differences in managerial performance and variations in markets and consumer preferences?

These same issues are also being discussed in other countries. Dividend policy is currently in flux in the United States, in Scandinavia, in Germany and elsewhere. Since much can be learned from the experience of others, and from mutual exchange of views, the I.C.A. hopes to compile a comparative review and summary of current status and trends in dividend policy in a number of countries. Contributions to this discussion would be greatly appreciated.



Swiss Cooperative Help to Dahomey

by Ch.-H. Barbier
and Dr. H. Dietiker
V.S.K., Basle

The Land

FROM 1892 to 1960, Dahomey was a French colonial possession. Now independent and free, Dahomey is a neighbour of a number of young independent African states, Togo in the West, Niger in the North and Nigeria in the East. There is also a strong bond between Dahomey and the states on the Ivory Coast. Dahomey is a small country in relation to the vastness of Africa, only three times the size of Switzerland, with approximately two million inhabitants. Often it is affectionately termed "La Suisse du Bénin".

The Climate and the People

Tropical heat, strong humidity in the south and dry in the north with two rainy periods a year, would describe the climatic conditions prevailing in Dahomey.

The inhabitants fall into a great number of ethnical groups, all with their own language or dialect. Sixty-two groups have been recorded by the anthropologists: to name a few, the "Fona" forming a great part of the total population, the "Yorouba" in the South-East with about 150,000 people and, in the north, the "Baribas" with about 170,000 and the "Sombas" in the North-West with about 100,000.



... preserving fish in the traditional Dahomey manner ...

The Towns

The capital of Dahomey is Porto Nova, seat of the Government and the tribal rulers, the religious headquarters of the cults as well as a town of social activities.

Nearby Cotenou has outstripped the capital commercially, Porto Novo having only 35,000 inhabitants while Cotenou has about 85,000. Cotenou is also, as its harbour, Dahomey's "window on the world"; attracting a large amount of the population to it. It is also a centre of

political unrest at times, with a surplus of labour created by the flight from the land to the towns.

Another town of great importance is Quidah in the south, where former Dutch and English fortresses can be found, as well as a Roman Catholic cathedral which has opposite it a large temple dedicated to snake worship. Here truly, African and European cultures and religious expressions met but never blended, living their separate lives side by side.

Abomey is another town rich in tradition and history, being from 1730 until 1892 the seat of the kings of Dahomey. The old palaces have now become museums but much of Dahomey's art and crafts are kept alive here and produced for sale.

There are also a few smaller towns in the centre of the country with Parakou as the terminus of the railway network. The north of the country is approached higher up by good tarmac roads leading to Malanville on the border between Dahomey and the Niger.

Communications

Communications in the country are reasonable with some stretches of tarmacked roads in use. Six thousand motor vehicles are registered, of which the greater number are lorries. Transport firms are engaged in goods traffic; speed limits are not applied. The railway network covers 472 kilometres.

Religion

Animism is the prevailing religious expression of the people of Dahomey. The god worshipped is "Mahu", a deity far-removed from the activities of ordinary mankind, but far more approachable and close to the people are the lower gods called "Vodouns". This Vodoun cult came also to Central America through the transport of slaves from Dahomey. Apart from the great and lesser gods, good and bad spirits have also to be placated and communication with the hereafter is kept open through the spirits of the departed.

The Roman Catholic church has about 20,000 adherents in the south of the country and there also some Protestant missionary work. Islam counts about 30,000 followers in the population.

The Economy of Dahomey

The country is under-developed in all aspects. The birth rate is high and new ways have to be found for the people of Dahomey who are appreciative of culture and civilisation.

Approximately 90 per cent of all the people are engaged in agriculture. Industry and commerce are in the hands of a few and trading especially is almost all in the capable hands of the women as no woman of any importance in the community would not be found engaged in some way or other in trading activities.

The average yearly income per person is low, just under £30 per annum. The annual consumption of meat per person is judged to be not more than eight to ten pounds.

The economic policy of the country aims, in the first instance, to increase production of agricultural produce. New areas have been planted with oil palm

... the old and the new ...



trees as well as groundnuts and coconuts, and it is hoped that in ten to fifteen years time production will have doubled.

This new development policy demands, apart from the actual work in planting, a great educational effort on the part of all. Within the framework of this development policy, the Swiss Cooperative Movement hopes to make its contribution to the development of Dahomey.

The Background to the Swiss Cooperative Self-help Action

The self-help plan for Dahomey undertaken by the Swiss Cooperative Movement aims at the establishment of Cooperative work in the country. The concept "COOPERATIVE" is inseparable from the idea of Self-help. Self-help demands confidence in one's own ability and possibilities and leads to responsibility. A well-run Cooperative project does not only bring profit to the individual, it also profits the community and is as well an important factor in developing education and culture, resulting in the formation of a free association of men without which a modern democratic state would have no foundation or possibility of existence.

The application of the Cooperative idea in Europe has given the Cooperative Movement tremendous experience, experience which it is possible for us to make available now to our friends in the undeveloped countries. A Cooperative Rochdale for the undeveloped countries does not yet exist, and here in Dahomey the Cooperative Movement enters truly pioneering country to plant the Cooperative ideal.

The object of the Swiss self-help programme for Dahomey is to help the people to find, through Cooperation, a way to material independence. Yet, in

no way does it ask them to abandon their traditions but, within the framework of their own ways, to work out their salvation. It is felt that the Cooperative way of life is best suited for this kind of achievement.

The action in Dahomey is help from brother to brother and in no way will it be financed by capital sums.

Each of the 730,000 Swiss Cooperators' families is asked to forego 1 per cent of their yearly dividend for the work in Dahomey. From the 24,000 employees of the cooperatives in Switzerland a donation of one hour's pay each quarter of the year is expected for a period of five years. Here truly is no dependence on a paternal colonialism but an action that has the characteristics of brotherly help.

Material Help

In spite of the dependence on agriculture and the main harvest, the agricultural implements and the method of work employed in Dahomey are traditional and often primitive. The application of manure and rotation of crops is as yet unknown. The hoe is the only tool. Under such conditions the building up of Cooperative production centres will be a hopeful step forward. This year will see the founding of cooperatives in Nikki, Comé and Sakété and the plan for each will be as follows:

Membership – 30 to 50 households in the framework of the village organisation;

Object – Communal ownership of ground, the working and maintenance of Cooperative common ground of about three to four hectares per member in the south and four to five hectares in the north;

Aids to Self-help – Initial financial aid given through the Swiss Cooperative movement followed by intro-

duction of mechanised farming methods on a small scale.

Training of a small nucleus of people in Cooperative methods; *Function of the Cooperative* – to complement the former traditional forms of work by introducing communal work on a communally-owned piece of land.

Communal buying of seeds, manure and other agricultural necessities and, in time to come, Cooperative shop goods. Communal selling and storage of the harvest. Training in new methods for working the common land which will later be followed by the loan of agricultural machinery to members.

Of special importance is the training of the indigenous group of operators, the élite of tomorrow, deeply rooted in their country's tradition yet permeated by the desire to be up-to-date and forward-looking. This new generation will look into the future with confidence in their ability, having learned to cooperate with others of the same kind of attitude, and they will have gained a belief in their work and self-responsibility. It is in this belief that the Swiss Cooperative Movement will now train a number of future African Cooperative leaders in Swiss Agricultural Institutions. These Africans will be the future managers, foremen and tractor drivers of the new Dahomey.

The Future of the Scheme

The Swiss Cooperative Self-help action for Dahomey will, within five years, produce five million Swiss francs. From this money, the costs for the training of the initial personnel requirements, the buying of machinery and the building of

storehouses, will be met. According to the estimate of the Swiss Movement, this material help should make it possible to start off a dozen Agricultural Cooperatives. Once on their feet, it is hoped that the initial cash will be returned to the giver and that, with this repayment, other Cooperatives will be founded. It is important that the Government should be committed to an economy in sympathy with Cooperative aims.

As a logical conclusion to all the initial developments, it is hoped to build up Fishing, Housewife and Student Cooperatives. The only outstanding point not yet raised is the building up of Credit Finance. Saving is still a foreign word in Dahomey but it is obvious that the methods used by Raiffeisen in the last century will also bring their blessings to Dahomey.

Much of the help offered to the people of Dahomey is obviously greatly dependent on their own energy and will to try new methods. There is this hope and it was well expressed in the words of the Vice-President of Dahomey when he addressed seventy young people at a Seminar held by the Cooperative Movement at Porto Novo in late 1961. The President stated that: "Work from this moment on will become a national object. It is only through work that we can achieve true independence. Thanks to our work and the sacrifices we make now, we can become financially solvent and meet our costs. There is nothing apart from work that can save humanity from oppression by others and from misery . . . and all this is possible through the self-help action, so nobly inspired by the brother to brother help given by the Swiss Cooperative Movement to the people of Dahomey".

FINANCING OF AGRICULTURAL COOPERATIVES (II)

by G. Davidovic,

Specialist in Agricultural Cooperation.

The American System

THE American organisation for agricultural and cooperative credit or the Farm Credit Administration, as it is called, is the most recent of the three. Its foundations were laid down in 1916 by the Government which supplied most of its capital in the form of a loan. But there was no intention of making the system continuously dependent on State finance. The loan was rather considered as "an investment in farmers' self-help". Provisions were made under which the whole system would gradually pass into the hands of the users.

A particular feature of the American system is specialisation. The farmers' needs of finance and those of their cooperatives are not covered by one and the same institution, as they are in Finland and Japan, but by corresponding specialised organisations. The system consists of three components: 1) Federal Land Bank System; 2) Federal Intermediate Credit System and 3) Cooperative Banking System. All three have similar sources of finances and a similar organisational structure covered by the Farm Credit Administration.

The *Federal Land Bank System* came into being in 1916 by the passing of the Federal Loan Act. It now consists of about 800 farmer-owned Federal Land Associations with 370,000 members affiliated to 12 Federal Land Banks. Its aim is to secure to the farmers long-term mortgage loans at low rate interest.

Finance is obtained by selling federal farm loans bonds to investors. The funds are the obligation of the 12 Banks but are secured by farm mortgages.

The farmers obtain long-term credit from 12 Land Banks through their own local Cooperatives—the Federal Land Bank Associations. Each farmer who borrows, purchases shares in the local Federal Land Bank Associations to the amount of 5 per cent of the loan. The same applies to the Association when it borrows from the Land Bank.

Originally the Federal Land Banks were capitalised by the Government but in 1947 they passed entirely into the ownership of cooperatives of Federal Land Bank Associations.

The Foundations of the *Federal Intermediate Credit System* were laid down in 1923 by the U.S. Congress. The system consists of 12 Intermediate Credit Banks, which now operate through about 490 Cooperatives called Production Credit Associations with a membership of about 500,000.

Originally the Banks were organised to rediscount farmers' short-term notes given to private lending institutions. By an Executive Order of 1933, the farmers were authorised to form their Production Credit Associations, which now account for about 90 per cent of all credits granted by the Banks.

The credits are of short and intermediate terms. When obtaining credit, mem-

bers are obliged to buy shares for 5 per cent of the borrowed amount.

To finance Production Credit Associations, the Banks create funds by selling short-term bonds known as debentures and secured by agricultural notes, cash or government securities, which are not guaranteed by the Government.

Until 1957 the Federal Intermediate Credit Banks were entirely owned by the Government. The Farm Credit Act of 1956 made it possible for the affiliated cooperatives to purchase stock of the Banks.

Government funds are being gradually retired until the whole capital of the Banks passes into the hands of their members—the Production Credit Associations.

The Cooperative Banking System was established in 1933 with the object of financing farmers' Marketing, Purchasing and Service Cooperatives. Prior to 1933 the U.S. Congress had already provided sources of credit for farmers' cooperatives. In that year, however, it became necessary to have a more extensive and decentralised lending service in the ownership and control of which borrowing cooperatives would participate. The system consists of 13 Banks for Cooperatives with their own central organisation, the Central Bank for Cooperatives in Washington, D.C.

The capital of the Bank is now partly owned by the Cooperatives. This was made possible particularly by an Act passed in 1955. It is expected that eventually the whole capital will pass into cooperative hands and recent information suggests that in the case of individual Banks this had already been achieved.

In all three systems the management of Cooperatives is based on the application of the principle of cooperative

democracy. For their part, the cooperatives have "a vote in electing members to their regional Farm Credit district boards". The influence of Cooperatives on the management of the Bank increases as a result of the transfer of their capital from public into cooperative ownership. But there is no evidence that the Banks are entirely cooperatively controlled, even if they are already entirely cooperatively owned. The whole system is supervised by the Farm Credit Administration, representing the public interest. It is managed by a part-time Board which selects its executive officer, the Governor.

In spite of its rapid development, the system covers up to now only about 17 per cent of total credit needs of American agriculture. But it has greatly influenced the status of farmers and cooperatives so that they are no longer considered as "bad risks" and can obtain credit from other sources on favourable conditions.

Comparative Analysis

All the three systems which have been reviewed above developed independently and without any common model and yet they have evolved in very much the same way and are alike as regards all fundamental points. To study their structures might be of value, therefore, in other countries where cooperation is confronted with similar problems and needs and cooperatives must be financed and an independent cooperative financial system established.

It will be useful to compare their most important features: —

1. In all three countries powerful cooperative banking institutions have been established, thanks to State action and State funds, and separate and independent cooperative financial systems have come into being.

2. By the action of Cooperative Banks and with their assistance, the whole structure of Cooperation was financially and economically strengthened in all three countries and in the case of Finland and the U.S.A. credit cooperative Movements have been launched and developed.
3. Although the Banks were originally owned and financed by the State, they have gradually passed into cooperative ownership.
4. In all three countries this transfer in ownership has broadly coincided with increased cooperative control over the management. But in all three cases State influence in the management of the Banks still remains to some extent; this is mainly due to existing legislation. In Japan, however, legislation is being introduced to make the transfer of control to Cooperation complete, but no action of the kind is being taken in Finland or the U.S.A.

Conclusion

In the post-war period Cooperation has gained tremendously in importance. It is now accepted by national Governments as well as by international bodies of the UN family, as the best solution for farmers' problems. But for rapid cooperative development, particularly in emerging countries, there is need of corresponding financial resources. These can be created in the traditional way, in the form of reserves, share capital, savings deposits. But as this is a comparatively slow process, financing Cooperation from public sources, both national and international, becomes more and more necessary. Financing Cooperatives from public sources, however, must be organised in such a way, that cooperative independence and the spirit of cooperative self-help are preserved.

Experience in various countries has proved that State-help and Cooperative self-help can be successfully combined. Appropriate conditions having been met, Banks for Cooperatives established by the State in some countries have gradually passed into cooperative ownership and come under cooperative con-

trol. This is achieved particularly when members participate in the capital of the Bank or of the cooperative organisation in proportion to the credit or services obtained.

Such a system is financially effective and cooperatively correct. From the cooperative point of view, it is correct that members benefit from the cooperative organisation in proportion to the business done. It would be equally correct, that they contribute to cooperative finances in proportion to the services obtained. This would lead to the strengthening of cooperative finances and the building of an independent financial system. It would possibly result also in an increased interest on the part of the members in the life of the cooperative organisation and thus in the combating of one of the shortcomings of recent cooperative development—members' apathy.

(The first part of this article appeared in the March number.)

INTERNATIONAL COOPERATIVE DAY

July 7th 1962

An illustrated list of the Co-operative Union's attractive range of posters, pelmets, flags, badges and other material for Cooperative Day celebrations is obtainable free of charge from the

CO-OPERATIVE UNION LTD.,
Holyoake House,
Hanover Street, Manchester 4.

THE CANADIAN COOPERATIVE IMAGE

by **Freda Whittaker,**

I.C.A.

THERE will always be a need for the reformer, the pioneer, and this is as true in the cooperative sphere as elsewhere. Nor can this need be confined to that part of the world where newly emerging countries are applying cooperative principles and practice as a means of giving the people enough food, enough work and the chance of security and a decent standard of living.

For the Western world, by and large, where state welfare, the affluent society, scientific and technological advance have bestowed their benefits, the need is different, though, paradoxically, basically the same—the protection of the consumer through concerted action. The Rochdale Pioneers—poverty-haunted workers setting up shop in 1844 in a north country English town, in order to provide unadulterated, basic food like flour for the bare business of living—may seem to many cooperative members today as remote in terms of actuality as they are in terms of time. Yet there is an affinity between the cooperative store in Toad Lane, with its bottle glass bow window and its stone floor, and the cooperative stores and supermarkets of this mid-twentieth century.

Ideals in relation to business

Consumer protection against exploitation has been an enduring cooperative motif down the years; and was never more self-evident than to day, when a multiplicity of goods, a barrage of ad-

vertising on the most lavish and persuasive scale, should set every conscientious cooperator thinking seriously about cooperative ideals in relation to cooperative business.

In Canada this challenge is being met, and one of the most encouraging and refreshing stories of cooperative endeavour is told in the 1961 annual report of Federated Cooperatives Limited.

From nine original members in 1928 and a part-time staff, this cooperative organisation has developed and expanded over the decades, meeting the needs of consumers as they have arisen, branching out into oil refining and coal mining, building warehouses, providing feed and fertilisers for farmers, operating lumber mills, entering the wholesale grocery business, amalgamating, trading interprovincially, passing on all the benefits of cooperative enterprise, through retail cooperatives, to thousands of consumers including the Indians and Metis of the far north, who are served by floating shops.

“...Nine members and the establishment of the Alberta Cooperative Wholesale Society in 1928; the incorporation of the Saskatchewan Cooperative Wholesale Society, with 29 affiliated associations, in 1929, and the formation of the Manitoba Cooperative Wholesale Limited; Consumers’ Refineries Cooperative Association set up in 1934, and changing its name to Consumers’ Cooperative Refineries Limited in 1935; the amalgama-

tion of CCRL and SCWS in 1944, under the title of Saskatchewan Federated Cooperatives Limited; in 1955, the amalgamation of MCW and SFCL, to form Federated Cooperatives Ltd., and finally, on October 31st 1961, the merging of ACWA, the pioneer venture of 1928, with FCL."

These are the highlights of FCL's progress, and anyone wanting a fuller account will find it in the thumbnail history attached to the Report, as they will find all the facts and trading figures that show how successfully this many-sided business undertaking caters for a wide variety of consumer needs, and successfully meets modern competition.

Code of Ethics

But here we are concerned with the cooperative thinking that has accompanied FCL's development, and which has been crystallised in a Code of Ethics to regulate advertising and merchandising practices. This Code became a part of the cooperative's policy early in 1961, and adherence to it is one of the four basic requirements that must be met by retail cooperatives which are subsidised by Federated under its plan for helping societies in their advertising campaigns. "But not until every association has made this Code an official policy", says the Report, "and painstakingly carries out both the letter and the spirit, can it be honestly proclaimed to members or appreciated by them. Diligent adherence to the Code will surely lead to consideration of the question 'Does it benefit our members?' An affirmative answer would create more unity and loyalty among cooperatives. In turn, greater bargaining powers would result, increasing the ability of FCL to demand from manufacturers goods of the type we want, without gimmicks, misleading devices, or

other offerings that add to consumer frustration. Members who are not entirely oblivious to the unethical or near-unethical practices of business, would soon appreciate the efforts of their cooperatives to render service in a different, better way."

The human element

Those efforts are being made, and the last part of this annual report sets out FCL's cooperative philosophy, the ways in which it is trying to implement it, and its belief that, "we must learn to mark success in terms of member satisfaction—the human element—not in terms of impressive financial statements which are the yardstick of profit enterprise".

The Report states clearly that cooperatives cannot justify practices contrary to consumer interests, on the ground that patronage refunds will rectify the matter. The definite trend towards lower gross margins, indeed, is regarded as a forewarning that dividend "stressed as a cooperative appeal in the past, may soon be relegated to the perspective held by the Rochdale Pioneers. They deemed refunds to be merely a by-product in their drive towards greater benefits, not an end in itself".

A modern analogy

The analogy between the Rochdale Pioneers and modern cooperative effort is expressed thus:

"Behind us is a history that shows cooperatives arise only from need. It was need that led the Rochdale Pioneers to open their first successful Co-op store in 1844; a different need caused farmers to build our great grain marketing cooperatives; and another need provoked building of our Consumers' Cooperative Refineries."

And again — "... Weapons frequently used in the struggle for consumers' dollars include high promotional costs, the use of dubious selling practices, planned obsolescence, and many others, all of which form part of the cost consumers must pay. These create problems that call for cooperative action. They are similar to those faced by the Rochdale Pioneers 117 years ago when they were convinced that ownership by consumers offers the only escape from exploitation in the market and from the oppression of monopoly.

"The Pioneers were determined that in their consumer-owned store 'there shall be honest weights and full measures', that 'none but the purest of goods shall be sold', and that 'the society shall aim to expand its business, to unite with other societies, to produce the things which the members need, and finally to secure access to raw materials'."

These aims of the Pioneers, says the Report, must be accepted as FCL's own, in face of the great paradox of this age, where on the one hand mechanisation and automation have increased man's productivity and given more people a higher standard of living and on the other hand have resulted in the emergence of corporate "giants" competing in such a manner that the benefits of productivity to consumers are often cancelled out by increased distribution costs.

Responsibility to the consumer

The trading question is faced frankly. "Is our trading directed towards fulfilling true cooperative purposes, or is it simply growing broader in scope?" Federated's responsibility to the consumer is stated with equal clarity. "Consumers do not want shopping to be an unending battle of wits between themselves and

the advertiser. They do not want to be victims of misleading claims or deceptive packaging and pricing methods.... Co-op members want the stores they own and control to be a refuge from such practices and more.... They can rightly expect cooperatives to be a place where they can shop without fear of exploitation and with an assurance of honest merchandise offerings and full value for their money."

Federated Cooperatives is pursuing methods that will interpret cooperative philosophy and idealism in a realistic, practical manner. The Code of Ethics provides consumer protection on the advertising side, and in keeping with it, F.C.L. has refused to handle a number of suppliers' offerings being promoted with premiums or gimmicks of one type or another. Instead, lower prices which could be passed on to consumers, have been sought.

Private Label Programme

A Managers' Advisory Committee discusses trading developments in a democratic way, helping FCL to overcome handicaps that are peculiar to cooperatives as contrasted to big corporations where policy is often planned and directed by the few. A more unified stand against undesirable practices, and for desirable programmes is being developed.

Late in 1961, a new Private Label programme was launched, and all cooperatives were urged to acquaint their members with the scheme and its important purposes of offering goods that are a combination of the price and quality most consumers prefer (under the Co-op label, and a more economical grade labelled Harmonie) and of reducing the number of brands now handled.

Looking ahead, FCL's Board realises

that "more strenuous efforts are needed to study merchandise offered, for features of durability, quality, safety and price, as a means of selecting the types and brands that offer best value and service to members". For this, specialists must be employed and goods provided by Federated must be guaranteed satisfactory to members, or money refunded.

Knowledge of the shortcomings as well as the usefulness of products, says the Report, must be available to consumers, and a means found of providing factual in-store information for consumers, and helping them to assess the "best buy". These are suggestions made in the awareness that "Providing such services to members, which might even discourage some sales, may seem unusual or even unorthodox. But it is something members have a right to since it is they who own the Co-op stores".

An historic event

This 33rd annual meeting of Federated Cooperatives is described in the Report as "an historic event" bringing together for the first time, under the latest merger, "the combined voices of

cooperative consumers from all across the Great Plains, from the Great Lakes to the Rocky Mountains".

The meeting is perhaps historic in more senses than one. For if FCL's search after "the true cooperative image" meets with success, and applied cooperative ideals solve the problem of real consumer protection in this age of big business, monopoly and combine, then the weapon is forged which can defend cooperative enterprise against unfair, unscrupulous, unethical competition.

The idea of strength through satisfied, united, loyal and enlightened consumers is not new—the Rochdale Pioneers recognised, over a century ago, that consumer ownership was the answer to exploitation and the oppression of monopoly. What *is* new, is that a large, prosperous and successful cooperative consumer organisation in the New World has looked in on itself, so to speak, and decided that cooperative principles have precedence over dollars, and the true cooperative aims cannot be achieved just by "following the trends and methods of profit business under a cloak of cooperative philosophy".

BOOK REVIEWS

The Basic Function of the Consumers' Co-operative Movement today and tomorrow

Prof. Dr. Reinhold Henzler.

(Der Konsumgenossenschaftliche Grundauftrag gegenwärtig und künftig.) Prof. Dr. Reinhold Henzler. Published by the Zentralverband Deutscher Konsumgenossenschaften. No. 28 of the Genossenschaftliche Schriftenreihe.

Professor Henzler's booklet on the "Basic Function of the Consumers' Cooperative Movement Today and Tomorrow" should become compulsory reading for all cooperators.

There is always need to re-state to each generation in its own terminology, the aims and functions of the Movement, and that is precisely what has been done by Professor Henzler.

We live in a time where man is suspicious of any "propaganda", "ideology" or "ism", and therefore it is more than ever important to get the meaning of Cooperation over to a slogan-tired world, to show how we, believing in Cooperation, differ from others. It is only when one's aim is understood and valued, that it can be accepted and appreciated.

None of us within the Cooperative Movement is yet perfect, says Prof. Henzler, and we are

still far away from the true idea of what Cooperation really stands for. The basis of the "corporate", rests on a number of similar-minded individuals who form the Corporate Institute and give, in common consent, direction of how the work is to be done, to be led and administered. In this delegation of authority to the Cooperative, the members always remain duty-bound to participate in it. The object, the achievement of the basic functions remain always the same, timeless and unchangeable, but methods and means change with the times in order to fulfil in a better and more economic way the object of its members.

The Cooperative is an expression of joint self-help. In special cases, depending on the size of the project to be fulfilled and the economic power of its members, state help may be necessary. If in a Cooperative, state help and self-help are needed side by side, the relation at all times must be self-help as much as possible, state help only so long as needed.

Non-cooperative organisations also can, among their customers, encourage a sense of partnership, therefore those in charge of cooperative planning must foster among their people loyalty to the Movement. In the strong competitive market in which the cooperative enterprise of today has to work, it is important that the cooperative effort is judged by its superior work. In the race of today even those who double their speed, whilst private enterprise trebles it, will lose the race. Every cooperative undertaking should be a power-house for its members and a true centre for all subsidiary groups and their members. More planning and closer inter-cooperation between single Cooperatives and their members with the central organisations is most important and will further the Movement and the idea. Leaders of the Movement must at all times be engaged in furthering their members in cooperative thinking. Our leader should take to heart the need to behave towards central organisations in such a way, as his own members in his own Cooperative behave towards him.

The drive towards enlargement of markets and integration makes it necessary to have larger cooperative groups working together. Competition in the economic field is the history of amalgamation take-over bids in our time. The larger and more complex the markets become, the weaker will be the Cooperatives working in isolation. Consequently, it is even more important that the Cooperatives should operate in groups to meet the increasing competition. Building on the solid basis of single membership, economically identified with the member, keenly led, responsible to all, there is no question that cooperation between members is a most important factor and will lead to more than survival. Recognising those principles outlined by Professor Henzler, the points men-

tioned in his booklet are operating in countries ruled by democratic principles. So much, and even more, can be found in Professor Henzler's booklet and it is not only written for the high-brow cooperative thinker, indeed he speaks on the very matter of cooperation itself and what he has to say, one hopes, will find its way into the day-to-day thought of all members and it will without doubt give direction and strengthen the effort to make the Cooperative Movement work as it should.

J. H. Ollman

* * *

Reports of the Committee on Consumers' Cooperatives.

Published by the National Cooperative Development and Warehousing Board, New Delhi, 1961.

Report of the All-India Seminar on Consumers' Cooperation.

Published by the All-India Co-operative Union, New Delhi, 1961.

For several years Indian Cooperators have been uneasy about the situation of the Consumers' Cooperative Movement in their country. The boom in cooperative storekeeping during the years of shortage in the 1940's was followed by an equally pronounced slump. Societies' turnover declined; many of them especially in rural areas, ceased to exist; only here and there did they seem able to stand up to normal competition.

Yet the need for consumers' Cooperatives was unmistakable in both urban and rural areas. Retail trade was generally, if not primitive, at any rate unprogressive in its organisation and methods. The growing urban population, especially, were not being well served either in regard to the prices they paid or the quality of the goods they were offered. The strong arguments in favour of a Consumers' Cooperative Movement as a means of raising standards of quality and taking the profits out of adulteration in the less developed countries were convincingly stated by Dr. S. K. Saxena in this Review in March 1959.

It is not surprising therefore, that Consumers' Cooperation in India, its organisation, problems and potentialities should be closely examined, not only by the economic planning authorities but also by the National Cooperative Development and Marketing Board and the All-India Co-operative Union (now the National Co-operative Union of India). The Development and Marketing Board set up a Committee, with Dr. P. Natesan as chairman, with the task of making suggestions for the development of Consumers' Cooperatives on sound lines. The A.I.C.D. organised a seminar for which a num-

ber of experienced Cooperators wrote valuable papers.

In general the ideas of the Committee and the members of the Seminar run on very similar lines. Both recognise that the proper starting point is an awareness amongst consumers of a common economic need and that a consumers' cooperative is justified only if it effectively satisfies the need. Both emphasise that lively member education and efficient management are indispensable. The latter implies, of course, the adoption of sound methods and policies together with proper recruitment and training of staffs. Finally, both admit that some external help and guidance are desirable in the early stages of societies' development, not only from government but from large employers such as the railway administrations.

There are examples of successful societies which have developed almost entirely through self-help, but if consumers' cooperatives are to play the large and increasing rôle in the distribution of food grains and other commodities, as is desired under the third Five-year Plan, some encouragement in the form of taxation reliefs, transport facilities etc. may well be given with advantage for a limited period, say five years.

These studies and discussions of India's Cooperators may be read with profit by Cooperators in other countries and continents where Consumers' Cooperation manifestly has a rôle to play but is not yet equal to it.

W. P. W.

The World Unites Against Want

*Hebe Spaul, Barrie and Rockliff. London, 1961.
112 pp. 15s.*

A third of the world's population suffers from want in one form or another. Poverty, ignorance, hunger and disease form a vicious circle, disease alone causing a loss of productivity amounting to millions of pounds a year. The most significant concerted effort which the world is making, indeed has ever made, in the struggle against want is that through the United Nations and its Specialised Agencies described in Miss Spaul's book.

In a hundred pages or so it is hardly possible to give more than a bare outline of what is one of the most exciting adventures of all time. Nevertheless, Miss Spaul gives a vivid picture of some of the hardships and difficulties encountered by the technical experts who venture into remote corners of the world, cutting their way through jungle, fording rivers in flood or perhaps having to turn back hundreds of miles. In one case, the only person available as a guide was a convict in the local prison! But how worthwhile is the work when a little girl in Honduras says: "My house is a very humble hut, but ever since UNICEF came there is no more sickness at home".

The author devotes a chapter to the work of each Agency dealing with one particular aspect of want. WHO, the World Health Organisation, deals with the treatment and eradication of the many disfiguring and debilitating diseases which afflict the peoples of the underdeveloped countries, and in this it collaborates with UNICEF, the organisation which has the welfare of children at heart. To UNESCO falls the task of seeking ways to remedy ignorance, providing teachers, organising schools for adults and children alike, helping to improve living conditions, to build better houses, improve crops. Here, F.A.O., the Food and Agriculture Organisation, steps in with aid against pests, soil erosion and with modern agricultural methods and machinery.

But without skilled people, machinery is useless, so I.L.O., the International Labour Office, joins its efforts to those of F.A.O. in providing training schemes for mechanics, builders, road makers, training which often has to begin with elementary instruction in the three R's.

Those who write disparagingly about the work of U.N. should take into account the enormous amount of human effort being put forth through the Agencies for the benefit of less fortunate human beings in the far corners of the world. Even so, in Miss Spaul's closing words: "In almost every sphere there is still more left undone than has yet been accomplished. What has been done is little more than a pointer to the road which the nations must take if ignorance, hunger and preventable disease are to become things of the past".

M. H.



International
Co-operative Alliance
twenty-first
congress report

Lausanne, 10th to 13th October, 1960

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... to increase faith in the future of mankind ... to fight successfully against
the forces of destruction ... man must develop cooperation between man ...

- JAPAN:** Nippon Seikatsu Kyodokumiai Rengokai, (Japanese Consumers' Cooperative Union), *Rokin-Kaikan, 5, 2-chome, Shiba-Tamuracho, Minatoku, Tokyo.*
- Zenokou Nogyokyodokumiai Chuokai, (Central Union of Agricultural Cooperatives) *11, Yurakucho, 1-chome, Chiyoda-ku, Tokyo.*
- Zenkoku Gyogyo Kyodokumiai Rengokai, (National Federation of Fishery Co-operative Associations), *Sankaido Building, Akasaka-ta meikomachi, Minato-ku, Tokyo.*
- JORDAN:** Jordan Co-operative Central Union Ltd., *P.O.B. 1343, Amman.*
- MALAYA:** Cooperative Union of Malaya, *8, Holland Road, Kuala Lumpur.*
- Federation of Co-operative Housing Societies, *8, Holland Road, Kuala Lumpur.*
- MALTA:** Farmers' Central Cooperative Society Ltd., *New Building, Middleman Street, Marsa, Malta.*
- MAURITIUS:** Mauritius Cooperative Union, *Dumat Street, Port Louis.*
- MEXICO:** Confederación Nacional Cooperativa de la Republica Mexicana, C.C.L., *Lic. Verdad 3, Mexico 1, D.F.*
- MOROCCO:** Cooperative Study and Action Circle "Georges Fauquet", *Rabat*
- NEW ZEALAND:** Hutt Valley Consumers' Cooperative Society, Ltd., *P.O.B. 41, Lower Hutt.*
- NIGERIA:** Cooperative Union of Eastern Nigeria Ltd., *Cooperative Bank Buildings, Milverton Ave, Aba.*
- Co-operative Union of Western Nigeria, Ltd., *c/o Co-operative Buildings, New Court Rd. Ibadan.*
- NORWAY:** Norges Kooperative Landsforening, Organisasjonsavdelingen, *Kirkegaten 4, Oslo.*
- Affiliated societies (1960): 1,158; membership: 305,534 turnover of local societies: Kr. 1,375 mill.; of N.K.L.: Kr. 382 million.
- BBL A/L Norske Boligbyggelags Landsforbund, *Trondheimsveien 84-86, Oslo.*
- PAKISTAN:** West Pakistan Co-operative Union, *31, Lower Mall, Lahore.*
- Punjab Provincial Cooperative Bank Ltd., *Lahore.* Membership: 10,950; share capital: Rs. 12,85,163; reserve fund: Rs. 33,32,919; loans and deposits Rs. 5,48,65,281.
- Karachi Central Cooperative Bank, Ltd., *14, Laxmi Building, Bunder Road, Karachi 2.*
- Karachi Central Cooperative Consumers' Union, *Block No. 53, Pakistan Secretariat, Karachi, 3.*
- Karachi Cooperative Housing Societies Union, *Shaheed-e-Millat Road, Karachi 5.*
- Karachi Cooperative Institute Ltd, *Pir Illahi Bux Cooperative Housing Society, Karachi 5.*
- Karachi Fishermen's Cooperative Purchase and Sales Society Ltd., *West Wharf Road, Karachi.*
- Sind Provincial Cooperative Bank Ltd., Provincial Cooperative Bank Building, *Serai Road, P.O. Box 4705, Karachi 2.*
- ROUMANIA:** Uniunea Centrale a Cooperativelor de Consum "Centrocoop". *Calea Victoriei 29, Bucharest.*
- SARAWAK:** Sarawak Co-operative Central Bank Ltd., *Kuching.*
- SCANDINAVIA:** Nordisk Andelsforbund (Scandinavian Co-operative Wholesale Society), *Njalsgade 15, Copenhagen 5.*
- SINGAPORE:** Singapore Co-operative Union, Ltd., *Post Box 366, Singapore.*
- SUDAN:** Sudan Cooperative Union, *P. O. Box 834, Kartoum, Sudan.*
- SWEDEN:** Kooperativa Förbundet, *Stockholm 15.*
- Affiliated retail societies (1961): 522; membership: 1,206,000; total turnover of distributive societies: Kr. 3,643 mill.; total turnover of K.F.: Kr. 2,565 mill. (Kr. 1,565 mill. sales to affiliated societies); own production: Kr. 1,355 mill.; total capital (shares and reserves) of K.F. and affiliated societies: Kr. 921 million, surplus included.
- Kooperativa Kvinnogillesförbundet, *Stockholm, 15*
- Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund (H.S.B.), *Fleminggatan, 41, Stockholm 18.*
- Affiliated Building Societies: 186; with individual members: 160,000; number of flats administered by local societies: 160,000; value of real estate: 5,000 mill. Kr.
- Svenska Riksbyggen, *Box 14031, Stockholm, 14.*
- SWITZERLAND:** Verband schweiz. Konsumvereine (V.S.K.), *Thiersteinerallee 14, Basle.*
- Affiliated societies (1960): 550; shops: 3,297; membership: 701,122; turnover of affiliated societies: Frs. 1,235,600,000; wholesale turnover: Frs. 780,717,711.
- Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), *Schaffhauserstrasse 6, Winterthur.*
- Schweiz. Verband Sozialer Baubetriebe, SBHV., *Postfach Sihlpost, Zürich 1.*
- U.S.A.** The Co-operative League of the U.S.A., *343 South Dearborn Street, Chicago III, and 1012 14th Street, N.W., Washington 5, D.C.*
- U.S.S.R.:** Central Union of Consumers' Cooperative Societies of the U.S.S.R. "Centrosoyus", *Ilyinka Tcherkassy pereulok 15, Moscow.*
- Societies: 22,868; members: 32.8 mill.; stores: 256 619.
- YUGOSLAVIA:** Glavni Zadruzni Savez FNJR., *Ulica 1 Maja 15/III, Belgrade.*



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THE INTERNATIONAL COOPERATIVE ALLIANCE

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

It comprises 104 organisations in 50 different countries and its total affiliated membership through national organisations exceeds 153,000,000. The Consumers' Movement accounts for the majority of this membership, but agricultural, credit, workers' productive and artisan cooperatives are well represented.

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

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

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

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

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

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

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

AFFILIATED ORGANISATIONS

- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, *Avda. Suarez, 2034, Buenos Aires.*
- AUSTRALIA:** Cooperative Federation of Australia, *45, Mandolong Road, Mosman, Sydney, N.S.W.*
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, *Theobaldgasse 19, Vienna VI.*
 Membership (1960): 400,014; turnover: Consumers' Societies: Sch. 2,429 mill.; Wholesale (G.Ö.C.): Sch. 1,179 mill.; Department Stores: Sch. 301 mill.; own production: Sch. 301 mill.; GÖC and Subsidiaries: Sch. 375 mill.
 Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, *Bösendorferstrasse 7/11, Vienna I.*
 (1960): Member Societies: 224, Assocs. 107; No. of members: 82,971; Dwellings administered: (socs.) 68,329; Assocs. 93,750; Total Balance: (Socs.) Sch. 5,670,105,800; (Assocs.) Sch. 7,352,955,200.
 Österreichischer Genossenschaftsverband, *Peregringasse, 4, Vienna 9.*
 Österreichischer Raiffeisenverband, *Seilergasse 16, Vienna I.*
- BELGIUM:** Société Générale Coopérative, *17—21 Place Emile Vandervelde, Brussels*
 Affiliated Societies: 59; membership: 352,865; turnover: frs. 3,771,070.
 Société Coopérative d'Assurances "La Prévoyance Sociale", *P.S. Building, 151, rue Royale, Brussels.*
 Premiums (1959): Frs. 814 mill.; Reserves: Frs. 3 milliards; Insurance Funds, Life: Frs. 11 milliards; Fire: Frs. 134 milliards.
 Fédération Nationale des Coopératives Chrétiennes, *rue de la Loi, 141, Brussels.*
 Société "Bien-Etre": 1,320 shops; turnover Frs. 1,251 million; dividends: Frs. 60 million; Savings Bank: 1,800 branches; 300,000 members; deposits: Frs. 5,000 mill. Insurance Society: 160,000 policy holders; premiums: Frs. 193 mill.; reserves Frs. 500 mill.
 L'Economie Populaire, *30, rue des Champs, Ciney (Namur).*
 Branches: 411; membership: 74,956; turnover: Frs. 687 mill.; savings deposits: Frs. 404 mill.; capital and reserves: Frs. 77 mill.
 Institut Provincial de Coopération Agricole, *42, rue des Augustins, Liège.*
- OPHACO** (Office des Pharmacies Coopératives de Belgique), *602, chaussée de Mans, Brussels.*
 Union of 17 cooperative societies owning 249 pharmacies, 50 optical departments and counters, 7 drug stores, 13 wholesale depots. Turnover (1959) Frs. 761 mill. Distributed surplus: Frs. 64 mill.
 Société Coopérative Fédérale de Belgique, *83-85, rue Vanderschrick, Brussels.*
- BRAZIL:** Centro Nacional de Estudos Cooperativos, *Av. Franklin Roosevelt 39, 12º, Sala 1216, Rio de Janeiro.*
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., *21, Croal Street, Georgetown.*
- BULGARIA:** Central Cooperative Union, *21, rue 6 Septemvri, Sofia.*
- BURMA:** National Cooperative Council, *290-300, Lewis Street, (2nd Floor), Rangoon.*
- CANADA:** Co-operative Union of Canada, *202, Queen Street, Ottawa 4, Ont.*
 Affiliated Societies (1959): 726; membership 832,032; turnover: marketing: \$ 586,228,263; merchandising: \$ 168,415,244; assets: \$ 355,136,863.
 Conseil Canadien de la Coopération, *684, Est Grande Allée, Quebec.*
- CEYLON:** The Co-operative Federation of Ceylon, *Co-operative House, 455, Galle Road, Colombo 3.*
- CHILE:** Federación Chilena de Cooperativas de Ahorro, Ltda., *Huerfanos 1639, Clasificador 760, Santiago de Chile.*
- COLOMBIA:** Cooperativa Familiar de Medellin, Ltda., *Calle 49, No. 52-49, Medellin.*
- CYPRUS:** Cooperative Central Bank Ltd., *P.O. Box 411, Nicosia.*
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, *Tesnov 5, Prague II.*
- DENMARK:** De samvirkende danske Andelselskaber (Andelsudvalget), *H. C. Andersens Boulevard 42, Copenhagen V.*
 Representing 28 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 500,000 individual members. Turnover: 8,696 mill. Danish Kroner.
 Det Kooperative Faellesforbund i Danmark, *Gyldenloevesgade II, Copenhagen V.*
 Affiliated Societies (1957): 625; total sales 790 mill. D.Kr.; employees 10,600; comprises: Consumers' Workers', Artisans', Productive and Housing Societies etc.
- EGYPT:** Société Coopérative des Pétroles, *94, Kasr el Eini Street, Cairo.*
- EIRE:** The National Cooperative Council, *35, Lower Gardiner Street, Dublin.*
- FINLAND:** Suomen Osuuskappojen Keskuskunta (S.O.K.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; wholesale turnover: Fmk. 82,333 million; own production of SOK: Fmk. 20,380 million.
 Yleinen Osuuskappojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; turnover of societies: Fmk. 145,354 million; total production of the affiliated societies: Fmk. 3,251 mill.
 Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki.*
 Affiliated societies (1961): 111; members 115,115; turnover of societies Fmk. 106,049 mill.; production societies 16,333 million.

Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

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COOPERATIVE COMMENTARY

Drift and Desperation

IT is usually fairly easy to answer newspaper critics of the Cooperative Movement. They often do not state their facts correctly and, even if their statistics are right, their interpretations are wrong. Their prognostications of the Movement's impending downfall can be exposed as unfounded and ridiculous. But it is not so easy to laugh off the criticism and remonstrances of those with inside knowledge of the Movement and whose motive for speaking out is a sincere concern for the Movement's progress and the reputation of its institutions.

Fortunately, the note of desperation in the leading article of the March issue of the *Cooperative Review*, the official journal of the British Cooperative Union, is not often heard. But it would seem that the manner in which certain managements, heedless of the Union's warnings, are allowing their societies to drift to destruction, confronts the Union with problems which it has neither the intellectual nor moral authority to solve.

The article speaks of societies which take little or no notice of what is said to them by the Union's experts who examine their balance sheets. But in fact the societies, that is, the members, rarely receive these warnings. On the principle of Louis XIV, "*l'Etat c'est moi*," the "society" for practical purposes is the little group of elected persons and full-time officials who at any time manage its affairs and who recoil from the exposure or admission of their own inadequacy. This is not a new phenomenon. It accounts for the sluggishness with which the British consumers' societies have been consolidating their forces during the last thirty years. The reduction in the total number of societies is not the result of planning, but an entirely haphazard process arising from the inertia of their managements prolonged to the point where absorption by a larger neighbour or by the Cooperative Retail Services (a cave where the footprints point only one way) is the only alternative to liquidation.

The Cooperative Union's survey as a preliminary to large-scale amalgamations was one of the few important recommendations of the Independent Commission's report to be carried out. The leading article describes the response of the societies (i.e. managements) as lamentable. The task of the Sectional (i.e. regional) Boards in persuading them to join forces according to the survey's recommendations is, in the words of one of them, "thankless and unrewarding". The newspaper men may not get their facts right. They are often better at sensing atmospheres and where they scent defeatism in the air they may well be right.

Bakery Integration

The recent declaration of the Central Executive of the British Cooperative Union in favour of the integration of Cooperative milling and baking throughout England and Wales is indeed a sign of the times. It is well-known that a similar movement has been going forward for at least a decade in the private baking industry. With the encouragement and participation of the great milling combines, well-capitalised companies have been buying out the smaller bakery business, closing down their bake-houses, but often retaining their shops as retail outlets for bread baked in large factories located at convenient centres. Caught between this movement and the decline in bread consumption as the standard of living rises, the bakery business of many consumers' Cooperatives has ceased to pay its way and consolidation has become the only alternative to extinction. The C.W.S. was thus obliged to enter this field and to promote consolidation and centralisation wherever the societies were willing to consider it.

The organ of the Swedish government's Price and Cartel Office, *Pris och Kartell Frågor*, has published in a recent issue a study of the economic situation in the baking industry in 1959 which shows similar tendencies at work. This study, covering about one-quarter of the total manufacture in Sweden of bread, rolls and confectionery, reveals that large bakeries, both private and cooperative, earn profits, prior to tax payment, of 5 to 5,4 per cent of their turnover. The medium-sized bakeries pay between 2 and 3 per cent and the smallest as low as 0,2 per cent. The Cooperative bakeries, although their output includes a larger assortment of products than the private ones, are no less remunerative than the latter because their distributive systems are more rational and

the costs consequently lower. Large Cooperative units specialising in baking plain bread are, however, being developed.

It is too early yet to report on the implementation of the Cooperative Union's declaration but the *Review* will keep in touch with developments in the hope of treating the subject in an article at a later stage.

Fifth University Institute

The elevation of the Cooperative Seminar of the University of Hamburg into an Institute for Cooperation adds a fifth to the four Institutes which were established in Münster, Marburg, Erlangen and Frankfurt on Main in the later 1940s. Under the distinguished direction of Professor Dr. R. Henzler the Institute will concentrate its studies on important questions of Cooperative business economics rather than on any one branch of the Movement. As far as possible, these studies will not be limited to Germany, but include problems and branches of Cooperation in other countries. In particular, the improvement of efficiency in Cooperative enterprises and the influence on Cooperative development of market integration will receive attention. Professor Henzler will be assisted by such well-known lecturers as Professor Schultz, von Lasaulx and Stupka. Students may choose Cooperation as a subject for their Diploma examination in Economics and for the degree of Doctor of Political Science.

Advantages of Size

A recent enquiry into retail food prices carried out in Växjö, a town of 25,000 inhabitants of Southern Sweden, indicates that, the bigger the turnover of a shop, the more effective the use which can be made of both premises and manpower. Efficiency was measured by comparing shops' annual turnover according to their area in square metres. Three shops, each with a yearly turnover exceeding kr. 1 million, the turnover per square metre exceeded kr. 6,000. The average for the smaller shops was no more than kr. 3,000 per square metre. Correspondingly, the turnover per worker per hour in the largest class of shops averaged kr. 66, and in the smaller shops averaged kr. 52 for Cooperative stores and kr. 38 for private shops.

So far as prices were concerned, the cost of about 20 of the more important foodstuffs in quantities based on the weekly consumption of a typical family varied between kr. 34 and kr. 36. The lowest cost for the total purchase

was shown by the shops of the consumers' society. The society's prices were lower for twelve articles than those of their competitors, about the same for five articles and higher for a further five. Another interesting point was the confirmation that about half the shops' weekly sales of food are made on Fridays and Saturdays and recalls the efforts made in Switzerland in recent years to induce customers by special offers or prizes to shop earlier in the week.

Credit Societies and Distributive Trade

The latest report to reach the I.C.A. from the Registrar of Cooperative Societies for the Cook Islands makes some valuable comments on a survey, made in 1960, of retail consumer services carried out by Thrift and Credit Societies. The survey revealed one possible weakness of multi-purpose societies in that it found that the accounts were "hopelessly mixed up" and did not clearly show the true position of either the distributive or the credit activities. The Registrar accordingly intervened and as a result separate store societies retailing agricultural, household and other commodities were set up in most centres where multipurpose Cooperatives were in existence. The subsequent annual audit proved that the change was justified. "On the one hand" writes the Registrar, "the regularity of savings and the day-to-day use of funds can now be seen clearly and it is not easy for unauthorised credit to go against the issue of goods; on the other, regular monthly stock-taking and check against the relevant books of account and a much better management of one activity, can now be possible".

The Registrar goes on to point out the bearing of this improved efficiency on the formation of capital, the most pressing need. He mentions, as an example, the Atiu Cooperative Store Society which, in a few months, achieved a turnover, on a strict cash-payment basis, of £4,000 and savings of over £400. The society also established a bakery, the capital cost of which it expected to recover completely from trading margins.

New Japanese Bulletin

Cooperators everywhere will extend a cordial welcome to *Consumers' Cooperatives Japan* the new bulletin in English of the Japanese Consumers' Cooperative Union. The first issue appeared in March with a message to the Cooperators of the world from the Union's President, Mr. Shunsuke Tanaka, who emphasises the important role of the Consumers' Cooperative Movement in re-

building Japan as a democratic and peace-loving nation. "It was the late Dr. Kagawa", he writes, "who advocated throughout his life that the Consumers' Cooperative Movement is the very basis of world peace. We are proud of having him as our greatest leader and we have been working to establish a Cooperative School in memory of him".

The bulletin reports that the Minister of Agriculture and Forestry approved in December 1961 the allocation of 16.4 acres of land on a mountainside outside Kobe as the site of the Consumers' Cooperative College. Dr. Kagawa, to whose memory the College is dedicated, first began his Cooperative propaganda in Kobe where the Nada Society, which he founded, is the biggest and oldest existing Consumers' Society in the country. The Kobe society, also established by Dr. Kagawa, was due to amalgamate with the Nada Society on 1st April this year. The Union aims at raising a fund of 30 million yen for the construction of the College. Work is to start in July and the ceremonial inauguration is planned for April 1963.

Taxation in Eire

The Commission on Income Taxation of the Irish Republic has reported to the Minister for Finance in favour of withdrawing exemption from income tax from Cooperative societies except agricultural societies and others of an educational, cultural or charitable nature not carried on for private gain. The report was not unanimous. One member signed with a reservation in favour of making no change in the existing method of taxing Cooperative societies of all kinds. Another submitted a minority report in which he also expressed disagreement with any change in the tax position which had existed for eighty years. In particular, he disagreed with the view of the majority that trade by Cooperative societies in farm products should be treated differently from trade by such societies in other commodities.

Statements were submitted to the Commission advocating the withdrawal of exemption by the Federation of Irish Industries and, curiously enough, by the Civil Service Alliance, an organisation of public officials. The former expressed the view that all profits of trading societies registered under the Industrial and Provident Societies' Acts should be made liable for assessment. The latter begged the question by declaring that "Cooperative

(Concluded on page 125)

COMPETITION AND COOPERATIVE ECONOMY

By **Thorsten Odhe**, *K.F., Stockholm.*

WHEN discussing the problems of structural reforms and rationalisation of the cooperative movements it is often, consciously or subconsciously, taken for granted that cooperative enterprise has to embark upon and/or accelerate these processes in order to catch up with similar almost automatic developments in private, capitalist trade and industry. What seems as often to be overlooked is that the development of large-scale organisations in private and cooperative trade emanates to a very great extent from quite irrational economic motives.

The general idea frequently invading cooperative thinking and planning is that the development in private business—production and distribution in the forms of financial concentration and horizontal and vertical integration of enterprise—is to a dominating extent due to *competition* more and more permeating the private sectors of modern capitalist societies. It is obvious that concentration of private economic enterprise and power originates to an even greater extent from tendencies in capitalist economy to *restrict competition*. These tendencies explain why so often rationalisation in its technical and organisational aspects is rather delayed than speeded up under the pressure of proceeding private concentration. That this is a fact in many cases has also been emphasised by a number of modern economic researchers into the “geological” processes of concentration of private in-

dustry and trade. As far as Britain is concerned, it might be sufficient to refer as examples to the *Effects of Mergers*, by P. Lesley Cook and Ruth Cohen, and *Concentration in British Industry*, by R. Evely and I. M. D. Little.

Valuable Advantage

The cooperative form of enterprise enjoys the immensely valuable advantage of being able to plan for those changes in its structure which are required by its own inherent objectives, and for the defence of the consumer against the structural changes in private economy which have resulted from the close network of restrictive practices in private business as a whole. The relationship between concentration and restrictive practices is unmistakable. In the author's view it is misleading to state that the sole or main aim of promoting structural changes in the cooperative movement is to enable Cooperation to keep ahead of private business in competition that is continually being strangled by the “competitors” of the cooperative movement.

Where competition in the real sense of the word exists is in those fields or sectors where cooperative or other countervailing factors have managed to restore it, or where the automatic factors of competition through the vast channels of international trade are at work—to the extent that they have not yet come under the yoke of powerful international cartels and combines.

Effective Planning

Cooperation can plan the more effectively as the members become more familiar with the particular aims and objectives of cooperative business activities and the special organisational forms required. It can, and has to, plan for increased horizontal integration, and also for correspondingly adapted sales outlets in towns and other population centres where the number of cooperative consumers is increasing. But this does not mean that societies, when planning their extension, have to adapt themselves to the patterns of private trade, or its conception of size. For example, we are not told that because some private multiple store companies open gigantic supermarkets with a floor space of 5,000 square yards or more, cooperative societies in the same place should do likewise.

Cooperative planning for structural changes is not, in the first place, the result of attempts at correcting the misuse of monopoly power in private trade, but of cooperation's own growth and the increasing variety of its activities. Cooperative economy implies in itself the ousting of monopoly economy. It has the great advantage of starting from the base of a consolidated membership whose number and buying power are in the main known. From this starting point the cooperative society can, for example, calculate its "magnetic field", the number of inhabitants in the region likely to become member-buyers, provided the society is effectively managed and plans the localisation of its stores and their size in accordance with these findings.

Structural Changes

Viewed more widely, a cooperative wholesale can, in principle, plan with much greater accuracy and security for a new industry or a new branch of pro-

duction than private enterprise, having due regard to calculable future population growth, rise (or decline) of buying power, and so on. Such changes, as a rule, almost automatically give rise to "structural changes" in the Movement, in the sense of the emerging desirability or necessity of bringing about a closer collaboration between the separate cooperative units, modifications or innovations in the members' organisation, extended powers to the management and executive officers, new forms of control over these powers, and the like.

Division of markets (regional fields of activities) and accompanying *demarkation* are features as closely connected with the need for "structural changes" in the Cooperative Movement as the increase of unit-size and the speeding-up of horizontal integration (by amalgamation and merger). The split-up of the Cooperative Movement, at its primary organisational stage, into local societies of varying size, scope and resources, was a matter of self-evident occurrence in the case of a movement rising spontaneously from the people in the form of local, frequently isolated, associations; and the aims of the Movement, once unified and consolidated, have been and still are to equalise these original differences and bring about harmonised interplay of all powers and resources within its framework. Already a generation ago, British cooperative societies were exhorted to eliminate "overlapping"—irregular demarcation between the societies' boundaries—and to effect mergers of the small societies with their frequently limited resources, with larger ones having a wider field for their initiative and resourcefulness.

The new feature of this particular concentration-amalgamation process, is the application of the policy to guide the

mergers according to plan, paying due attention to the possibilities created for the amalgamated societies to enjoy maximum cost savings in transport and purchasing, to provide the best possible prospects for future expansion of membership within a given residential region, and a sufficient reservoir of purchasing power to embark upon new, diversified fields of activity in connection with new needs. This phase of "structural changes" is thus only new in the planning aspect.

Practical Difficulties

Apart from obstacles to the execution of this nationwide planning such as the still prevailing traditional prejudices and primitive conceptions of cooperative democracy, we must admit that there are also some obvious elements of resistance, and practical difficulties to be considered in realising such a scheme from the purely economic viewpoint. After thorough research into all the various economic fields affected, it may be comparatively easy to draw up the boundaries of an appropriate number of large societies established by regional amalgamations, and to get them working at the desired level of effectiveness. But the various factors acting in "timeless" economic development cannot be put under lock and key. There may be rapid changes in industrial and productive techniques, causing widespread re-localisation of factories and plants; unforeseen movements of population may depopulate some districts to the advantage of others; and other factors may also result in a reappearance, in different forms, of the discrepancies between smaller societies dating back to the days of the Movement's origin and the new regional organisations.

One way of guarding against the

results of such development would be the formation of what, in Great Britain, is called a national society; another way would be to avoid the permanent establishment of a regional society structure. But emergencies should be left to find their own remedies—in this case, a transformation of the affected societies, if need be.

Problem of Specialisation

Another main feature of the problem of structural changes is *specialisation*. The conception of specialisation, in theory, is a reduction in the variety of manufactured goods to give a selection that will satisfy a restricted number of needs. The tremendous increase in new articles and varieties of articles arising from new inventions, or new needs, that are products of modern commercial publicity, makes specialisation in manufacture and trade increasingly necessary. This also applies to cooperative production and trade which, in accordance with the Movement's staunch support of the principle of freedom, cannot refuse to satisfy the claim for free choice in consumption. In the field of production in concentrated, large-scale industry, there are distinct tendencies towards effective, although disguised, monopoly. In the wide and ever expanding field of branded articles the efforts to create "suggestion" monopolies by means of advertising and publicity—often with an enormous financial outlay—are particularly noticeable. This category of monopolists mostly uses the Resale Price Maintenance practice, which is hard to combat even in those countries where it is legally prohibited. These monopolist tendencies make integration in varying kinds of industries an urgent matter for the defence of the consumer interest.

The need for extended specialisation creates corresponding compulsion, so to speak, for the cooperative societies or their federations to open a variety of specialised stores or general department stores with widely specialised assortments. The development in this field has been astoundingly rapid and there are countries, Sweden for instance, where the number, turnover and competence in management of cooperative chains of department stores surpass any similar private commercial concern.

Breaking down Tradition

This feature of cooperative structural change is of particular importance because, as a rule, it necessitates either close financial relations between groups of local societies, or the carrying out of these normally large-scale projects being transferred from the societies to the wholesales or to the wholesales in partnership with groups of societies. In this latter case, tradition is broken in some countries by creating new organisational forms of joint management and control. But there are other breaches of traditional partition accepted without protest by the members. In some countries on the continent, among them Sweden and Switzerland, the traditional partition between wholesaling and retailing has been radically broken down to give place to a system where societies supply themselves in partnership with the wholesales, and in reality take over all the main wholesaling functions, as well as the responsibility for their cost structure.

Finally, the widening specialisation increases the urgency of continued, enlarged and expanded integration between cooperative distribution and production. Cooperative production, as the Swedish cooperator, *Albin Johansson*, pointed out at the 1927 Congress of the

International Cooperative Alliance, is the only effective means of freeing cooperative trade from the humiliating rôle of acting as an intermediary for the supply to consumers of largely monopoly-priced goods. The obligations of the cooperative movements to speed up integration seems so much more urgent in this modern age of a rapidly increasing variety of consumption goods based on comparatively new inventions—radio and television sets, vacuum cleaners, refrigerators, household appliances, gramophone records, and so on. As stressed by the British authors Evelyn and Little already cited, these new goods form the key articles for specialised highly concentrated concerns, and this is true in countries other than Great Britain.

It does not seem at all necessary that cooperative intervention should be of similar magnitude to private concerns already holding or aspiring to a virtual monopoly. Facilities for similar rationalisation are also available to much smaller production units.

On the basis of investigation made, especially by American economists, it can be assumed that the optimum in most manufacturing industries is considerably lower than in the gigantic production units of magnitude for example, the American, British or German automobile factories, or the big factory units in the American, British, German and Japanese plants in the electrical industries.

Hope of International Action

Where the Cooperative Movement is forced to match the large production units of private manufactures in certain industries working for very large markets, such as the United States, there are reasonable, realistically founded hopes for international cooperative action,

which can be achieved initially within the framework of regional markets such as the European Common Market. Joint European cooperative industries possess a consumers' market of statistically tremendous dimensions. The total membership of consumers' cooperative organisations in Western Europe amounts to about 27 million, mostly families, making a probable total of 90–100 million consumer units. Quite evidently, too, there will not be any unsurmountable difficulties in raising funds for investment. Even if the technical preparations and the forging of a feeling of unity for cooperative objectives and interests, in peoples of widely different temperaments, will take some time, there seems to be little doubt that cooperative action at this international level will finally be launched against any challenge by private monopolies menacing the vital interests of organised consumers in Europe.

Some Conclusions

The present structural changes in consumer cooperative business and cooperative organisations are by no means limited to the *size* of productive or distributive units, or societies.

They concern the organisational framework of the national cooperative movements and business set-ups as a whole, affecting substantial problems of *division* of society boundaries, *demarcation* between their activities, the growing need for increased *specialisation* in production and trade, and the promotion of extended *integration* between cooperative distribution and production.

Structural changes in all these aspects will necessarily be accompanied by a need for greater harmony in all stages of organisation within the cooperative movements. They will probably call for new organisations, forms of administra-

tion, management and control, in joint organisations, between wholesales and societies for special business purposes.

The cooperative structural changes should not be regarded in the first place as counter-measures to maintain the competitive power of the cooperative economy against the increasing tendencies towards concentration and large-scale economy in the private sector of enterprise and their success in the field of rationalisation. Concentration and ensuing structural changes of various kinds have been largely caused by efforts in private enterprise to establish monopolies or increase restrictive practices. The competitive character of the economy in most capitalist societies is highly deficient. Cooperative trade appropriately organised and adapted to modern technical requirements should prove basically superior to any form of private enterprise. The conception of "competition" in connection with cooperative economy is not applicable in the same sense as if it is used in liberal economic theory. Cooperative enterprise does not "compete for customers"; it is a consolidated superstructure of family households, the members.

Structural changes in the cooperative sector of enterprises are called forth by the inherent power for growth of the cooperative economic system, and by the striking expansion and diversification of cooperative activities in recent years.

The cooperative system of economy works solely for the good of the consumers—the community—and even if there were perfect competitive systems of economy in existence in the modern capitalist states, cooperation *would not form an organic ingredient in this system*, even though, as is now the case, it maintained economic relations with the private sector of the economy.



A COOPERATIVE BORN OF DISASTER

This account of an all-women's weaving association is based on an article by Angus McBean—"Niue Women Run Flourishing Weaving Industry"—in the July, 1961 issue of South Pacific Bulletin. Grateful acknowledgment is made to the author. Photographs by courtesy of the Editor, S.P.B.

THE headmaster of a high school on a South Pacific island, a group of native women, and a hurricane—these are the three factors that gave the island of Niue its first cooperative.

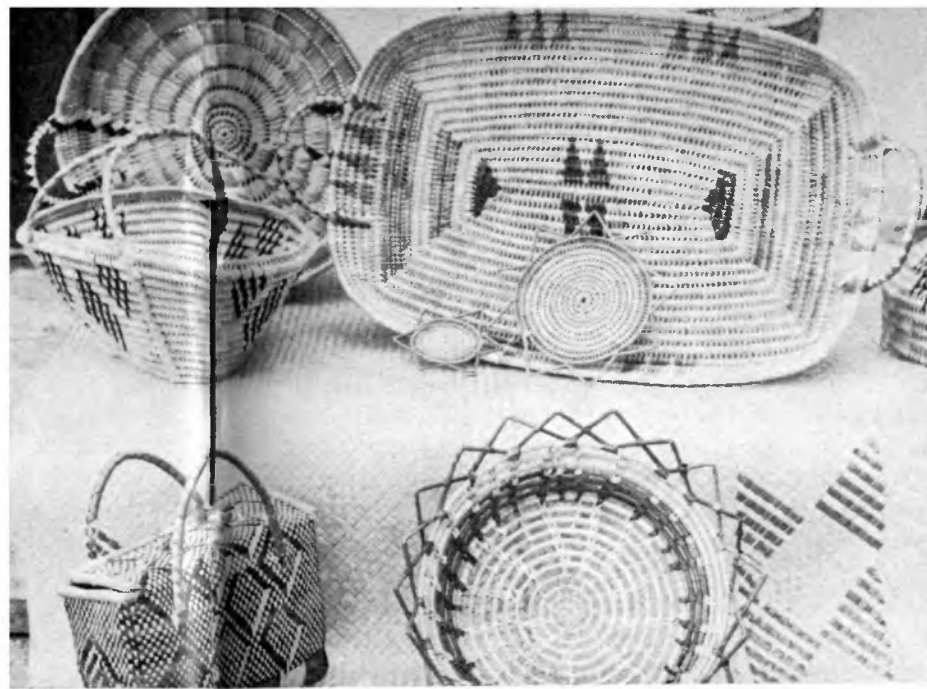
The story began in January 1960, when Mr. Angus McBean, headmaster of the Niue High School, went back to New Zealand for his month's furlough. He took with him many gifts from the generous Niuean families—basket work and plaited ware of all kinds—despite the fact that the islanders were very badly off. They were still recovering from the effects of a hurricane that hit them nearly a year previously, ruining the island's economy just when the copra and banana shipments were being built up again. Now, once more, they were getting ready to resume their damaged export trade.

Back in New Zealand, Mr. McBean decided to try and arrange a display of his gifts somewhere in Christchurch, in the hope that he would get a few orders which, in his own words, "would at least bring a ray of light and hope to a few families".

A Display of Baskets

A large department store agreed to display the basket ware, and the showing coincided with the news of a second disastrous hurricane over Niue which left the islanders with basket weaving as their only possible source of income. But the basket industry, for many years a thriving one, had steadily declined, and by 1958 its export value had fallen below £2,000.

In the Christchurch store, at the large counter devoted to the Niuean ware, so



The first stage in making the baskets is to cut and prepare the pandanus leaves

Then, using their innate artistic sense, the women create a variety of designs

The baskets were quickly sold out at the first sale, and the second realised over £ 3,500



many orders were taken and so many enquiries made, that the store manager himself placed an order for £300 worth of assorted woven and plaited ware.

That was the beginning of the Niue Weavers' Association. The women weavers were immediately advised to begin preparing the pandanus leaves, a first meeting was held, and by the end of the week a committee of women from every village but one on the island had been formed.

There were many anxieties and problems in the first months. Mr. McBean, the Association's founder, wanted it to be run by the Niuean women themselves. But as "liaison officer" between them and the New Zealand business firms, he had to explain the styles and quality expected. In the past, the basket ware had been confined to a few standard lines, was sold mainly to chain stores, bought at very low prices and exported at a relatively small margin, and sent by post with a minimum of packing.

The Will and the Skill

The new venture followed an exactly opposite policy. The women were encouraged to use their innate creative and artistic sense and make a diversity of lines. They were paid in conformity with their skill and labour, and all goods were carefully sorted and crated. The first consignment went off just three weeks after the Association was formed. It was only small, because of damage to the pandanus plants by the hurricane. But the plants quickly recovered, and women who for months and years had not used their weaving skills, were at work again.

This all-women's organisation had the will, and the skill, but absolutely no

capital, and the first two months were a struggle for them. Shipping hold-ups and other factors resulted in the first consignment of basket ware not being received until well after the second was on its way. Several European well wishers had offered to advance capital, interest free, but the women's committee wanted to try and stand entirely on their own feet. However, finally, they had to accept interest free loans from European and Niuean friends to keep the Association alive.

Speedy Sales

At long last, when hope was at a low ebb, remittance for the first consignment arrived, together with praise and an increased order. The consignments sold out with such speed that they created interest among other firms. Just a year after its first shipment, the Association was supplying firms in all the cities of New Zealand, in several provincial centres, and also in Australia, Hawaii, and Rarotonga. Overseas sales amounted to £4,010, and local sales to £115. Of the total sum of £4,125, the weavers received £3,572, and after expenses were paid a credit balance of £324 was left and earmarked as a reserve fund and working capital.

The Niuean women have shown great acumen and determination. They run their Association entirely themselves, apart from the paid packer and Mr. McBean, who acts as their honorary adviser and attends to business letters and publicity. They are determined to make their venture a permanent success, and the lines on which they are now developing are cooperative. At the first annual general meeting held on March 10th last year, the Resident Commissioner, Mr. D. W. R. Heatley, explained

the advantages of turning the Association into a registered cooperative, and members were left to talk the matter over in their villages and to vote on the suggestion at a future meeting.

A Permanent Asset

Writing at the time about this next move, Mr. McBean said, "If the Association *does* decide to transform their informal and almost makeshift organisation into something more solid, Niue will see the formation of its first registered cooperative; and the kind gesture of a Christchurch store in response to an appeal by a schoolteacher on furlough, may have led to a significant and lasting development in the economic life of Niue. As far as the industry itself is concerned, so long as the skills are maintained it should be a permanent asset to the island".

Just recently, news has come from Niue that the Women Weavers' Association is operating fully as a cooperative and has applied for registration un-

der the Cook Island Cooperative Societies Ordinance.

When registration is effected and this Association comes fully into the cooperative fold, its future should hold still wider horizons. Writing about the venture in the summer of 1961, Mr. McBean said:

"Although the Association has overcome most of its teething problems and can look confidently to the future, there are still many difficulties to be faced and dangers to be avoided. There are the ever-present possibilities of changing tastes and fashions in New Zealand, and of a given market becoming "glutted...."

A changing or a glutted market is an ever present business hazard. But, as a member of a Movement that extends its influence and usefulness beyond the local and national sphere into the international field, the Niue Weavers' Cooperative may well one day find itself able to extend its export activities through inter-cooperative trading. F. W.

(Continued from page 115)

societies, in common with other companies, should contribute their fair share to the revenue".

Evidence in defence of exemption was submitted by the Dublin Central Cooperative Society and by the Irish Agricultural Organisation Society, the apex organisation of the agricultural Cooperative Movement. The statement of the I.A.O.S. draws a clear distinction between a company and a Cooperative society: "The joint stock company makes profits for the shareholders; the Cooperative effects savings for its members." It further points out that the final result of the proposals for taxing agricultural Cooperative societies advocated by chambers of commerce and similar bodies would be to make it impossible for the farmers to conduct on a self-help basis the purchasing and marketing operations of their farms. It is not equity in taxation but the extinction of Cooperation that is the real aim. W. P. W.



*Film
Cooperation
in
Northern
Countries*

FOR almost ten years the cooperative unions of northern European countries have collaborated in the field of film production. At a conference in 1953, it was proposed that each of the five countries concerned, that is Denmark, Finland, Iceland, Norway and Sweden, should produce a film. This film would supply a general introduction to the country, in a condensed form, touching on social conditions, commercial and industrial life, natural surroundings, and anything which typified the country. The film would of course describe the Cooperative Movement of the country and its activities.

The main purpose of these films is to inform cooperative consumers and interest them in the life and activities of people in other countries. Even if the production costs of individual films have been high, economic cooperation between the countries has made it possible to meet them—production costs being divided among the different societies in proportion to their size.

However, these films are not intended to be shown to cooperative audiences alone, but have in fact already reached a wide public outside cooperative circles. It is hoped in this way to arouse the interest of people who are not aware



The ice-breaker "Sampo" in the Gulf of Bothnia from the film "Sisu"

of the Movement's aims and activities.

So far, four films have resulted from this experiment in Nordic Cooperation. The first, "*Land of Ice and Fire*", is about Iceland and was made in seven languages—English and French versions being added to the languages of the five participating countries. A shorter version was also made for schools and 130 copies of this version have already been sold to Swedish schools, a record number for comparable films of this type. Two minutes of cooperative information were included in this version for schools, a task which has hitherto been difficult to achieve. In all, about 200

copies of the film on Iceland have been made.

The second film is about Norway and is called "*Northern Land*". It gives an account of life in the most northerly corner of Europe, which suffered almost complete destruction during the last war and was rebuilt through the great efforts and energy of the Norwegians. The cooperative Movement played a large part in this rebuilding. Versions of this film were made in eight languages and more than 100 copies have been sold in 14 countries, from the U.S.A. and Canada in the west to India in the east.



Shots from "Sisu"

The third film is Danish and deals with Sønderjylland, the part of Denmark which borders on Germany. It is expected that about 60 copies of this film will be distributed in six languages.

The latest film produced by the Co-operative Unions of Denmark, Finland, Iceland and Norway is called "*Sisu*", meaning toughness and endurance, the true hall-mark of Finland, and had its first showing in London.

Produced by Jöran Forsslund, shot in Finland in Eastman colour, "*Sisu*" is, in all respects, the finest film yet produced by this enterprising group.

"*Sisu*" made the Finns in the audience homesick, and others determined to add Finland to the list of countries to be visited soon.

"*Sisu*" gives the viewer all of Finland, its glorious forests and lakes, its people at work and at leisure; the film captures the atmosphere of the Finnish way of life and the great part played in it by the cooperative way of life with which it is permeated.

Even before the film's première in Finland, 70 copies had been made and it is hoped that eventually at least 100 copies will be made. It is also probable that a version will be made for schools; already two big film companies have offered to buy the copyright for Swedish schools and a special version may be made for German schools and television.

This would bring the total number of copies of the four films produced so far to 500 and although it is impossible to arrive at an exact figure as regards the public to have seen the films, a fair estimate would be several million.

The next film in the series will be about Sweden and the Swedish Co-operative Movement and will be produced next year.

COOPERATIVES AND TAXATION IN THE U.S.A.

In March last Senator Humphrey, who is a well-known supporter of Cooperation in the Americas, spoke in Congress in defence of cooperative societies which had been attacked in the American press by Mr. O. K. Armstrong. The following report of his speech is taken from the Congressional Record published in Washington on 16th March 1962. Ed.

“THE most fundamental error in Mr. Armstrong’s article is the assumption or misconception that the cooperative is something separate and apart from its farmer members and their business enterprises. This is wrong. It is wrong economically and legally.

Any farmer cooperative, be it large or small, is a service corporation set up, owned, and controlled by its farmer members. Thus, where it is true that the cooperative uses the farmer’s capital, it does so only because a voting majority of the farmer members of that cooperative have voted to capitalize the cooperative with farmer equity investments. The well-informed farmer is aware of the purpose of his membership in a cooperative. He knows that his cooperative is as much a part of his farming operations as his production facilities. It is either the marketing department, the supply department, or both that provide necessary farm business services to him at cost. The cooperative must have capital. Because of the service at cost principle, this must be furnished by him, just as he must finance his farm, his farm machinery, his livestock, and his hired help. Obviously, no one else is going to do it for him without a profit incentive to do so. In other words, the primary burden for financing a farmer cooperative must

rest on members as owner and users of its services. The absence of growth characteristics in its shares or other equities plus the cooperative equipment that financial benefit must be distributed in proportion to the individual members’ use of its services does not attract the outside investor.

A False Assumption

The second basic false assumption is that farmer cooperatives, primarily because of their tax status, are rapidly driving free enterprise competitors out of business. Let us examine this charge. The only proof ever offered in support of this statement is that in a few isolated instances some cooperatives have acquired competing businesses, either corporate or otherwise. When a corporation set up to make profits by serving farmers acquires competing businesses, this is assumed to be good free enterprise. But when farmers—who also are basic members of the free enterprise economy—acquire a few of these facilities so that they can serve themselves rather than pay someone else for what is frequently a less desirable service, this is regarded by some as not being good for free enterprise.

No comparison is ever made as to how these few cooperative acquisitions com-

pare in member and market power with the many more numerous acquisitions by investor corporations whose basic object is to serve farmers at a profit for their stockholders, and only incidentally provide a benefit to the farmers served. To get the full impact of the situation as it exists one only has to look at the non-cooperative business empires set up in the grain, dairy or cotton fields, or at the widespread use of consolidations and mergers outside the cooperative field.

Significant Facts

A third false assumption is that cooperatives are enjoying a tremendous growth. These facts are significant. Over and over great emphasis is placed by those opposing cooperatives on the large size of cooperative enterprises. As a matter of fact, about 82 per cent of the farmer marketing and purchasing cooperatives do an annual business of less than \$1 million; 99 per cent do less than \$15 million; 1 per cent do over \$15 million. In this day of business giants, these figures speak for themselves in answering critics of cooperatives.

A fourth false assumption is that cooperatives are not subject to the anti-trust laws. No lesser authority than the Supreme Court of the United States considers that farmer cooperatives are subject to the antitrust laws, the same as any other business corporation.

A fifth myth of the anticooperative writer is that cooperatives are all right for farmers when they are small, ineffective, and have poor management. Once they succeed, and acquire effective status, through economies of scale and sound management so as to provide substantial benefits for their members, they suddenly become something sinister and bad for the "free enterprise system".

Unrealistic Attitude

To imply that use of the cooperative by farmers should be limited to small, ineffective organisations, presumably at the local level, is wholly unrealistic. It utterly fails to take into account, the competitive problems that farmers' organisations face in our present-day economy. It is in effect asking the farmer to use an economic tool almost as antiquated as a yoke of oxen and a wooden plough.

On the matter of taxation, the statement assumes that all businesses are taxed the same. This also is not true.

Implicit in Mr. Armstrong's article is the false assumption or implication that all businesses pay taxes on precisely the same basis, except cooperatives. Individual proprietors, partnerships, and corporations which qualify under sub-chapters—corporations with less than 10 domestic stockholders—all pay only a single tax on profits developed through trading operations.

Any difference in taxable margins shows up only in a comparison between incorporated cooperatives and business corporations which are required to pay the corporation income tax, and the only difference there is the right of cooperatives to deduct patronage refunds allocated in cash or non-cash form. Any corporation can make these deductions, but it is apparent that most investor-type corporations would prefer to pay tax rather than make these distributions of their profits to their customers.

A Fundamental Distinction

Mr. President, it seems to me that in all this opposition to cooperatives there is a gross failure to recognise a fundamental distinction between cooperatives and other forms of business enterprise.

Cooperatives are organised, controlled, and operated by those who are both users of their services and recipients of their benefits. Other corporations work toward investor profits derived from business done with third parties. This is surely a legitimate function, and one to be encouraged, but the activities of a corporation are indeed different from those of a cooperative, since the prime purpose of the cooperative is to serve its members and its customers, and the prime purpose of the corporation is to yield a profit upon investment. The corporations do not have this distinctive owner-user relationship.

Symbols of Hope

Cooperatives, Mr. President, not only play an important part in our domestic economy, but also are instruments of freedom the world over. They are symbols of hope.

Mr. President, not only are the cooperatives a symbol of hope but also they make a great contribution at this time in Latin America in the programmes of land reform and housing in the great urban areas. In fact, the development of farmer cooperatives—production cooperatives, distribution cooperatives, supply cooperatives, credit cooperatives—is absolutely essential to the success of the alliance for progress, particularly in the rural areas of Latin America and, I might add, in other areas of the world, such as Asia and Africa.”

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Israel is well able to understand the needs of the newly developing countries, for she herself is an emergent nation. She has built from rock bottom, largely on a rural basis. But she has been blessed with her own specialists, experts, and men of vision, so that the economy that has evolved is advanced enough to serve

as an excellent guide for the Afro-Asian countries lying so near.

Ever since 1958, the Histadrut's Workers' College has held a series of Afro-Asian seminars on cooperation and rural development, lasting from three to six months each. They have drawn students from Guinea, India, Dahomey, East African countries and French speaking African territories, and were the forerunners of a permanent Institute, which was finally established in 1960 as a result of a steadily growing demand from developing countries for training in cooperation and trade unionism.

In contrast to countries like Great Britain, where cooperation* and trade



unionism suffered eventual divorce-ment, Israel maintains a close working partnership in these two spheres. The one is dependent on the other, and together they are building up Israel's economy and shaping the country's social and cultural character.

The Afro-Asian Institute for Labour Studies and Cooperation was established by the General Federation of Labour in Israel—the Histadrut—in order to train manpower for the Labour Movements in Africa and Asia, to help them to contribute more effectively to the social progress and general development of their countries. The Study Programme is designed for trade unionists and co-operators, as well as for government officials dealing with development, labour, and cooperation. It combines the study of basic ideas and theory, with practical observation and personal experience in trade union work, and in cooperative enterprises and settlements.

The Institute had 120 students from 33 African and Asian countries during its first year, when two courses were held. In addition, 48 students from twelve French speaking African countries took part in a special course on rural cooperation. These figures do not include those taking part in vocational or other courses, totalling 1,603 participants from African and Asian countries.

English and French are the languages used, and while the syllabus includes lectures, group study and field work, the emphasis is to be increasingly on the two latter methods, since lectures only give the general background, the main ideas, and the overall structure of social, cultural and economic framework. Israel, of course, is ideally fitted to give this training in the field, having herself so many and varied cooperative ventures to show in the rural sphere. Since very many of the students come from coun-

tries overwhelmingly rural in character, special attention is given to rural co-operation and settlement, especially in the course for French speaking students. Not only do the participants see the different types of cooperative rural settlements, they are also able to spend some time living and working in them.

One of the most developed cooperative activities in Israel is the marketing of agricultural produce, and in this field students receive special training. In the sphere of production, particular attention is given to smaller industries and crafts. Other parts of the Study Programme are devoted to cooperative transport, housing insurance and social welfare, and consumers' cooperation, which is very much a problem in Israel too, as well as elsewhere.

Over 37 countries, including Ethiopia, Ceylon, the Congo, Upper Volta, Northern and Southern Rhodesia, have sent their students to Israel; and it seems that the Institute can also contribute something even to the developed countries, for quite recently a special session on Cooperation was held for a study delegation from the Japanese labour Movement.

Students must have working knowledge of English or French, and applicants have to be sponsored by a central trade union or cooperative organisation, or government office. The final decision is made by the Institute's Selection Committee. Labour organisations the world over award scholarships to the Institute, covering tuition, board and lodging, and part pocket money. The Institute's staff of lecturers and teachers is drawn from the teaching staff of Israel universities, as well as from well known, active personalities in the labour and cooperative movements.

The programme of studies embraces

basic theoretical work, field work, extensive tours, especially in development regions, inspection of trade union branches and cooperative enterprises, State owned or Histadrut owned enterprises, and private undertakings. Each course is held in a single language. The English language course begins in late December, and the French course at the end of August, each lasting three and a half months.

While the Institute shows students various aspects of the cooperative system, concealing neither shortcomings nor pitfalls, it warns them against just slavishly copying what they see. There is insistence on the need for self effort, in order to create and develop genuine and workable cooperative patterns which must be the result of considered decisions by each population group in each country.

As yet, the Institute is very young; it is still in process of finding out to what extent the work is having practical results. But there is reliable evidence that in several countries, especially India, Burma, Madagascar and Senegal, very substantial cooperative efforts have resulted directly from work done by and at the Institute. Latterly, too, many important personalities from Africa and Europe have visited the Institute and found its work encouraging. Mr. Akiva Eger, the Institute's Director, writes:

"These visits, together with the repercussions of our work in Africa and Asia, gave us a growing feeling that we are on the right way to give effective assistance to developing countries, and that we are furthering most practically, the cooperative idea in both continents. . . . Our Institute is very young. No blue-prints exist for its work. So, by trial and error, we steadily try to improve our methods. We learn from our students

and activate them as much as possible in the conduct of the courses. As all students live at the Institute, they constitute themselves a small cooperative society and develop cooperative patterns of social behaviour."

One of the major aims of the Institute's work, says Mr. Eger, is "to prove the necessity for the Labour Movement to sponsor Cooperative developments and to create, wherever possible, a cooperative economy of its own. We do this in the light of the Israeli experience as well as in face of the most urgent necessities of Afro-Asian countries, the main reasons being quicker and easier formation of capital, and more convenient provisions for training of unskilled manpower."

The Histadrut carries the main financial burden of the Institute, and looks

on it as its major contribution towards the development of the African and Asian countries. The Institute is anxious to cooperate, to an ever increasing extent, with international organisations and national labour and cooperative movements, in recruiting suitable candidates, thus making for more direct contact between the Institute and these bodies, as well as benefiting a growing number of students.

Students now have a pleasant link with the Institute through a friendly Bulletin first issued in February, this year. Its purpose is to renew and maintain direct personal contacts with all those who have been to Israel and taken part in the various seminars and courses, through the Histadrut and the Institute.

F. W.

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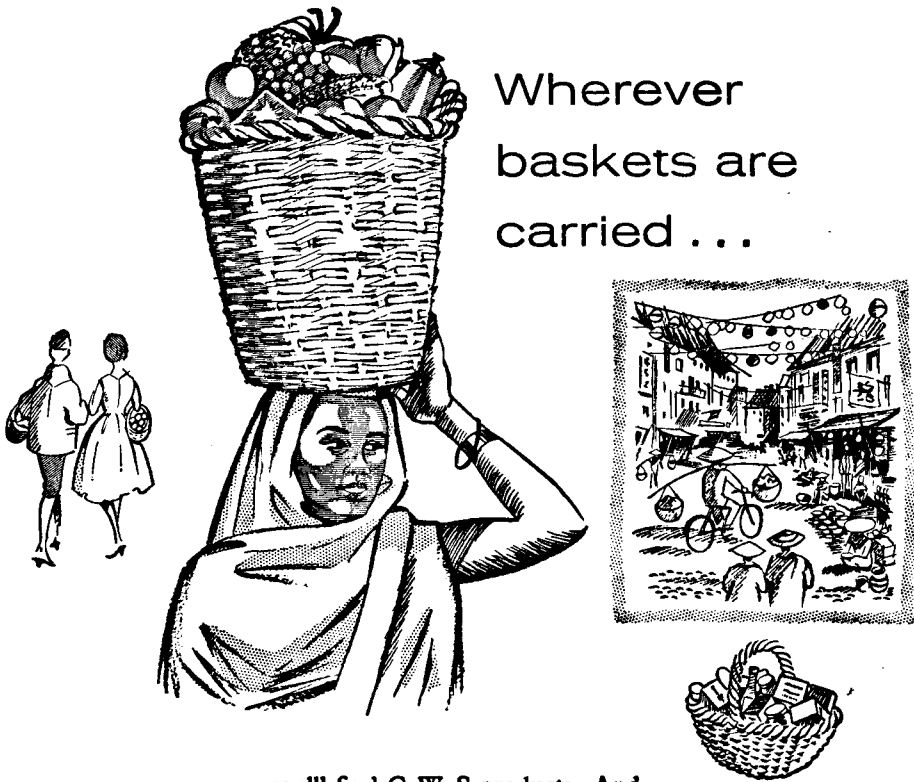
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... to increase faith in the future of mankind... to fight successfully against
the forces of destruction... man must develop cooperation between man...

- Osuustukkukauppa (O.T.K.), Hämeentie 19, Helsinki.
 Affiliated Societies (1961) 111; turnover Fmk. 68,666 mill.; own production Fmk. 20,697 mill.
- Keskinäinen Vahinkovakuutusyhtiö Kansa, Hämeentie 19, Helsinki.
 Affiliated societies: 117; Life insurance coverage: Fmk. 43,284 mill., 282,364 insured persons; Fire insurance coverage: Fmk. 284,854 mill., 159,195 policies, Assets (1960): Fmk. 7,444 million.
- Pellervo-Seura, Simonkatu, 6, Helsinki.
- FRANCE: Fédération Nationale des Coopératives de Consommation, 89, rue de la Boétie, Paris VIII.
 F.N.C.C. France, Affiliated Societies (1959): 582; Members 3,157,826; Turnover 2,383,000,000 NF; No. of shops 8,165 + 355 warehouses.
- Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88, rue de Courcelles, Paris VIII.
- Confédération Générale des Sociétés Coopératives Ouvrières de Production de France et de l'Union Française, 88, rue de Courcelles, Paris VIII.
- Banque Coopérative des Sociétés Ouvrières de Production de France, 88, rue de Courcelles, Paris VIII.
- Fédération Nationale de la Coopération, de la Mutualité et du Crédit agricoles, 129, Bd. St. Germain, Paris VIe.
- Caisse Nationale de Crédit Agricole, 30, rue Las Cases, Paris VIIe.
- Fédération Nationale de la Coopération Agricole, 129, Bd. St. Germain, Paris VIe.
- Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, Foyer Coopératif, 17, rue de Richelieu, Paris Ier.
- Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, Paris VIII.
- GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., Besenbinderhof 43, (24a), Hamburg I.
 Affiliated Societies (1960): 270; membership: 2,576,495; turnover: D.M. 3,204,4 mill.
- Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., Besenbinderhof, 52, (24a) Hamburg I.
 Total turnover (1959): DM. 1,528,400,000; own production: DM. 524,3 mill.
- Gesamtverband Gemeinnütziger Wohnungsunternehmen, Breslauer Platz 4 (22a), Cologne.
- GREAT BRITAIN: The Co-operative Union Ltd. Holyoake House, Hanover Street, Manchester 4.,
 Affiliated Societies (1960): 859. Membership: 12,956,839. Retail Societies' share capital: £ 254,101,348. Retail sales: £ 1,032,749,334.
- Co-operative Wholesale Society Ltd., 1, Balloon Street, Manchester 4.
 Affiliated Societies (1959): 944; sales: £ 475,565,896; Bank turnover: £ 5,551,114,532; reserve and insurance funds: £ 34,618,626; total resources: £ 182,601,748.
- Co-operative Insurance Society, Ltd., 109, Corporation Street, Manchester 4.
 Assets exceed £ 187 mill.
- Scottish Co-operative Wholesale Society Ltd., 95, Morrison Street, Glasgow C. 5.
 Affiliated Societies (1960): 177; Sales: £ 88,588,751; reserves and insurance funds: £ 7,609,072; total resources £ 19,645,615.
- The Co-operative Productive Federation, Ltd., 138, Charles Street, Leicester.
 Sales: £ 5,415,067; employees: 4,557; societies: 33.
- GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), 6, Othonos Street, Athens.
- HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikscoöperaties, "Co-op Nederland", Vierhavensstraat 40, Rotterdam 7.
- ICELAND: Samband Isl. Samvinnufjelaga, Reykjavik.
- INDIA: National Cooperative Union of India, 72, Jorbagh Nursery, New Delhi-3.
 All Bombay Consumers Cooperative Societies' Federation, Ltd., 3rd Floor, Military Square Lane, Fort, Bombay 1.
 National Agricultural Cooperative Marketing Federation, Ltd., 248A Krishni Bhawan, New Delhi.
- INDONESIA: Dewan Ko-operasi Indonesia, Djalan Djenderal Sudirman 28, Djakarta.
- IRAN: Cherkate Taavoni Masrafe Artèche (Army Consumers' Co-operative Society), Avenue Sevjom Esfand, Rue Artèche, Teheran.
- ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., P.O.B. 303, Tel-Aviv.
 Affiliated Societies (1957): 1,951; including 703 agricultural, 237 producers' and services, 400 consumers', 249 housing, 1 credit society and 361 pension and provident funds.
 Hamashbir Hamerkazi, P. O. Box 130, Tel-Aviv.
 "Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, P. O. Box 75, Tel-Aviv.
 "Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, 8 Hakirya Street, P.O.B. 209, Tel-Aviv.
- ITALY: Lega Nazionale delle Cooperative e Mutue, Via Guattani 9, Rome.
 Confederazione Cooperativa Italiana, Borgo Santo Spirito, 78, Rome.
- IVORY COAST: Centre National de la Coopération et de la Mutualité Agricoles, B.P. 702, Abidjan.
- JAMAICA: The Jamaica Cooperative Union, Ltd., 74½ Hanover Street, Kingston, B.W.I.

- JAPAN:** Nippon Seikatsu Kyodokumiai Rengokai, (Japanese Consumers' Cooperative Union), *Rokin-Kaikan, 5, 2-chome, Shiba-Tamuracho, Minatoku, Tokyo.*
- Zenokou Nogyo Kyodokumiai Chuokai, (Central Union of Agricultural Cooperatives) *11, Yurakucho, 1-chome, Chiyoda-ku, Tokyo.*
- Zenkoku Gyogyo Kyodokumiai Rengokai, (National Federation of Fishery Co-operative Associations), *Sankaido Building, Akasaka-ta meiko-machi, Minato-ku, Tokyo.*
- JORDAN:** Jordan Co-operative Central Union Ltd., *P.O.B. 1343, Amman.*
- MALAYA:** Cooperative Union of Malaya, *8, Holland Road, Kuala Lumpur.*
- Federation of Co-operative Housing Societies, *8, Holland Road, Kuala Lumpur.*
- MALTA:** Farmers' Central Cooperative Society Ltd., *New Building, Middleman Street, Marsa, Malta.*
- MAURITIUS:** Mauritius Cooperative Union, *Dumat Street, Port Louis.*
- MEXICO:** Confederación Nacional Cooperativa de la Republica Mexicana, C.C.L., *Lic. Verdad 3, Mexico 1, D.F.*
- MOROCCO:** Cooperative Study and Action Circle "Georges Fauquet", *Rabat*
- NEW ZEALAND:** Hutt Valley Consumers' Cooperative Society, Ltd., *P.O.B. 41, Lower Hutt.*
- NIGERIA:** Cooperative Union of Eastern Nigeria Ltd., *Cooperative Bank Buildings, Milverton Ave, Aba.*
- Co-operative Union of Western Nigeria, Ltd., *c/o Co-operative Buildings, New Court Rd. Ibadan.*
- NORWAY:** Norges Kooperative Landsforening, Organisasjonsavdelingen, *Kirkegaten 4, Oslo.*
- Affiliated societies (1960): 1,158; membership: 305,534
turnover of local societies: Kr. 1,375 mill.; of N.K.L.: Kr. 382 million.
- BBL A/L Norske Boligbyggelags Landsforbund, *Trondheimsveien 84-86, Oslo.*
- PAKISTAN:** West Pakistan Co-operative Union, *31, Lower Mall, Lahore.*
- Punjab Provincial Cooperative Bank Ltd., *Lahore.*
Membership: 10,950; share capital: Rs. 12,85,163; reserve fund: Rs. 33,32,919; loans and deposits Rs. 5,48,65,281.
- Karachi Central Cooperative Bank, Ltd., *14, Laxmi Building, Bunder Road, Karachi 2.*
- Karachi Central Cooperative Consumers' Union, *Block No. 53, Pakistan Secretariat, Karachi, 3.*
- Karachi Cooperative Housing Societies Union, *Shaheed-e-Millat Road, Karachi 5.*
- Karachi Cooperative Institute Ltd, *Pir Illahi Bux Cooperative Housing Society, Karachi 5.*
- Karachi Fishermen's Cooperative Purchase and Sales Society Ltd., *West Wharf Road, Karachi.*
- Sind Provincial Cooperative Bank Ltd., Provincial Cooperative Bank Building, *Serai Road, P.O. Box 4705, Karachi 2.*
- ROUMANIA:** Uniunea Centrale a Cooperativelor de Consum "Centrocoop". *Calea Victoriei 29, Bucharest.*
- SARAWAK:** Sarawak Co-operative Central Bank Ltd., *Kuching.*
- SCANDINAVIA:** Nordisk Andelsforbund (Scandinavian Co-operative Wholesale Society), *Njalsgade 15, Copenhagen 5.*
- SINGAPORE:** Singapore Co-operative Union, Ltd., *Post Box 366, Singapore.*
- SUDAN:** Sudan Cooperative Union, *P. O. Box 834, Kartoum, Sudan.*
- SWEDEN:** Kooperativa Förbundet, *Stockholm 15.*
- Affiliated retail societies (1961): 522; membership: 1,206,000; total turnover of distributive societies: Kr. 3,643 mill.; total turnover of K.F.: Kr. 2,565 mill. (Kr. 1,565 mill. sales to affiliated societies); own production: Kr. 1,355 mill.; total capital (shares and reserves) of K.F. and affiliated societies: Kr. 921 million, surplus included.
- Kooperativa Kvinnogillesförbundet, *Stockholm, 15*
- Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund (H.S.B.), *Fleminggatan, 41, Stockholm 18.*
- Affiliated Building Societies: 186; with individual members: 160,000; number of flats administered by local societies: 160,000; value of real estate: 5,000 mill. Kr.
- Svenska Riksbyggen, *Box 14031, Stockholm, 14.*
- SWITZERLAND:** Verband schweiz. Konsumvereine (V.S.K.), *Thiersteinallee 14, Basle.*
- Affiliated societies (1960): 550; shops: 3,297; membership: 701,122; turnover of affiliated societies: Frs. 1,235,600,000; wholesale turnover: Frs. 780,717,711.
- Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), *Schaffhauserstrasse 6, Winterthur.*
- Schweiz. Verband Sozialer Baubetriebe, SBHV., *Postfach Sihlpost, Zürich 1.*
- U.S.A.** The Co-operative League of the U.S.A., *343 South Dearborn Street, Chicago Ill, and 1012 14th Street, N.W., Washington 5, D.C.*
- U.S.S.R.:** Central Union of Consumers' Cooperative Societies of the U.S.S.R. "Centrosyous", *Ilyinka Tcherkassy pereulok 15, Moscow.*
- Societies: 22,868; members: 32,8 mill.; stores: 256 619.
- YUGOSLAVIA:** Glavni Zadruzni Savez FNJR., *Ulica 1 Maja 15/111, Belgrade.*



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INTERNATIONAL COOPERATIVE ALLIANCE

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THE INTERNATIONAL COOPERATIVE ALLIANCE

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

It comprises 110 organisations in 51 different countries and its total affiliated membership through national organisations exceeds 163,000,000. The Consumers' Movement accounts for the majority of this membership, but agricultural, credit, workers' productive and artisan cooperatives are well represented.

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

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

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

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

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

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

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

AFFILIATED ORGANISATIONS

- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, *Avda. Suarez, 2034, Buenos Aires.*
- AUSTRALIA:** Cooperative Federation of Australia, *45, Mandolong Road, Mosman, Sydney, N.S.W.*
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, *Theobaldgasse 19, Vienna VI.*
 Membership (1961): 409,357; turnover: consumers' societies: Sch. 2,584 mill.; wholesale (G.Ö.C.): Sch. 1,239 mill.; department stores: Sch. 357 mill.; own production: consumer societies: Sch. 317 mill.; G.Ö.C. and subsidiaries: Sch. 389 mill.
 Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, *Bösendorferstrasse 7/11, Vienna I.*
 (1960): Member Societies: 224, Assocs. 107; No. of members: 82,971; Dwellings administered: (socs.) 68,329; Assocs. 93,750; Total Balance: (Socs.) Sch. 5,670,105,800; (Assocs.) Sch. 7,352,955,200.
 Österreichischer Genossenschaftsverband, *Peregringasse, 4, Vienna 9.*
 Österreichischer Raiffeisenverband, *Seilergasse 16, Vienna I.*
- BELGIUM:** Société Générale Coopérative, *17—21 Place Emile Vandervelde, Brussels*
 Affiliated consumers' societies: 32; membership: 390,000; turnover (1961): Frs. 3,400 mill.; shops: 1,500; Wholesale society turnover (1961): Frs. 827 mill.
 Société Coopérative d'Assurances "La Prévoyance Sociale", *P.S. Building, 151, rue Royale, Brussels.*
 Premiums (1961): Frs. 922 mill.; reserves: Frs. 4,000 mill.; insurance funds, life: Frs. 12,000 mill.; fire: Frs. 155,000 mill.
 Fédération Nationale des Coopératives Chrétiennes, *rue de la Loi, 141, Brussels.*
 Société "Bien-Etre": 1,320 shops; turnover Frs. 1,251 million; dividends: Frs. 60 million; Savings Bank: 1,800 branches; 300,000 members; deposits: Frs. 5,000 mill. Insurance Society: 160,000 policy holders; premiums: Frs. 193 mill.; reserves Frs. 500 mill.
 L'Economie Populaire, *30, rue des Champs, Ciney (Namur).*
 Branches (1961): 445; membership: 74,956; turnover: Frs. 687 mill.; savings deposits: Frs. 404 mill.; capital and reserves: Frs. 77 mill.
 Institut Provincial de Coopération Agricole, *42, rue des Augustins, Liège.*
- OPHACO** (Office des Pharmacies Coopératives de Belgique), *602, chaussée de Mons, Brussels.*
 Union of 25 cooperative societies owning 313 pharmacies, 50 optical departments and counters, 7 drug stores, 15 wholesale depots. Turnover (1960): Frs. 832 mill. Surplus distributed to 400,000 members: Frs. 74 mill.
 Société Coopérative Fédérale de Belgique, *83-85, rue Vanderschrick, Brussels.*
- BRAZIL:** Centro Nacional de Estudos Cooperativos, *Av. Franklin Roosevelt 39, 12º, Sala 1216, Rio de Janeiro.*
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., *21, Croal Street, Georgetown.*
- BULGARIA:** Central Cooperative Union, *21, rue 6 Septemvri, Sofia.*
- BURMA:** National Cooperative Council, *290-300, Lewis Street, (2nd Floor), Rangoon.*
- CANADA:** Co-operative Union of Canada, *202, Queen Street, Ottawa 4, Ont.*
 Affiliated Societies (1961): 793; membership 887,255; turnover: marketing: \$ 570,404,142; merchandising: \$ 222,334,989; assets: \$ 330,337,111.
 Conseil Canadien de la Coopération, *684, Est Grande Allée, Quebec.*
- CEYLON:** The Co-operative Federation of Ceylon, *Co-operative House, 455, Galle Road, Colombo 3.*
- CHILE:** Federación Chilena de Cooperativas de Ahorro, Ltda., *Huerfanos 1639, Clasificador 760, Santiago de Chile.*
- COLOMBIA:** Cooperativa Familiar de Medellin Ltda., *Calle 49, No. 52-49, Medellin.*
- CYPRUS:** Cooperative Central Bank Ltd., *P.O. Box 411, Nicosia.*
 Cyprus Turkish Cooperative Central Bank Ltd., *P.O. Box 791, Nicosia.*
 Vine Products Cooperative Marketing Union Ltd., *P.O. Box 314, Limassol.*
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, *Tesnov 5, Prague II.*
- DENMARK:** De samvirkende danske Andelselskaber (Andelsudvalget), *H. C. Andersens Boulevard 42, Copenhagen V.*
 Representing 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1961): D.Kr. 11,300 mill.
 Det kooperative Faellesforbund i Danmark, *Gyldenloevsgade II, Copenhagen V.*
 Affiliated societies (1960): 626; total sales: D.Kr. 1,050 mill.; employees: 11,000; comprises: consumers' workers', artisans', productive and housing societies etc.
- EGYPT:** Société Coopérative des Pétroles, *94, Kasr el Eini Street, Cairo.*
- EIRE:** The National Cooperative Council, *35, Lower Gardiner Street, Dublin.*
- FINLAND:** Suomen Osuuskappojen Keskuskunta (S.O.K.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; wholesale turnover: Fmk. 82,333 million; own production of SOK: Fmk. 20,380 million.
 Yleinen Osuuskappojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; turnover of societies: Fmk. 145,354 million; total production of the affiliated societies: Fmk. 3,251 mill.
 Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki.*
 Affiliated societies (1961): 111; members 514,951; turnover of societies Fmk. 106,131 mill.; production of societies 16,333 million.

- Osuustukkukauppa (O.T.K.), *Hameentie 19, Helsinki.*
 Affiliated Societies (1961) 111; turnover Fmk. 68,666 mill.; own production Fmk. 20,697 mill.
- Keskinäinen Vahinkovakuutusyhtiö Kansa, *Hämeentie 19, Helsinki.*
 Affiliated societies: 117; Life insurance coverage: Fmk. 43,284 mill., 282,364 insured persons; Fire insurance coverage: Fmk. 284,854 mill., 159,195 policies, Assets (1960): Fmk. 7,444 million.
- Pellervo-Seura, *Simonkatu, 6, Helsinki.*
- FRANCE: Fédération Nationale des Coopératives de Consommation, F.N.C.C., *89, rue de la Boétie, Paris VIII.*
 Affiliated societies (1960): 572; membership: 3,242,567; shops: 9,530; turnover: NF. 2,624,785,132.
- Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, *88, rue de Courcelles, Paris VIII.*
- Confédération Générale des Sociétés Coopératives Ouvrières de Production de France et de l'Union Française, *88, rue de Courcelles, Paris VIII.*
- Banque Coopérative des Sociétés Ouvrières de Production de France, *88, rue de Courcelles, Paris VIII.*
- Fédération Nationale de la Coopération, de la Mutualité et du Crédit agricoles, *129, Bd. St. Germain, Paris VIe.*
- Caisse Nationale de Crédit Agricole, *30, rue Las Cases, Paris VIIe.*
- Fédération Nationale de la Coopération Agricole, *129, Bd. St. Germain, Paris VIe.*
- Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, *Foyer Coopératif, 17, rue de Richelieu, Paris Ier.*
- Confédération des Coopératives de Construction et d'Habitation, *4, Cité de Londres, Paris 9e.*
- L'Association BâtiCoop, *6, rue Halévy, Paris 9e.*
- Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la petite Propriété, *9, rue Mathurin Régnier, Paris 15e.*
- Confédération des Organismes de Crédit Maritime Mutuel, *18 bis, Avenue Hoche, Paris VIII.*
- GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., *Besenbinderhof 43, 2, Hamburg I.*
 Affiliated societies (1961): 257; membership: 2,586,960; turnover: D.M. 3,377,7 mill.
- Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof, 52, 2, Hamburg I.*
 Total turnover (1961): D.M. 1,726,300,000; own production: D.M. 593,7 mill.
- Gesamtverband Gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4 (22a), Cologne.*
- GREAT BRITAIN: The Co-operative Union Ltd. *Holyoake House, Hanover Street, Manchester 4.,*
 Affiliated Societies (1960): 859. Membership: 12,956,839. Retail Societies' share capital: £ 254,101,348. Retail sales: £ 1,032,749,334.
- Co-operative Wholesale Society Ltd., *1, Balloon-Street, Manchester 4.*
 Affiliated societies (1961): 895; sales: £ 465,170,491; Bank turnover: £ 6,048,004,673; reserve and insurance funds: £ 32,381,925; total assets: £ 291,916,424.
- Co-operative Insurance Society, Ltd., *109, Corporation Street, Manchester 4.*
 Assets exceed £ 187 mill.
- Scottish Co-operative Wholesale Society Ltd., *95, Morrison Street, Glasgow C. 5.*
 Affiliated societies (1961): 171; sales: £ 88,824,880; reserves and insurance funds: £ 6,877,629; total resources: £ 18,608,126.
- The Co-operative Productive Federation, Ltd., *138, Charles Street, Leicester.*
 Sales: £ 5,415,067; employees: 4,557; societies: 33.
- GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), *6, Othonos Street, Athens.*
- HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikcoöperaties, "Co-op Nederland", *Vierhavensstraat 40, Rotterdam 7.*
- ICELAND: Samband Isl. Samvinnufelaga, *Reykjavik.*
- INDIA: National Cooperative Union of India, *72, Jorbagh Nursery, New Delhi-3.*
 All Bombay Consumers Cooperative Societies Federation, Ltd., *3rd Floor, Military Square Lane, Fort, Bombay 1.*
 National Agricultural Cooperative Marketing Federation, Ltd., *248A Krishni Bhawan, New Delhi.*
- INDONESIA: Dewan Ko-operasi Indonesia, *Djalan Djenderal Sudirman 28, Djakarta.*
- IRAN: Cherkate Taavoni Masrafe Artèche (Army Consumers' Co-operative Society), *Avenue Sevvom Esfand, Rue Artèche, Teheran.*
- ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv.*
 Affiliated societies (1962): 1,679, including 660 agricultural, 465 producers' and services, 69 consumers', 232 housing, and 253 pension and provident funds.
 Hamashbir Hamerkazi, *P. O. Box 130, Tel-Aviv.*
 "Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, *P. O. Box 75, Tel-Aviv.*
 "Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, *8 Hakirya Street, P.O.B. 209, Tel-Aviv.*
- ITALY: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome.*
 Confederazione Cooperativa Italiana, *Borgo Santo Spirito, 78, Rome.*
- IVORY COAST: Centre National de la Coopération et de la Mutualité Agricoles, *B.P. 702, Abidjan.*

Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

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JUNE 1962

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I.C.A. MEETINGS IN HOLLAND

THE annual parliament of the International Cooperative Alliance, the meeting of the Central Committee, with the meetings of the Executive and its Sub-committees, besides the Auxiliary Committees which precede or follow it, was held in The Hague and Scheveningen from the 24th to the 30th April. Dr. Mauritz Bonow, president of the I.C.A., presided over an attendance of 81 members and substitutes from 22 countries at the Central Committee. In addition to members from the great majority of the Alliance's European affiliates, members from Canada, the U.S.A., Israel and Japan made the long journey in order to take part.

At the opening sitting the president paid warm tributes to the services of the Cooperative Movement of three former members of the Central Committee who had died since the preceding meeting: Professor Odal Stadius (Finland), Paul Ramadier (France) and Emil Lustig (Sweden). The Central Committee stood in silence to honour their memory before proceeding to its heavy agenda.

Cooperation in a Changing World

This meeting marked the half-way stage between the Congress of Lausanne and the 22nd Congress of the Alliance which will be held in October 1963. The Central Committee was, nevertheless, still occupied with the implementation of the Lausanne resolution on Cooperation in a Changing World which had been the principal subject of last year's meet-

ing at Stockholm. The paper on Agricultural Cooperation then submitted by Mr. G. Davidovic and referred to the Committee on Agricultural Cooperation, was again considered, in conjunction with this Committee's observations, and finally received as a study document. A number of important issues raised in this paper will be further considered by the Agricultural Committee.

Since the Stockholm meeting the affiliated Organisations had been invited to submit information on their own action in adapting their structures, policies and methods to the needs of changing circumstances. An analysis of this material made by the Secretariat served as a working paper for the Central Committee's discussion. Not all the Organisations had sent their information in time, but such facts as were available revealed great similarities of problems and of methods, so that certain common lines of action began to emerge from the discussion and exchange of ideas. Although the need for further research and analysis was clearly indicated, some provisional conclusions were reached which are summarised in the following paragraphs.

Under the head of *Financial Resources*, the documentation and the discussion revealed that the Movement's capital requirements were tending to outstrip capacity for self-financing and that societies and federations were obliged to find new methods of attracting and accumulating capital as well as drawing

more on "institutional" finance from banks and insurance societies. Further enquiries into the use of capital budgets and methods of tapping regional money and capital markets were envisaged by the I.C.A. Economic Research Section and the Auxiliary Committee on Cooperative Banking.

A discussion on the Recruitment and Training of Key Personnel, introduced by Mr. A. Korp (Austria), brought out a large volume of information on the systems of training already developed in various countries and served to emphasise that the problem could not be solved by single societies but only by the National Movements acting through their central organisations. It was agreed that it should be further studied by the working party of heads of Cooperative Colleges reinforced by specialists concerned with personnel questions from the Unions and Wholesale Societies.

Discussion of *Democratic Control* and the *Training of Elected Officers* centred upon the effectiveness of the Movements' parliamentary assemblies and the relations of the lay members and elected officers to the increasing numbers of specialists the Movement must employ. Although the results of the preliminary enquiry were of great interest, it was generally agreed that more comparative studies on an international basis were necessary, and that the line of demarcation between the functions of management and democratic control needed to be more carefully drawn. In addition

the Executive Committee was requested to arrange for further follow-up studies, more especially the collection and analysis of facts concerning member education, which might be completed before the International Congress of 1963.

Re-organisation of the Secretariat

The Executive Committee reported on the steps taken to select a suitable candidate for the post of Director and was authorised to make changes in the conditions offered and to make a new approach to the affiliated Organisations as well as give wider publicity with a view to obtaining a larger selection of candidates. The Executive Committee was also authorised to make an appointment to the post, subject to the endorsement of the Central Committee at its next meeting.

International Congress of 1963

The Central Committee accepted the proposal of the British Cooperative Union that the 22nd Congress of the Alliance should be held from the 14th to the 17th October, 1963, at Bournemouth. Giving preliminary consideration to the Congress Agenda, the Committee accepted the recommendation of the Technical Assistance Sub-Committee that one whole day should be devoted, as at Stockholm in 1957 and Lausanne in 1960, to the promotion of Cooperation in the developing countries and that the discussion should be introduced by a paper by the Director dealing with

long-term aspects of this problem. The Central Committee also accepted the Executive's proposals that there should be only one other paper and that this should deal with "Regional Economic Integration and Cooperative Development".

Promotion of Cooperative Development

The action of the Alliance in carrying out the long-term programme of Cooperative promotion presented to the Lausanne Congress was reported to the Central Committee after being previously examined by the Technical Assistance Sub-Committee and the Executive. This programme now has a number of different aspects. One is associated with the activity of the I.C.A. Regional Office and Education Centre for S.E. Asia at New Delhi which, in 1961, completed their first year's work. This was to a certain extent necessarily exploratory, in that it was indispensable for the staffs to improve their acquaintance with the Cooperative Organisations of the region, their situation and needs and to learn from practical experience what measures and methods would best meet them.

The journeys made first within India and later in countries farther East by Mr. Nyi Nyi were particularly valuable and provided a useful foundation for future work. It was noted with regret that Mr. Nyi Nyi, the first Regional Officer, had resigned his post in March this year. It was fortunate that it was possible to appoint Dr. S. K. Saxena, who had been serving with the Office and Education Centre from the preparatory stage of their establishment as Acting Regional Officer, without break of continuity. The expansion of the work, particularly of the Education Centre, had already caused staffing problems

already largely solved so far as the Centre is concerned. The steps proposed to provide Dr. Saxena with assistance, more especially for research in agricultural Cooperative problems, were approved.

The Education Centre was somewhat handicapped in 1961 by delays in completing the constitution and convening the first meeting of its Advisory Committee. This Committee, representative of the national Cooperative Movements of the region, is the organ through which the Centre keeps in touch with their ideas and needs in the field of Cooperative education and training. Its meetings provide opportunities for valuable exchange of information and suggestions from which the Director of the Centre, Mr. Berthil Mathsson, can obtain guidance in drafting its work programme. The Centre's programme this year includes a special seminar for university teachers in charge of courses in Cooperation which should be particularly beneficial in improving both the matter and the method of university teaching in this subject. The Seminar on the Role of Cooperation in the Emancipation of Women for which the I.C.A. will receive assistance from Unesco will be held at the Centre in November of this year.

Other T.A. Projects

The activities of the Alliance in other regions were also brought to the notice of the Central Committee. The technical assistance projects reported as now being implemented include the supply of audio-visual units to the Cooperative Unions of Western and Eastern Nigeria, a printing press for a regional Cooperative Union in Kenya, lectures and study material for the African Labour College in Uganda, finance to print an Arabic translation of a Cooperative

manual in Jordan, training in Cooperative store management in Puerto Rico for a young cooperator from Peru. For the first time, the I.C.A. is offering six travelling scholarships for Cooperators from the developing countries to spend lengthy periods in specialised Cooperative studies in Europe or North America.

Insurance Committee's Work

Mr. S. Apelquist, a member of the I.C.A. Insurance Committee, described the activities of its Sub-committee now engaged in aiding the establishment of cooperative insurance institutions in developing countries and providing suitable training for their leading officials. A deputation from the Insurance Committee had previously met the Technical Assistance Sub-committee for a mutually profitable exchange of views and information which will undoubtedly facilitate the closer coordination of their work in the future. A discussion was also held by the Sub-committee with a representative of the Committee of Workers' Productive and Artisanal Societies as a preliminary to the consideration by this Committee of technical assistance projects in its own field.

It was further reported that progress is being made by the working committee charged by the recent Inter-American Cooperative Conference at Bogota with working out the constitution of the projected Regional Cooperative Organisation of the Americas. A regional conference for the purpose of adopting the constitution is being planned for later this year.

Housing at United Nations

Mr. Dwight Townsend (Cooperative League, U.S.A.) reported on his attendance at the meetings of an ad hoc group of housing experts convened by

the United Nations Bureau of Social Affairs at New York in February. Although this study group did not accept the recommendation of the I.C.A. and other non-governmental organisations in favour of the establishment of a specialised international agency for housing, it pointed out the need of a central coordinating organ which should guide the work in the housing field of U.N., other international organisations and national governments. The Central Committee authorised the sending of a cable to the U.N. Social Commission welcoming this suggestion but re-affirming the conviction of the Alliance that the creation of a specialised agency would prove to be the only finally satisfactory solution.

Finance for Agricultural and Cooperative Development

Following the representations made in the name of the I.C.A. at the last General Conference of the U.N. Food and Agriculture Organisation in favour of a special agency for financing agriculture and cooperative development in order to expand production in countries where malnutrition is more or less permanent, the Executive Committee reported proposals for further action. A fresh study had been made of the background and an approach had been made to the Director-General of F.A.O. with a view to his meeting an I.C.A. deputation and discussing the problem in its broader aspects, notably in connection with the Freedom from Hunger Campaign. The Central Committee gave its approval to these *démarches*, and the interview of the Director-General of F.A.O. with the President, the Chairman of the Agricultural Committee and the Director of the I.C.A. was arranged in Rome for the last week of May.

Consumers' Information and Protection

The recommendations of the Conference at Paris, reported in the March issue of the *Review* were considered first by the Executive Committee. The proposal of a working-party for the continued study of consumer problems and the preparation of further periodic conferences raises certain delicate questions concerning its terms of reference. Other international groups, such as the Cooperative laboratory chiefs and the economic research officers, are already working in parts of a very wide and diverse field. The functions of the working party would, therefore, need to include the collation of the results achieved by other working groups and the consideration of problems outside their competence. The Executive accordingly decided to set up a study group to plan the programme and constitution of the working party and report to its next meeting. This decision was approved by the Central Committee.

New I.C.A. Members

The new members whose applications for affiliation to the Alliance were granted by the Executive Committee are: two from Cyprus, the Cyprus Turkish Cooperative Central Bank, Ltd., Nicosia, and the Vine Products Cooperative Marketing Union Ltd., Limassol; and three housing organisations from France: *La Confédération des Coopératives de Construction et d'Habitation*, Paris; *l'Association Bâticoop*, Paris and the Algerian Moslem Cooperative Society for Housing and Small Home-ownership, operating throughout Algeria and around Paris and Lyons.

The 1962 Work Programme

A number of other matters included in the work of the I.C.A. for the current year were reported to the Central Committee.

The names of the journalists and editors whom it is proposed to invite to serve on the I.C.A. Press Working Committee recommended by the last Press Conference at Paris were approved.

International Cooperative Day was inaugurated in 1923 and the fact that this year's celebration will be the fortieth in unbroken succession will be the keynote of the I.C.A. Declaration and the special material prepared in the Secretariat for the Cooperative Press in general. The Executive's recommendations regarding the declaration were noted by the Central Committee.

The provisional programme for the 32nd International Cooperative School, which will be held at Hamburg from the 23rd July to the 3rd August were approved by both Committees. W. P. W.

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Consumer Protection, Education and Enlightenment

After many years of neglect, politicians, journalists and economists have at last begun to show an awareness of consumers and the problems confronting them in the present economy. For the Cooperative Movement such a concern is not new; the origins of the Movement are intermingled with the search for ways to protect the consumer from fraud, exploitation and dangerous malpractices.

In a climate of heightened consumer consciousness, when new institutions are being established to assist the consumer, the Movement must re-examine its traditional attitude and the role it has to fulfil.

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Testing in Sweden: „*The Work and Methods of K.F.'s Test Kitchen*”, by its Director, Anna-Britt Agnsaeter.

The Labelling and Packaging Programme in the U.S.A., by Betsy Wood, Berkeley Consumers' Cooperative, California.

The Consumer Faces Technical Progress Consumer Self-Help, by W. P. Watkins, Director of the I.C.A.

A full Report of the I.C.A. Consumer Conference, held in Paris in February, 1962.

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FISHING COOPERATIVES IN HONG KONG

THE wind-driven junk has long been the dominant fishing vessel to crowd Hong Kong's harbour and sail her fairways, but in the last decade the picturesque has begun to give way to the rational, and the change from sail to engine, however gradually, is revolutionising the Colony's fishing industry. Actively fostered by the Government, cooperative association among the fishermen has been instrumental in furthering this mechanisation and in improving the financial and social status of the fishermen.

Before 1945 there was little change in the Colony's fishing industry—for decades it had followed the same pattern. The marketing of marine fish was entirely in the hands of middlemen or *laans*, which inevitably meant that the fishermen were exploited and had little or no means of improving their social, economic or educational status. Financial assistance was available from moneylenders, but the rates of interest were exorbitant. This often made recovery from indebtedness quite impossible.

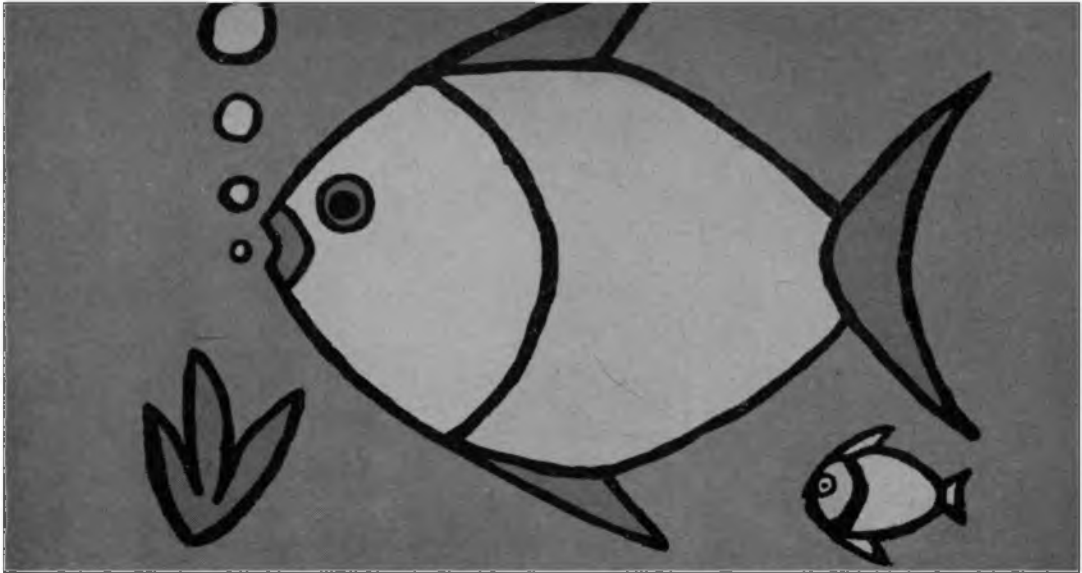
Cooperative Development Department

At the end of the Pacific War, the Government found the industry disorganised and generally in a very poor state. To deal with this situation, in

October 1945, it set up the Fish Marketing Organisation (FMO), with the declared intention of running it ultimately as a cooperative enterprise, its main purpose being to regulate the marketing of marine fish and to guarantee a fair return to the fishermen. Until the summer of 1960, three organisations were responsible to the government for the fisheries industry, including a Cooperative Development Department. But so important is fishing in the economy of the Colony that, for greater efficiency, it was decided to coordinate these bodies into a single authority, renamed the Cooperative Development and Fisheries Department. Within this department, the work is distributed among three divisions: the Fish Marketing Organisation, the Fisheries Extension Division (which is concerned with occupational training and promotion of mechanisation) and the Fisheries Research Station, which uses a research trawler, the "Cape St. Mary", to explore fishing grounds within a 500 mile radius of Hong Kong.

Promoting Self-Help

The immediate aim of the Cooperative Division is to promote self-help among fishermen in the formation of cooperatives, and the long-term aim is to guide these societies towards assuming responsibility for the marketing



Cheung Kimming, 7 years old, won the poster competition with this design

facilities at present provided by FMO. The latter's main functions are to collect and transport fish to wholesale markets and to supervise sales; it operates six collecting depôts for this purpose. Apart from this, however, it also provides other services—education, cheap credit, welfare—and for these, deducts a 6 per cent commission from the selling price in the markets. All surplus is channelled back into the fishing industry in the form of improved services.

Need for Credit

One of the most important needs of the industry is of course credit, but the inability of the fishermen to provide sufficient security was the main handicap. Cooperation was the obvious solution, since by association and forming cooperatives, with corporate guaranteed security, the fishermen gained access to sources of credit which would otherwise have been beyond their means. In Hong Kong today there are 61 fishermen's cooperatives, grouped into four

federations, with a total membership of 1,600; 45 of these are Fishermen's Loan and Thrift societies. During 1960-61 these societies, assisted by FMO loan funds, issued loans amounting to HK \$1,919,700 for productive purposes, mechanisation and building of vessels.

Typhoon Hazard

Typhoons are not the least of the hazards faced by Hong Kong's fishing community and recovery from the damage incurred involves heavy demands on credit. One of the worst tropical typhoons, "Mary", passed directly over Hong Kong in June 1960 and caused loss of life as well as considerable damage to the fleet. Many of the fishing cooperatives' junks were sunk or damaged almost beyond repair. Grants were made available to the fishermen from the Community Typhoon Relief Fund to cover half the cost of replacing boats and essential gear, and supplementary financial aid was supplied by their cooperatives.

The frequent threats of typhoons, par-



A scheme to supply ice is operated by a Federation of Fishermen's Cooperatives, for the benefit of members



The Committee of a Fishermen's Cooperative considers an application for a loan from a member

ticularly during the period June-September when they are most prevalent, greatly reduce the number of fishing days for local vessels. Sometimes, for example, few of the deep-sea sailing trawlers are able to do any fishing at all at this season. This is, of course, where the mechanised craft have the advantage, being less affected by adverse weather conditions.

Since many of the fishing vessels are also "houseboats" the recent formation of two Fishermen's Loan and Housing societies is an interesting move by fishermen to build homes for their families on shore, which will enable their vessels to become more efficient fishing units. The irregularity of the children's education, due to the fact that they lived on board their parent's junks and accom-



A new fishing village at Ap Chat built by a Better Living Society

panied them on fishing trips, was one of the first concerns of FMO when attempting after the war to tackle the problem of 95 per cent illiteracy among fishermen. Parents were often unable to afford even the low subsidised fees of Government schools. FMO therefore decided to establish its own primary schools, especially in the fishing villages where educational facilities were practically non-existent. Officers of the FMO, who manage these schools, are assisted by Advisory Committees of parents drawn from the fishing community.

This educational activity has other aspects. In February of this year, the Department organised the sixth Fisheries Exhibition to be held in Hong Kong and the Exhibition Committee arranged a poster competition among pupils of FMO schools. The winning design was submitted by Cheung Kim-ming, the seven year old son of a fisherman, who attends the FMO school at Tai O. The provision of a good basic education, as well as later vocational training, is very important to the industry, and the Department is now planning to open a secondary school where fishermen's children will receive a general education, while at the same time acquiring technical, vocational training geared to the modern fishing industry.

Cooperatives have assisted in the work of vocational training by organising study circles and lectures.

Another interesting cooperative initiative in Hong Kong is the Better Living society, one of which has been formed by 48 fishermen living on the island of Ap Chu and another by houseboat dwellers who found themselves homeless after the typhoon "Mary". The Ap Chu fishermen's first project was a tap water supply scheme and they then proceeded with a plan for building flats for their families. This housing scheme is financially supported by CARE, a government grant and members' contributions.

Increased mechanisation

The next phase in the development of the fishing industry in Hong Kong will undoubtedly be the increased use of mechanised gear and fishing boats of more advanced design. The Fisheries Extension Division is trying to introduce single boat stern otter trawling in place of the traditional method of two-boat pair trawling. In 1948, at the instigation of the FMO, a local fisherman, with some misgivings, installed engines in his pair of trawlers. By March 1961, the total number of mechanised

(Concluded on p. 148)

**FORTIETH
INTERNATIONAL
COOPERATIVE
DAY**

7th July, 1962

I.C.A. DECLARATION

The International Cooperative Alliance, greeting its Affiliated and Associated Organisations in fifty-one countries on the 40th International Cooperative Day

- **DECLARES** that the continual growth of the Cooperative Movement since the Day was instituted and its world-wide extent to-day are proof of the efficacy of cooperative self-help and its future potential for spreading economic and social well-being amongst all mankind;
- **URGES** its members to meet the challenge of present-day technical progress by re-shaping and integrating their Organisations for the defence of consumers and producers against new forms of exploitation and domination by profit interests;
- **EMPHASISES** the obligations resting upon the well-established Cooperative Movements to render generous technical aid and to cultivate economic relations with the younger Movements in the developing countries; and

Recalling the reiterated declarations of International Cooperative Congresses in favour of Universal Disarmament coupled with effective international inspection and control –

- **EXPRESSES** the fervent hope that negotiations will be pursued with determination to reach an agreement which will banish the menace of atomic annihilation from the world.

COOPERATIVE COMMENTARY

Mutual Aid - Ancient and Modern

IT is sometimes claimed that the practice of mutual aid in tribal society offers a foundation for training in Cooperation as a modern form of mutual aid. A recent contribution by George Bukarau, an assistant Cooperative Inspector in the Fiji Islands, to the *Cooperatives Newsletter* of the South Pacific Commission reveals some of the difficulties in the way of easy transition from the ancient to the modern.

Mr. Bukarau remarks that Fijians are accustomed to make collections from the whole community for marriages, deaths, building churches, schools or dwelling houses or to pay for education, even though only a few individuals directly benefit and the rest of the community does not. On the same line of reasoning, some societies may decide to use their accumulated funds to build houses for some of their members, even though this is not among the objects of the society. It is exceedingly difficult for the Registrar and his officers to convince the members that they should not do this.

Marriages, deaths and school fees are private problems for which Fijians are often not prepared and for which they expect financial assistance from their Cooperative, especially if they are related to any of the committee. If their requests are granted the funds of the society may soon be tied up in debts or loans and it has no cash to

vessels recorded was 3,520. Although this number represents only about one third of the local fishing fleet, landings comprised nearly 80 per cent of the fresh marine fish marketed by all types of traditional fishing vessels. Furthermore, there are signs that even the junk may be replaced. Recently, two fishermen joined forces to build a pair of trawlers to a design which differs radically from the traditional junk. In the short time since they have been fishing

their catches have been good, and the performance of the new vessels is being watched with interest by other fishermen.

The promotion of mechanisation and the development of more efficient fishing boats, gear and methods, and the promotion of self-help among fishermen leading to the formation of cooperatives has been the joint effort of government and people, all concerned with the welfare and advancement of the fishermen.

buy copra from members or goods to stock its store. The Registrar's Department has had to devise various means of inducing members to save or to make provision for emergencies through depositing part of their bonus with their society. Mr. Bukarau concludes that their work in teaching members to handle money thriftily and understand its value has brought about notable improvements in most of the Fiji Islands.

Cooperation in Swiss Retail Trade

In a supplement to the *Schweiz. Konsumverein* of 5th May, Dr. B. Wittwer published a study of the structure of Swiss retail trade. Although materials for a very exact account are not yet available, he has been able to draw a reasonably accurate outline which reveals the relative importance of the different competing groups.

The aggregate annual retail turnover Dr. Wittwer estimates at Fr. 17,700 million, or about 46 per cent of the net social product, classing as retail trade sales of goods and services to the final consumer whether through shops or otherwise.

Some 41 per cent of the aggregate consists of foodstuffs and a further 15 of household articles. Textiles account for 13 per cent, footwear for 3 and fuel for 2. A remainder of 26 per cent represents goods and services difficult or impracticable to classify.

The Cooperative element in Swiss retail trade is represented by the consumers' societies affiliated to the Cooperative Union V.S.K. and the Konkordia Union, together with the retail business of the agricultural societies affiliated to the VOLG. The V.S.K. societies do 7.5 to 8 per cent of the national retail trade in general and 14 to 15 per cent of the foodstuffs trade. The other cooperatives do an additional 3 to 4 and 15 per cent respectively.

The multiple store element, in which the Migros stands out like the V.S.K. among the cooperatives, transacts about 12 to 14 per cent of the general retail trade and 18 to 20 per cent of the foodstuffs trade. Department stores account for 6.5 to 7.5 per cent of the general trade but only 1 per cent of the foodstuffs. Discount shops, which are quite new, mail order business and other kinds of retailing, such as peddling and market stalls, are insignificant; they account for only 6 per cent altogether.

Dr. Wittwer's analysis shows that Swiss retail trade is not so far advanced in certain directions as in some other European countries. Traditional private retailing still does 66 to 70 per cent of the trade in general and 62 to 66

of the food distribution. Nevertheless, as he points out, a similar picture drawn ten years ago would have shown private retailing somewhat larger, Migros considerably smaller and the department stores a little smaller. The change which has slowly come about in the last decade is likely to continue, although the decline in the share of private retailing may be mitigated so long as boom conditions prevail.

The Third Mobile Unit

The motor van fitted with audio-visual equipment and intended for the Cooperative Union of Western Nigeria under the I.C.A. Technical Assistance Programme was completed in the second week of May. Its departure from London, however, will depend on the duration of the dock strike which at the time of writing threatens to paralyse British seaports.

The vehicle, which was inspected by the Officers of the I.C.A. when it was ready for dispatch is, with its dark green paint and gold lettering, every bit as handsome as its two predecessors which were sent to Ghana and Burma respectively. It is probably superior in other ways for it has benefited from both the continuous advance in the design and performance of the apparatus and the improvement in the disposition, inside the body, of the containers in which it is carried.

The apparatus consists of a 16 mm film projector and a collapsible screen which is carried on the roof of the vehicle and flanked by two powerful loudspeakers. A first-class microphone, a film-strip projector and a record-player are also provided. The necessary electric current is supplied by a generator driven by the van's own petrol engine. A team of two, consisting of a lecturer or teacher and a driver-projectionist, is necessary to ensure the most effective use of the unit. Hardly anything better could be devised for carrying the Cooperative message to remote settlements, provided that the roads will bear the weight of the vehicle. A fourth unit will shortly be constructed for Eastern Nigeria and a fifth is under consideration for Jordan.

Consumers' Cooperation a New Project

The Indian Cooperative Union whose research, pioneering work and pilot projects have opened the way to the solution of a number of difficult economic and social problems in India in the last dozen or more years, has recently turned its attention to Consumers' Cooperation. The need for an effective consumers' Cooperative Move-

ment in Indian urban areas has long been recognised, but it is only here and there that societies have firmly established themselves and the movement as a whole has been able to exert any appreciable influence on the market. The tendency has been too widespread to neglect consumers' Cooperation until a pronounced rise in retail prices begins to cause distress. Societies are hurriedly formed as a palliative but the necessary educational groundwork is rarely put in that will enable them to survive when prices fall again, and normal competitive conditions return.

The occasion of the I.C.U. study of consumers' Cooperation was, admittedly, a disproportionate rise discernible in recent years in the prices of essential commodities. The cause appeared to be not so much increased costs of production as higher trading margins. A first investigation revealed the weakness of the existing consumers' societies in technique, management and Cooperative spirit. Lacking a wholesale organisation they were dependent on private suppliers. Not in India alone but in other Asian countries investigation has shown that the principal factor in high prices is not the retail margin, which is often too low to allow a consumers' society to operate with ease, but the wholesalers' and manufacturers' margins.

The traditional approach, beginning with retailing and passing on to wholesaling, is therefore rarely successful. The attack has to be launched all along the line from the producer to the consumer. It is therefore interesting to note that the I.C.U. plan of campaign is to establish or revive in Delhi city about fifty retail stores which should be, from the beginning, constituent members of a wholesale society which will have its own warehouses. Further, it is intended that the wholesale will run one retail branch, not in competition with any of the other stores, which should be a model and set standards of service which will raise the prestige of the Movement and its reputation for efficient service throughout the city. Strategically, it is of enormous advantage to the movement when it becomes the pace-setter in technical progress. The research of the I.C.U. will therefore not be limited to the organisation and business problems of local consumers' societies, but will extend to the working of the retail trade generally. This idea contains revolutionary possibilities and its application in Delhi will be followed with close attention and chronicled in the *Review* as and when information becomes available.

Cooperative Electricity from Atomic Power

The *Midland Cooperator*, published in Minneapolis has reported that plans for using nuclear power to generate electricity, after long delay, may be put into operation at Elk River, Minneapolis this summer. The Atomic Energy Commission at Washington is studying the results of a long series of tests and if its report is favourable, the Rural Electric Cooperative Power Association will be able to resume the public hearing on the project which was suspended in March 1961 when an accident in a plant in Idaho caused the Commission to frame stricter requirements.

The reactor at Elk River will be owned by the government but operated by the Rural Cooperative Power Association together with its conventional generating plant. In a region where coal has to be brought from a distance and waterpower is scarce, the possibility of using atomic energy may mean, not only more, but even cheaper electric current. In the Elk River plant, nuclear fuel is used instead of gas or coal to produce steam driving the turbines which generate the electricity.

Cooperative Farming in Dahomey

The second cooperative land reclamation and farming project in Dahomey sponsored by the Swiss Cooperative Union V.S.K. was inaugurated on the 28th March in the presence of Mr. André Vuilleumier, a member of the V.S.K. Board of Management. This event took place at Comé, a large market village about 70 km west of Cotonou.

A tract of land 300 hectares in area had been assigned to the Cooperative society and each of the seven land-owners had been assigned shares at the rate of 10,000 CFA francs per hectare. These shares earn interest at 3 per cent per annum but carry no voting power. Participation in management is the exclusive right of the fifty worker-members, who undertake to contribute 150 days' work for the society every year. The clearing of one hectare of the society's land entitles the worker to one share in value 20,000 CFA Francs. Each worker has to clear 70 square metres of land per day for which he receives a premium of 50 francs over and above his shares.

Stage by stage as the area cleared and made cultivable extends, the society earns additional equipment. Thus the clearing of the first 20 hectares will entitle it to a tractor. The members work in five teams of ten, each with its own foreman, working under an African director of cultivation

who is a trained agriculturist. A scheme of planting was worked out following an analysis of the soil.

Cooperative farming will bring about important changes in the cultivators' mode of living. Instead of producing for a meagre subsistence, they will learn to utilise the land rationally so as to produce food for themselves and also for the market. It has been proved that, if the right methods are employed: ploughing, manuring, seed selection and crop-rotation, the yield can be as much as quadrupled.

About People

Professor P. Nyboe Andersen, President of the Wholesale Society, F.D.B., and a member of the Central Committee of the International Cooperative Alliance has been appointed by the Danish Foreign Minister to the post of Chairman of the Board for Technical Collaboration with the Developing Countries. The members of this Board are appointed for three years. Its functions are to frame and execute projects in the developing countries financed by Danish government funds or projects involving Danish collaboration but financed by the United Nations or its Specialised Agencies. Professor Nyboe Andersen recently carried out, in company with Mr. Ebbe Groes, chief director of F.D.B., a comprehensive tour of Pakistan where another F.D.B. colleague, Mr. Robert Staermose, has been engaged for several years on a Cooperative educational project planned by the government in collaboration with the I.L.O.

Mr. George Davidovic resigned from his post as Secretary for Agricultural Cooperation in the I.C.A. in order to take up, at the beginning of April, a fresh assignment as Director of Research for the Cooperative Union of Canada. Mr. Davidovic, who made the change partly for family reasons, will be employed by the Cooperative Development Foundation and will work in close association with the Canadian National Committee for Research on Cooperatives. He brings to his new work an extensive knowledge of Cooperation in practice, as well as the literature of the Movement in several languages. A Cooperator of unshakable Cooperative convictions which pervade all that he does, Mr. Davidovic will be a valuable reinforcement to the C.U.C.

W. P. W.

*I.C.A.
Insurance
Committee's
40th Anniversary*

by **Henri Lemaire**,
Secretary of the Committee.

APRIL of this year marked an anniversary which is worthy of notice, for it represents an important date in the history of cooperative insurance—the fortieth year since the formation of the I.C.A. Insurance Committee.

Joseph Lemaire, at that time general director of the “*Prévoyance Sociale*” Cooperative Insurance Society in Brussels, deplored the fact that there was no link among cooperative insurance societies of different countries, both as regards the exchange of experience and as regards re-insurance, that is to say, the exchange of business.

Having obtained the names and addresses of a number of cooperative insurance societies—mainly from the secretariat of the International Cooperative Alliance—he wrote to them suggesting a meeting in Rome on the 23rd April 1922, to be held at the *Istituto Nazionale Italiano delle Assicurazioni*.

Five Representatives

The societies of Germany, England, Denmark, Norway, Switzerland and Czechoslovakia, although expressing their goodwill and sending wishes for the success of this initiative, did not come to the meeting. However, the following societies did send representatives:

L'Assurance Ouvrière (Paris), which disappeared during the last war;

Folket et Samarbeta (Stockholm), today merged in the Folksam group;

De Centrale Arbeidersverzekering en Depositobank (The Hague);

Uffizio Assicurazioni Cooperative Italiane (Bologna);

La Prévoyance Sociale (Brussels).

It later became evident that the *Uffizio Assicurazioni Cooperative Italiane* was merely a brokers' office, so that in fact it may be said that only four societies were at the inauguration of the Insurance Committee forty years ago.

The members of the congress (if the term can be employed for such a small number of people) decided to set up a Committee charged with laying the foundations of a permanent documentation office which would be at the disposal of all affiliated societies. This Committee was also asked to submit its conclusions at a later meeting on the question of re-insurance, for it was thought that a centralised body should be set up to deal with re-insurance for all affiliated societies. Joseph Lemaire was appointed secretary of this Committee, which formed the nucleus of the present Insurance Committee.

Rapid Expansion

Little by little, new societies joined the founder members, until by 1939 the Cooperative Insurance Committee, which had rapidly developed into a section of the Alliance (today called an Auxiliary Committee) comprised 18 societies. Unfortunately, by 1945, only seven remained; the others had either disappeared or had been nationalised in countries with a people's democracy.

Soon, however, new members were registered. In 1948, the number of affiliated societies had risen to 15. Three years later, the Insurance Committee, confined until then to Europe, crossed the ocean to gain ground in America, Asia and Africa. This was the beginning of a period of heartening expansion. In the short space of 10 years, the number of affiliated societies rose to 53 spread over 19 countries and 4 continents.

The remarkable thing is that all these societies are flourishing, as proved by their premium figures which are constantly rising. Certain of them have even become extremely powerful. This power has been manifested in recent years by the erection of impressive head-quarter buildings, such as that of the *Wiener Städtische* (16 storeys) in Vienna, of the *Prévoyance Sociale* (17 storeys) in Brussels, of *Folksam* (24 storeys) in Stockholm, and one which will soon be completed, that of the Cooperative Insurance Society in Manchester (29 storeys). These buildings are the concrete expression of the power of the cooperative idea throughout the world, and as such are a valuable propaganda element, which will be of advantage to all sectors of the cooperative movement.

World Distribution

An idea of the present distribution of cooperative insurance throughout the world can be given by taking into consideration Life Insurance alone: the societies affiliated to the Insurance Committee today provide security for more than 54 million families, and their premium figure is in the neighbourhood of 250 million pounds sterling.

The Insurance Committee is directed by an Executive comprising seven members in which cooperative insurance has a geographically well-balanced representation. This Committee has as its members:

Mr. Robert Dinnage, Manchester, England; Chairman;

Mr. Bowman Doss, Columbus, United States;

Mr. Sven Apelqvist, Stockholm, Sweden; Vice-Chairman;

Mr. Jack Midmore, Regina, Canada;

Mr. Mordechay Zilist, Tel-Aviv,
Israel;
Mr. Willy Maurer, Basle, Switzerland;
Mr. Henri Lemaire, Brussels,
Belgium; Secretary.

The Executive meets once annually and, in accordance with the rules, prepares questions to be submitted to the General Meeting of the affiliated societies, which is held in conjunction with the Congress of the I.C.A. Apart from technical questions, which naturally form the subject of study by men whose profession is insurance and who are actuated by the cooperative ideal, for many years the agendas have included an exchange of views on nationalisation throughout the world. But for the last few years this subject has given way to that of assistance to the under-developed countries.

Research Committee

At the last Congress of the International Cooperative Alliance held in Lausanne in October 1960, the Insurance Committee decided to set up a Research Committee, of which the main purpose is to draw up the future programme for the Insurance Committee. This Research Committee has three American and two European members and is assisted by a full-time secretary of American nationality. Its report will be submitted to the Executive of the Insurance Committee next September, but we know that it will be mainly concerned with the following points:

1. Assistance to the developing countries;
2. Collective investment in cooperative insurance societies;
3. Staff exchanges.

Finally, there remains the problem of cooperative re-insurance, that is the exchange of business between cooperative societies. Since the foundation of the Committee, members had planned to set up an international cooperative re-insurance society, which would be responsible for the reinsurance of all affiliated societies. But the obstacles to this plan were numerous.

A Re-insurance Bureau

Immediately after the last war, the Executive carried out a further examination of this question and came to the conclusion that an international society for cooperative re-insurance should not be formed, but that, on the other hand, a Re-insurance Bureau would be suitable to organise business transactions among societies affiliated to the Committee.

This Bureau is administered by four people:

Mr. John Nutall, Manchester, President;

Mr. Raymond Lemaire, Brussels, Vice-President;

Mr. Olov Juhlin, Stockholm, member;

Mr. Don Johnson, Columbus, United States, member.

Through direct personal contacts, the members of this Bureau have succeeded in increasing re-insurance business among affiliated societies and even in promoting the formation of cooperative insurance societies in countries where they did not previously exist. Today, over 500 policies are in force among cooperative insurance societies is more than 500 and premiums exchanged in 1961 exceeded £2,550,000. The Re-insurance Bureau is extending its operations to 20 countries spread over 4 continents, thus proving the interna-

THE IVORY COAST SEEKS COOPERATIVE SOLUTIONS

THE Ivory Coast, which is among the latest countries to be represented in the International Cooperative Alliance, through its *Centre national de la Coopération et de la Mutualité agricoles*, is pursuing a government-initiated cooperative experiment of considerable interest, which aims at curing the economic ills besetting the three million or so inhabitants. The problems of the Ivory Coast are undeveloped land, soil impoverishment, unemployment among young villagers and a tradition of matrilinear descent. While food crops are cultivated by the women, tree crops are the property of the men, but are practically always cultivated by hired labour.

Provident Societies and Mutual Societies for Rural Production had to some extent met the need for agricultural credit and general improvement in agriculture. But they were neither fully effective nor fully acceptable, and in 1959 a Law was passed abolishing them and replacing them by a new system aiming eventually at a fully articulated non-

tional nature of cooperative re-insurance.

Thus it can be seen that, in the 40 years of its existence, the Insurance Committee and its Re-insurance Bureau have been successful in finding an important place on the international market, and, on the basis of this account of their activities, it would seem that they can look to the future with optimism and legitimate pride.

governmental cooperative organisation. The first step was the establishment of the National Centre of Agricultural Cooperation and Mutuality (CNCMA), operating as a public undertaking under general commercial law. CNCMA has the power to register cooperatives, sanction programmes and arrange any financial aid required. Its general aims are to promote agricultural cooperation and a spirit of mutual aid; to plan and finance development programmes and give technical assistance to cooperatives; and to represent cooperatives and safeguard their interests.

Of the eighteen members of the Governing Council, ten represent interested government bodies and the remainder existing cooperative and mutual societies. The societies will, at a later stage, elect all the members themselves.

Fifty-two centres for agricultural coordination and cooperation (CCCA) carry on the work of the National Centre. Each is located in an administrative district, and they are grouped under branch offices which act as administrative, commercial and financial intermediaries between national and district centres, and control accountancy and transport.

On March 28th, 1962, a General Cooperative Union was officially launched at which the proposed rules were read, discussed and passed, and nine members elected to the Administrative Council of CCNMA. The new society is known as *Cohuessou*, and will be concerned jointly with both the government and the cooperative economy. Its main task is to

get together the necessary capital for the marketing and processing of products, direct purchase, acquisition of premises, warehouses, and the necessary plant for dealing with increased products and the supply and distribution of manufactured foods. CNCMA, without interfering in the activities of this Central Union, will be able to give it a financial guarantee and the technical aid that is its primary purpose. The new union will also benefit from the structure of the district centres which provide a favourable ground for the creation of groups of local cooperatives. The branch offices, known as regional delegations, will also be able to adhere to *Cohuessou* and achieve a more marked autonomy.

Two aspects of the cooperative programme are particularly interesting. One is the work done by the district centres, and the other is the cooperative youth service.

The district centres aim at increasing and diversifying village production and improving its quality. Their work is done through the primary societies to which they act as a marketing and supply centre, providing transport and storage, collecting produce and sometimes treating it, supplying machinery, building materials, and some distribute consumer goods.

Each centre has a cooperative officer, and can also call on all branches of the Ministry of Agriculture for help from their local officers. It is an organ of the National Agricultural Bank, which in the main provides the money for new fixed installations for either district centres or village cooperatives, through three to five year loans.

Rehabilitating existing cooperatives and increasing their membership is a first task for the district centres. Sometimes it has been necessary to divide up

societies which had been formed on a tribal basis, were too scattered for democratic control and had become a source of profit for the chiefs. Reorganisation on a village basis has been followed by publicity and education, the training of members and selection of leaders—these are the preliminaries to new cooperatives and the centres are helped by travelling auditors and other officers from the National Centre.

New cooperatives are not formed lightly. First there must be a sufficient number of villagers prepared to sign undertakings to market their crop—it is usually coffee—through the centre. A minimum quantity of produce must be delivered, a committee elected and a president and secretary chosen. Until these requirements are met, no cooperative can be established and no loans made. The group, meantime, functions as a “pre-cooperative”.

By 1960, there were about 700 cooperatives, mostly of the general-purpose type. Many possess a coffee decorticator of their own, with enough storage space to keep the coffee for some weeks before delivering it to the district centre. Sometimes the cooperative society runs a small consumer store, selling soap, knives, nails, light bulbs, etc., as well as beer. In some societies, the member brings in his dried cherry for decortication, pays for the service and delivers his product to the district centre himself. In other cooperatives, produce is collected in bulk and payment is made by cheque to a representative of the society at the district meeting. The committee is then responsible for distributing the payment among the members.

Marketing is carried out by the district centres and the trading section of the National Centre. District centres check for quality, sometimes regrading,

besides cleaning, bagging and dispatching the produce to the ports. Coffee is the chief crop but the National Centre and the cooperatives also handle cocoa, ground nuts, palm products, cotton, copra, rice, manioc, yams and maize. All but the last four are exported, and the National Centre is aiming at securing about 25 per cent of the total produce marketed, in order to claim an export licence.

African banana and pineapple planters formed marketing cooperatives that have a rather looser relationship with the National Centre. Originally established by a hundred European planters and a few large African planters, this organisation is now known as the Union of Banana and Fruit Cooperatives of the Ivory Coast (Cobafruit) and consists of the original Europeans and a number of primary cooperatives formed by about 2,000 African planters. Cobafruit has now come to an understanding that the National Centre shall undertake the general supervision of the African societies, ensuring they are run on genuinely cooperative lines.

The district centres are also actively concerned with the cooperative youth services. While the National Centre aims at establishing a general purpose cooperative in every village, this necessarily consists of older men owning plantations. Younger men without property are thus left to drift to the towns, where there is already unemployment.

There is a two-fold cooperative approach to this problem. Cooperative youth services are set up, or cooperative plantations, owned by young men,—or a combination of the two. In order to avoid any jealousy between the generations, youth services are only established if there is already an older men's cooperative in the village.

The youth service cooperative covers the age group fifteen to thirty and is a labour contracting cooperative for work—mainly agricultural—in the village. The district centre makes a small advance, per member, to each new cooperative, for the purchase of tools. It also gives a first-aid kit. Plantation owners needing seasonal labour then conclude a contract with the district centre for the services of the youth cooperative. Payment is made to the centre, which then distributes the money to the members, partly in wages, according to the number of days worked, partly in individual share capital, partly to pay the advance on tools, and partly invested in a sickness and accident insurance fund. The fund lasts only for a year, and any money remaining at the end of that time is put to a collective use.

Having established a youth cooperative, the next stage in development is to fit the group to take over a piece of land, clear and plant it, and eventually market the produce on a collective basis. There are now a number of these collective plantations, but they have not existed long enough yet to show definite results. Nevertheless, they are a pointer in the right direction and, while members have given their labour, the Ministry of Agriculture has provided palm plants. Members have also shown their ability to devise suitable penalties for those failing to work as they should.

Besides providing work for the young men and training them in self-help and responsibility, these cooperatives may well be the means of finally replacing the migrant labourers who used to travel seasonably from the Niger, and also of making possible a gradual survey and registration of land holdings. The district centres do not accept any contracts until a survey has been made, and so

junior officials of the cooperative service are trained in land measurement and sent to the village where the youth service cooperative works. They also have the job of drawing up written reports on the village's economic and social life, and before leaving they train a local man to carry out future land measurement. This building up of a survey of the country may eventually be used to give title to cultivated land, and lead to a means of distributing unclaimed lands to those able to bring them into production.

While cooperative development depends greatly on the National Centre

and the district centres, its real source is intelligent and enthusiastic staff. The National Centre, recognising this, is aiming at training Africans to take the place of the expatriate experts at present employed in senior positions, and good work is being done at the Cooperative School at Tiebesson, under an African principal. Courses lasting several months are given to junior staff entering the service of the National Centre, and a few senior men have been sent to France for courses organised by the *Centre National de la Coopération* in Paris.

F. W.

International Co-operative Alliance

twenty-first congress report

Lausanne, 10th to 13th October, 1960

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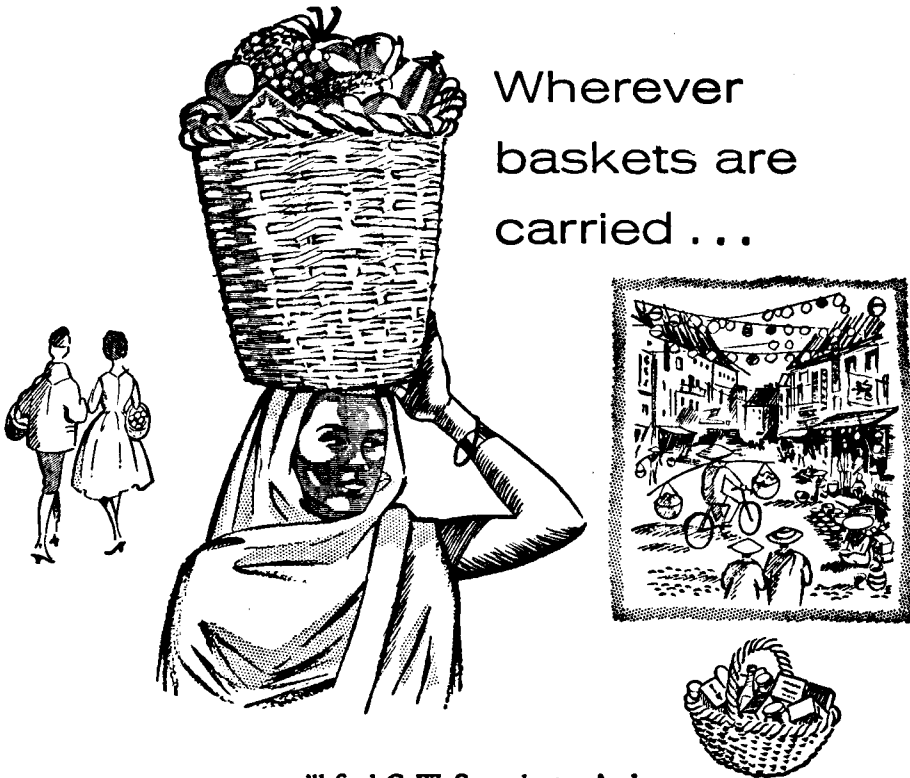
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... to increase faith in the future of mankind ... to fight successfully against
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- JAMAICA:** The Jamaica Cooperative Union, Ltd.,
74½ Hanover Street, Kingston, B.W.I.
- JAPAN:** Nippon Seikatsu Kyodokumiai Rengokai,
(Japanese Consumers' Cooperative Union),
Rokin-Kaikan, 5, 2-chome, Shiba-Tamuracho,
Minatoku, Tokyo.
Zenokou Nogyokyodokumiai Chuokai,
(Central Union of Agricultural Cooperatives)
11, Yurakucho, 1-chome, Chiyoda-ku, Tokyo.
Zenkoku Gyogyo Kyodokumiai Rengokai, (National
Federation of Fishery Co-operative Associations),
Sankaido Building, Akasaka-ta meikomachi,
Minato-ku, Tokyo.
- JORDAN:** Jordan Co-operative Central Union
Ltd., P.O.B. 1343, Amman.
- MALAYA:** Cooperative Union of Malaya, 8, Holland
Road, Kuala Lumpur.
Federation of Co-operative Housing Societies,
8, Holland Road, Kuala Lumpur.
- MALTA:** Farmers' Central Cooperative Society
Ltd., New Building, Middleman Street, Marsa,
Malta.
- MAURITIUS:** Mauritius Cooperative Union,
Dumat Street, Port Louis.
- MEXICO:** Confederación Nacional Cooperativa de
la Republica Mexicana, C.C.L., Lic. Verdad 3,
Mexico 1, D.F.
- MOROCCO:** Cooperative Study and Action
Circle "Georges Fauquet", Rabat
- NEW ZEALAND:** Hutt Valley Consumers' Cooperative
Society, Ltd., P.O.B. 41, Lower Hutt.
- NIGERIA:** Cooperative Union of Eastern Nigeria
Ltd., Cooperative Bank Buildings, Milverton Ave,
Aba.
Co-operative Union of Western Nigeria, Ltd.,
c/o Co-operative Buildings, New Court Rd.
Ibadan.
- NORWAY:** Norges Kooperatve Landsforening,
Organisasjonsavdelingen, Kirkegaten 4, Oslo.
Affiliated societies (1961): 1,148; membership: 315,442;
turnover of local societies: Kr. 1,442 mill.; of N.K.L.:
Kr. 408 mill.
BBL A/L Norske Boligbyggelags Landsforbund,
Trondheimsveien 84-86, Oslo.
- PAKISTAN:** West Pakistan Co-operative Union,
31, Lower Mall, Lahore.
Punjab Provincial Cooperative Bank Ltd., Lahore.
Membership: 10,950; share capital: Rs. 12,85,163;
reserve fund: Rs. 33,32,919; loans and deposits Rs.
5,48,65,281.
Karachi Central Cooperative Bank, Ltd., 14,
Laxmi Building, Bunder Road, Karachi 2.
Karachi Central Cooperative Consumers' Union,
Block No. 53, Pakistan Secretariat, Karachi, 3.
Karachi Cooperative Housing Societies Union,
Shaheed-e-Millat Road, Karachi 5.
Karachi Cooperative Institute Ltd, Pir Illahi
Bux Cooperative Housing Society, Karachi 5.
Karachi Fishermen's Cooperative Purchase and
Sales Society Ltd., West Wharf Road, Karachi.
Sind Provincial Cooperative Bank Ltd., Provin-
cial Cooperative Bank Building, Serai Road, P.O.
Box 4705, Karachi 2.
- ROUMANIA:** Uniunea Centrale a Cooperativelor
de Consum "Centrocoop". Calea Victoriei 29,
Bucharest.
- SARAWAK:** Sarawak Co-operative Central Bank
Ltd., Kuching.
- SCANDINAVIA:** Nordisk Andelsforbund (Scan-
dinavian Co-operative Wholesale Society),
Njalsgade 15, Copenhagen S.
- SINGAPORE:** Singapore Co-operative Union, Ltd.,
Post Box 366, Singapore.
- SUDAN:** Sudan Cooperative Union, P. O. Box 834,
Kartoum, Sudan.
- SWEDEN:** Kooperativa Förbundet, Stockholm 15.
Affiliated retail societies (1961): 522; membership:
1,206,000; total turnover of distributive societies:
Kr. 3,643 mill.; total turnover of K.F.: Kr. 2,565 mill.
(Kr. 1,565 mill. sales to affiliated societies); own produc-
tion: Kr. 1,355 mill.; total capital (shares and reserves)
of K.F. and affiliated societies: Kr. 921 million, surplus
included.
Kooperativa Kvinnogillesförbundet, Stockholm, 15
Hyresgästernas Sparkasse- och Byggnadsförening-
ars Riksförbundet (H.S.B.), Fleminggatan, 41,
Stockholm 18.
Affiliated Building Societies: 186; with individual mem-
bers: 160,000; number of flats administered by local
societies: 160,000; value of real estate: 5,000 mill. Kr.
Svenska Riksborgen, Box 14031, Stockholm, 14.
- SWITZERLAND:** Verband schweiz. Konsum-
vereine (V.S.K.), Thiersteinallee 14, Basle.
Affiliated societies (1961): 540; shops: 3,300; mem-
bership: 723,000; retail turnover of affiliated societies:
Frs. 1,346; wholesale turnover: Frs. 853 mill.
Verband ostschweiz. landwirtschaftlicher Ge-
nossenschaften (V.O.L.G.), Schaffhauserstrasse 6,
Winterthur.
Schweiz. Verband Sozialer Baubetriebe, SBHV.,
Postfach Sihlpost, Zürich 1. ,
- U.S.A.** The Co-operative League of the U.S.A.,
343 South Dearborn Street, Chicago III, and 1012
14th Street, N.W., Washington 5, D.C.
- U.S.S.R.:** Central Union of Consumers' Cooper-
ative Societies of the U.S.S.R. "Centrosoyus",
Ilyinka Tcherkassy pereulok 15, Moscow.
Consumers' societies (1961): 17,500; members: 43,1
mill.; stores: 321,000.
- YUGOSLAVIA:** Glavni Zadruznj Savez FNJR.,
Ulica I Maja 15/111, Belgrade.

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THE INTERNATIONAL COOPERATIVE ALLIANCE

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

It comprises 110 organisations in 51 different countries and its total affiliated membership through national organisations exceeds 163,000,000. The Consumers' Movement accounts for the majority of this membership, but agricultural, credit, workers' productive and artisan cooperatives are well represented.

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

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

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

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

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

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

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

AFFILIATED ORGANISATIONS

- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, *Avda. Suarez, 2034, Buenos Aires.*
- AUSTRALIA:** Cooperative Federation of Australia, *45, Mandolong Road, Mosman, Sydney, N.S.W.*
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, *Theobaldgasse 19, Vienna VI.*
 Membership (1961): 409,357; turnover: consumers' societies: Sch. 2,584 mill.; wholesale (G.Ö.C.): Sch. 1,239 mill.; department stores: Sch. 357 mill.; own production: consumer societies: Sch. 317 mill.; G.Ö.C. and subsidiaries: Sch. 389 mill.
 Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, *Bösendorferstrasse 7/II, Vienna I.*
 (1960): Member Societies: 224, Assocs. 107; No. of members: 82,971; Dwellings administered: (socs.) 68,329; Assocs. 93,750; Total Balance: (Socs.) Sch. 5,670,105,800; (Assocs.) Sch. 7,352,955,200.
 Österreichischer Genossenschaftsverband, *Peregringasse, 4, Vienna 9.*
 Österreichischer Raiffeisenverband, *Seilergasse 16, Vienna I.*
- BELGIUM:** Société Générale Coopérative, *17—21 Place Emile Vandervelde, Brussels*
 Affiliated consumers' societies: 32; membership: 390,000; turnover (1961): Frs. 3,400 mill.; shops: 1,500; Wholesale society turnover (1961): Frs. 827 mill.
 Société Coopérative d'Assurances, "La Prévoyance Sociale", *P.S. Building, 151, rue Royale, Brussels.*
 Premiums (1961): Frs. 922 mill.; reserves: Frs. 4,000 mill.; insurance funds, life: Frs. 12,000 mill.; fire: Frs. 155,000 mill.
 Fédération Nationale des Coopératives Chrétiennes, *rue de la Loi, 141, Brussels.*
 Société "Bien-Etre": 1,320 shops; turnover Frs. 1,251 million; dividends: Frs. 60 million; Savings Bank: 1,800 branches; 300,000 members; deposits: Frs. 5,000 mill. Insurance Society: 160,000 policy holders; premiums: Frs. 193 mill.; reserves Frs. 500 mill.
 L'Economie Populaire, *30, rue des Champs, Ciney (Namur).*
 Branches (1961): 445; membership: 74,956; turnover: Frs. 687 mill.; savings deposits: Frs. 404 mill.; capital and reserves: Frs. 77 mill.
 Institut Provincial de Coopération Agricole, *42, rue des Augustins, Liège.*
- OPHACO** (Office des Pharmacies Coopératives de Belgique), *602, chaussée de Mons, Brussels.*
 Union of 25 cooperative societies owning 313 pharmacies, 50 optical departments and counters, 7 drug stores, 15 wholesale depots. Turnover (1960): Frs. 832 mill. Surplus distributed to 400,000 members: Frs. 74 mill.
 Société Coopérative Fédérale de Belgique, *83-85, rue Vanderschrick, Brussels.*
- BRAZIL:** Centro Nacional de Estudos Cooperativos, *Av. Franklin Roosevelt 39, 12º, Sala 1216, Rio de Janeiro.*
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., *21, Croyal Street, Georgetown.*
- BULGARIA:** Central Cooperative Union, *21, rue 6 Septemvri, Sofia.*
- BURMA:** National Cooperative Council, *290-300, Lewis Street, (2nd Floor), Rangoon.*
- CANADA:** Co-operative Union of Canada, *202, Queen Street, Ottawa 4, Ont.*
 Affiliated Societies (1961): 793; membership 887,255; turnover: marketing: \$ 570,404,142; merchandising: \$ 222,334,989; assets: \$ 330,337,111.
 Conseil Canadien de la Coopération, *2030, Bd. Hamel, Quebec 8.*
- CEYLON:** The Co-operative Federation of Ceylon, *Co-operative House, 455, Galle Road, Colombo 3.*
- CHILE:** Federación Chilena de Cooperativas de Ahorro, Ltda., *Huerfanos 1639, Clasificador 760, Santiago de Chile.*
- COLOMBIA:** Cooperativa Familiar de Medellín Ltda., *Calle 49, No. 52-49, Medellín.*
- CYPRUS:** Cooperative Central Bank Ltd., *P.O. Box 411, Nicosia.*
 Cyprus Turkish Cooperative Central Bank Ltd., *P.O. Box 791, Nicosia.*
 Vine Products Cooperative Marketing Union Ltd., *P.O. Box 317, Limassol.*
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, *Tesnov 5, Prague II.*
- DENMARK:** De samvirkende danske Andelselskaber (Ardelsudvalget), *H. C. Andersens Boulevard 42, Copenhagen V.*
 Representing 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1961): D.Kr. 11,300 mill.
 Det kooperative Faellesforbund i Danmark, *Gyldenloevsgade II, Copenhagen V.*
 Affiliated societies (1960): 626; total sales: D.Kr. 1,050 mill.; employees: 11,000; comprises: consumers' workers', artisans', productive and housing societies etc.
- EGYPT:** Société Coopérative des Pétroles, *94, Kasr el Eini Street, Cairo.*
- EIRE:** The National Cooperative Council, *35, Lower Gardiner Street, Dublin.*
- FINLAND:** Suomen Osuuskappojen Keskuskunta (S.O.K.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; wholesale turnover: Fmk. 82,333 million; own production of SOK: Fmk. 20,380 million.
 Yleinen Osuuskappojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; turnover of societies: Fmk. 145,354 million; total production of the affiliated societies: Fmk. 3,251 mill.
 Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki.*
 Affiliated societies (1961): 111; members 514,951; turnover of societies Fmk. 106,131 mill.; production of societies 16,333 million.

- Osuustukkukauppa (O.T.K.), *Hameentie 19, Helsinki.*
 Affiliated Societies (1961) 111; turnover Fmk. 68,666 mill.; own production Fmk. 20,697 mill.
- Keskinäinen Vahinkovakuutusyhtiö Kansa, *Hämeentie 19, Helsinki.*
 Affiliated societies: 117; Life insurance coverage: Fmk. 43,284 mill., 282,364 insured persons; Fire insurance coverage: Fmk. 284,854 mill., 159,195 policies, Assets (1960): Fmk. 7,444 million.
- Pellervo-Seura, *Simonkatu, 6, Helsinki.*
- FRANCE: Fédération Nationale des Coopératives de Consommation, F.N.C.C., *89, rue de la Boétie, Paris VIII.*
 Affiliated societies (1960): 572; membership: 3,242,567; shops: 9,530; turnover: NF. 2,624,785,132.
 Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, *88, rue de Courcelles, Paris VIII.*
 Confédération Générale des Sociétés Coopératives Ouvrières de Production de France et de l'Union Française, *88, rue de Courcelles, Paris VIII.*
 Banque Coopérative des Sociétés Ouvrières de Production de France, *88, rue de Courcelles, Paris VIII.*
 Fédération Nationale de la Coopération, de la Mutualité et du Crédit agricoles, *129, Bd. St. Germain, Paris VIe.*
 Caisse Nationale de Crédit Agricole, *30, rue Las Cases, Paris VIIe.*
 Fédération Nationale de la Coopération Agricole, *129, Bd. St. Germain, Paris VIe.*
 Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, *Foyer Coopératif, 17, rue de Richelieu, Paris Ier.*
 Confédération des Coopératives de Construction et d'Habitation, *4, Cité de Londres, Paris 9e.*
 L'Association BâtiCoop, *6, rue Halévy, Paris 9e.*
 Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la petite Propriété, *9, rue Mathurin Régnier, Paris 15e.*
 Confédération des Organismes de Crédit Maritime Mutuel, *18 bis, Avenue Hoche, Paris VIII.*
- GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., *Besenbinderhof 43, (2), Hamburg I.*
 Affiliated societies (1961): 257; membership: 2,586,960; turnover: D.M. 3,377,7 mill.
 Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof, 52, 2, Hamburg I.*
 Total turnover (1961): D.M. 1,726,300,000; own production: D.M. 593,7 mill.
 Gesamtverband Gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4 (22a), Cologne.*
- GREAT BRITAIN: The Co-operative Union Ltd. *Holyoake House, Hanover Street, Manchester 4.*, Affiliated Societies (1961): 826. Membership: 13,043,484. Retail Societies' share capital: £ 254,751,695. Retail sales: £ 1,044,798,803.
- Co-operative Wholesale Society Ltd., *1, Balloon-Street, Manchester 4.*
 Affiliated societies (1961): 895; sales: £ 465,170,491; Bank turnover: £ 6,048,004,673; reserve and insurance funds: £ 32,381,925; total assets: £ 291,916,424.
- Co-operative Insurance Society, Ltd., *109, Corporation Street, Manchester 4.*
 Assets exceed £ 187 mill.
- Scottish Co-operative Wholesale Society Ltd., *95, Morrison Street, Glasgow C. 5.*
 Affiliated societies (1961): 171; sales: £ 88,824,880; reserves and insurance funds: £ 6,877,629; total resources: £ 18,608,126.
- The Co-operative Productive Federation, Ltd., *138, Charles Street, Leicester.*
 Sales: £ 5,415,067; employees: 4,557; societies: 33.
- GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), *6, Othonos Street, Athens.*
- HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikcoöperaties, "Co-op Nederland", *Vierhavensstraat 40, Rotterdam 7.*
- ICELAND: Samband Isl. Samvinnufjelaga, *Reykjavik.*
- INDIA: National Cooperative Union of India, *72, Jorbagh Nursery, New Delhi-3.*
 All Bombay Consumers Cooperative Societies Federation, Ltd., *3rd Floor, Military Square Lane, Fort, Bombay 1.*
 National Agricultural Cooperative Marketing Federation, Ltd., *248A Krishni Bhawan, New Delhi.*
- IRAN: Cherkate Taavoni Masrafe Artêche (Army Consumers' Co-operative Society), *Avenue Sevvom Esfand, Rue Artêche, Teheran.*
- ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv.*
 Affiliated societies (1962): 1,679, including 660 agricultural, 465 producers' and services, 69 consumers', 232 housing, and 253 pension and provident funds.
 Hamashbir Hamerkazi, *P. O. Box 130, Tel-Aviv.*
 "Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, *P. O. Box 75, Tel-Aviv.*
 "Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, *8 Hakirya Street, P.O.B. 209, Tel-Aviv.*
- ITALY: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome.*
 Confederazione Cooperativa Italiana, *Borgo Santo Spirito, 78, Rome.*
- IVORY COAST: Centre National de la Coopération et de la Mutualité Agricoles, *B.P. 702, Abidjan.*

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CONSUMERS' SELF-PROTECTION

THE present issue of the *Review* is the first, but it will surely not be the last, to be devoted entirely to the subject of the protection of the health of consumers in the general economic interests of consumers. It may therefore not be inappropriate to review in a brief article the action taken by the International Cooperative Alliance in this field during the last five years and to draw some conclusions.

First, it may be recalled that it was the French Consumers' Cooperative Movement which initiated this action by submitting to the 20th I.C.A. Congress in Stockholm a memorandum pointing out the dangers to the health of consumers resulting from the offer for sale of commodities, old and new, which were suspect or dubious or even known to be deleterious. This stemmed directly from the knowledge gathered during the regular work of commodity-testing done by the French Movement's Central Analytical Laboratory. Appended to the memorandum was a resolution which was adopted by the Congress with virtual unanimity.

major step

The energy and attention of the Alliance being for the time mainly engaged in its action in South-East Asia, it was not until 1959 that the first major step could be undertaken to implement the resolution. This was the Garmisch Conference

at Garmisch-Partenkirchen. Its composition revealed how carefully the problems involved in consumer protection and their implications had been studied in the two years since the Stockholm Congress. It was clearly realised that consumer protection was not a matter for scientists alone or for jurists alone, or for educationists and publicity experts alone. If it was to be effective it would demand the collaboration of them all, and, in addition, the whole-hearted support of the Movement's business men and industrial organisers concerned with the manufacture and marketing of Cooperative products under severely competitive conditions. The sceptics who doubted whether a conference of such diverse elements could reach conclusions of any value were confounded by the fact that its recommendations were unanimous or virtually so.

These recommendations were twofold. On the one side, they indicate the direct responsibilities of the consumers' Cooperative Movement and its possible contributions to the enlightenment of consumers, so that they can to an increasing extent protect themselves. On the other, they indicated the role of the Movement as an agency for arousing government to the need for frequent revision of legislation controlling industry and trade with the object of protecting consumers' health and, what is equally important, ensuring that the

forced. In this connection the need for the international inter-governmental organisations to persuade their member governments to base their legislation on uniform principles was emphasised. Above all the conference recognised that consumers' health and interests could not be adequately protected by any single agency acting alone, but required systematic collaboration based on a division of functions between them. Within the Cooperative Movement the role of women's organisations is enlightening their members and housewives in general in all questions concerning consumers' welfare.

Commodity Testing

Since the Garmisch Conference the International Cooperative Alliance, as the Conference desired, has acted as a centre for the collection of information and the coordination of action by its members. The information available during the two following years revealed that the field of consumer protection tended to an increasing extent to embrace not only health and hygiene, but consumers' economic interests and the influence of new advertising techniques on their preferences and standards of quality. Progress had also been made in the field of commodity testing. The establishment of test kitchens, for example, marked an im-

tory testing, since it provided a trustworthy guide to the actual performance and relative value of different commodities or brands when subjected to normal household conditions of use. It was this rapid broadening of the scope of consumer protection and enlightenment which weighed with the Movement when deciding to replace its former *Economic News Service* by the present *Consumer Affairs Bulletin* which appeared simultaneously with the holding of the second Conference at Paris in January.

A full report of the proceedings of the Conference is published in the present double issue of the *Review*. As was to be seen, the Conference was about as diverse in its composition as its predecessor and covered nearly as wide a range of subjects. It recognised that, though progress was being made in some directions in others the rate of advancement was much to be desired, especially in legislative and administrative matters where more were required. On a deeper level, the Movement realised that consumers' protection depended on consumer enlightenment. Consumers who are enlightened, alive to their interests, eager to their health and economic interests of a passive attitude to their needs, as well as willing to combine with cooperative societies and other agencies, can do much, though not everything, to protect themselves by their action. Indirectly they can, as citizens in a democratic state, good government

eliminating certain kinds of adulteration, fraud and other trickery by making them penal offences.

ICA Working Party

The need for the I.C.A., in conjunction with its affiliated organisations, to pay constant attention to consumers' affairs was again recognised, with the further recommendation that a working party should be constituted as a more or less permanent organ of the Alliance, maintaining touch with work being done on economic aspects of consumers' protection by Cooperative economic and market research services, on scientific aspects by the laboratories and on educational aspects by the Movement's colleges, guilds, press and publicity agencies. The working party should coordinate their activity and its results, at the same time acting as a link with the I.C.A. Executive to which it should submit recommendations on policy. The Executive, at its meeting in April 1962, accepted this proposal in its main outlines, but decided that a preliminary study group should first formulate recommendations for the working party's terms of reference and procedures. This study group will probably meet in September this year.

Under present day competitive conditions the old assumption that consumers can adequately protect themselves simply by purchasing through Cooperative societies which practise the Rochdale formula of "pure goods and just weights" is seldom true. The societies cannot do their best for their members in this respect unless their members are enlightened enough to support them intelligently. Self-protection is in fact an integral part of Cooperative self-help.

W. P. W.

OLD PROBLEMS AND NEW TASKS

AFTER the second world war, the Consumer Cooperative Movements entered a new phase in their history. This was not a sudden step from the old to the new, but was undertaken in slow stages and at different times in the various countries of Western Europe and was not immediately recognised as a universal development in consumer cooperation. It was only gradually that it came to be regarded as something very much the concern of all at international level, which could best be solved through the International Cooperative Alliance.

Tradition and Change

But is it possible for change to be merely external? Can there be external change which does not presuppose internal change? This is the thorn in the flesh of the Consumer Cooperative Movement, which constantly renews the struggle to make clear its situation and condition in our time. At the Paris Conference of the International Cooperative Alliance early this year, we saw how, for example, such a simple agenda item as "Consumer Protection" gave rise to fundamental questions such as whether to maintain the tradition of the "Equitable Pioneers of Rochdale" or whether to blaze new trails? Yes, no, and yes again, was the despairing uncertainty in Mr. Barbier's remarks at Paris, and in the ensuing discussion.



by **Dr. W. Gebauer,**

Zentralverband deutscher Konsumgenossenschaften, Hamburg.

From Member Promotion

We will, however, never solve ideological problems unless we are fully aware of the changes which have taken place in the economic and social conditions of the Western European countries during the last decade, and which are constantly gaining momentum. Thus, self-service, chain stores, supermarkets, etc., are merely the effects and not the cause of this development. When consumer cooperatives first appeared in the industrialised countries of Europe, during the nineteenth century, the largest stratum of the population was formed by the lowest income groups, who had merely enough to subsist. This can best be illustrated if we think in terms of a pyramid, where one stratum lies on top of the other, each becoming progressively smaller towards the top. The structural unemployment of the time, mainly the result of the migration of the rural population to the towns and of an in-

crease in the population, was gradually overcome, by means of stable investments and the creation of new jobs, although affected from time to time by adverse circumstances. The financial outlay which this involved—as Europe at that time had no funds for development—kept wages at a very low level for a long time.

At this time consumer cooperatives were only beginning. Their object was to increase the purchasing power of wages and to reduce profit margins, and this was not only achieved by opening cooperative shops where goods were sold at lower prices, but by competing with and forcing the private trader to cut his prices. The beneficial effect of cooperatives, particularly in times of food shortage, is still insufficiently appreciated. It is no accident that, for example, membership of cooperatives in Germany increased greatly in years of hardship for the consumer—during the first world war and the years of inflation which followed, and then again during the world economic crisis. For almost a century, the task of the consumer cooperatives was to supply the broadest part of the pyramid with essential articles of food of good quality at low prices and, by competition, to force the private trader to do the same.

... To Consumer Protection in a Welfare Society

Today the conditions which determined the action of consumer cooperatives have fundamentally changed. Increasing productivity in the Western industrialised countries, first in America and then in Europe, particularly after World War 2, has led to constantly increasing wages. This situation has changed our image, reducing the stratum representing the low income groups and moving the broadest base of the pyramid higher up in the structure, thus producing a bulge in the middle. One could now think of the image as having changed from a pyramid into the form of an onion, as it is called in statistical jargon.

With this structural shift, should the Consumer Cooperative Movement have narrowed its activity, or should it have broadened out to cater for the higher income groups? Indeed, as Professor Henzler has said, the object of the Movement was not to concern itself with poor people alone, but to work for the advancement of the members, even if they were now entering higher income groups. Private enterprise cannot abandon the principle of operating for large profits, which is inherent in a free economy. The consumer still needs the protection of the cooperatives, which represent a decisive countervailing factor in competition in the retail trade, even if he now belongs to the middle income class.

It is clear, however, that the function of consumer cooperatives in the present day extends beyond its own circle of members. It is much more that of protecting all consumers, particularly whenever prices tend to rise. Consumer cooperatives retain their price structures as

near to cost price as possible, in accordance with their constitution which does not permit them to take advantage of periods of shortage, a common practice for private retail traders.

Structural Changes in Consumption

The fact that the largest population groups are earning more is not only expressed in the demand for more goods, which has increasingly exceeded living essentials, but also in the demand for goods of better quality, as well as better processing, conservation, and presentation. After a certain saturation point, the per capita demand for staple foodstuffs, such as bread, potatoes, and even milk, has constantly fallen off, and instead there has been a greater demand for meat, eggs, vegetables and fruit, as well as dairy produce. This change in the structure of food consumption is typical of a modern industrial society, where manual labour is more and more replaced by machines, and where intellectual effort and brain-power are required rather than muscular strength. With the increasing concentration of work processes, a reduction in working hours as well as the habit of eating food which is smaller in quantity but superior in quality and variety are justified.

Competition with the Private Sector

Improved quality in agricultural produce and the expansion of the food industry have to a large extent combined to meet demand. When conditions are normal there tends to be a glut rather than a shortage of high quality foodstuffs. Thus it is not long before such a surfeit of goods and the increasing demand for high quality in foodstuffs, lead to highly intensified competition, resulting in the transition from an economy based on satisfying needs to one which

creates needs. Private retail shops and consumer cooperatives continue to exist side by side in Western European countries, and the cooperative share in the total retail trade is reasonable, although in the Federal Republic it is still fairly small, and only 10 per cent of the food supplied to the nation is distributed through the Movement.

Nevertheless, in 1961, it was possible for the private sector and the Consumer Cooperatives jointly to participate in the German Trade Council (*Rat des deutschen Handels*). It is also evident that the moral element inherent in the constitution of consumer cooperatives, and which involves consumer responsibility, will be adopted more and more also by the private retail trade, if only for the purpose of attracting customers. There is no doubt that there is a tremendous appreciation today of the need for consumer protection, in which consumer cooperatives play an important part.

Economic policy for the Consumer

Consumer Cooperative were the pioneers in yet another field of consumer protection, namely that of economic policy. This does not so much concern what they have done in regard to food legislation and allied questions, which formed the subject of the Conference on Consumer Protection in Paris this year, but rather economic policy in the real sense of the term, in so far as it affects the regulations governing competition.

a) in Trade

As regards regulations governing competition in the commercial sector, in every country Consumer cooperatives have most energetically supported all government measures to maintain a workable system of competition. These

particularly include legislation controlling price agreements by cartels and the abuse of marketing power by oligopolies. In some countries, for example in the Federal Republic, where cartel legislation rests mainly on the prohibiting of horizontal agreements, but which admits vertical price agreements for branded goods, consumer cooperatives have not bothered to ask that the restriction be extended to vertical agreements, which they themselves have never used. In the Federal Republic, it seems that the recent collapse of price agreements on the market for radio and television sets, spirits and chocolate, have induced public opinion to favour an extension of the law against the restriction of competition, at least as far as reducing the possibilities of vertical price agreements are concerned. The joint action of consumer cooperatives and the working party of consumer organisations proved useful in this respect.

b) in Agriculture

As regards regulations governing competition in the rural sector, in countries where the cost of living has been maintained at a higher level because of the protection given to farmers, consumer cooperatives have always stood for the liberalisation of commercial policy, by bringing pressure to bear on agricultural prices at international level through the import of food products at world market prices; but what is the use of reducing profit margins by the rationalisation of distribution methods if the prices of agricultural produce remain high, or even continue to rise? On the other hand, however, consumer cooperatives have also supported all measures designed to restore the possibility of international competition in agriculture. It has never been the aim in Ger-

many to leave one sector of agriculture to decline, as was the case in England after the levying of duties on cereal crops, in the first part of the nineteenth century. Cooperatives in the Federal Republic today advocate a reform in the agricultural structure, that is to say planning of production and its replacement in the case of enterprises which, because of geographical position or natural conditions, will never be able to practice cereal cultivation economically. This is why German consumer cooperatives are in favour of an improvement in agricultural production by the import of cheap fodder crops. They are fundamentally opposed to the high price of cereals which, as experience has shown, increases the surplus production of these crops.

New Tasks within the Common Market

Already the most important questions of economic policy for consumer cooperatives are being tackled within the Common Market. For example, one of the tasks of the French Consumer Cooperatives will be to help to prevent a cereal surplus, which could very easily happen as a result of the new regulations introduced for these crops in the Common Market and which include price increases. If the rise in prices in the French retail food trade is to be kept within certain limits, strong pressure must be exerted on profit margins in the food sector. This can only begin by rationalisation of the distribution system, and as, under present conditions it is not possible to do this very quickly, it will create extensive and extremely urgent investment problems for the French Consumer Cooperatives.

It is at present very difficult to forecast how things will develop after the

entry of Great Britain into the Common Market. Its retail price level for food-stuffs is lower than in any other country in the Common Market, although its prices are orientated to the world market. This raises the question of whether the entry of Great Britain will result in pressure on profit margins within the EEC. Consumer cooperatives of the Common Market countries would use their influence to encourage a development of this kind. To a certain extent, this is what is happening in the Federal Republic where the level of agricultural prices is the highest in the Common Market.

... Aid to the Developing Countries

In this field there is another even greater task of international importance for consumer cooperatives: their participation in the setting up of cooperatives in the developing countries. More and more frequently it is being observed that it is not enough for industrial States and their huge enterprises to provide resources and assistance to these countries for the setting-up of large industrial plants, in an attempt to draw them as quickly as possible into the industrial era. Since modern enterprises are characterised by the fact that they start up with a comparatively small staff, their establishment cannot be expected to create work for people of the surrounding areas, as would be necessary to deal with the large increase in population of these countries. Their economy must develop gradually and on a very broad basis, both in the towns and in the rural areas. This requires numerous small investments for the development of a modern technically advanced society through small-sized enterprises. It also involves the modernisation of agricultural production and

marketing, as well as the setting up of repair workshops, artisanal and small commercial enterprises, throughout the entire country, which will take time before reaching a high level of productivity, but which will be capable of providing work for a large section of the community.

But as the small enterprise and the independent manufacturer are almost non-existent in these countries, the setting-up of a large number of small manufacturing enterprises is only possible through cooperation. Only cooperatives can give guarantees for small investments and make them productive. Consumer cooperatives have to collaborate in the task, although eventually the formation of agricultural and industrial cooperatives will be the most important. The situation as it now stands seems to show that in the developing countries the various cooperative activities will not be divided among different organisations to the extent that

they are in Europe, but will be mostly carried on by a kind of "multi-purpose cooperative" dealing with production, credit, marketing and consumption. If this proves the case, the newly developing countries will break new ground in the development of the Cooperative Movement.

If we ask ourselves whether the "Equitable Pioneers of Rochdale" would accept the multifarious tasks which confront consumer cooperatives today, our answer would be in the affirmative. In their own time, they themselves were tempted to go beyond the sphere of consumer cooperation and the limitations of the retail food trade. They recognised that consumer cooperatives in addition to their duty to work for the advancement of their members, also had a responsibility towards the community and its welfare. Thus, we can rest assured that in relation to the conditions of our century we are continuing to work in the spirit of Rochdale.

STATISTICS OF AFFILIATED ORGANISATIONS

Comparative Statements 1959-60

1. *The Strength of the I.C.A.*
2. *Cooperative Penetration into the Population*
3. *Membership and Trade of Consumers' Societies
(including Wholesale Societies)*
4. *Membership and Trade of Agricultural Societies*
5. *Membership and Trade of Fishery Societies*
6. *Membership and Trade of Workers' Productive and Artisanal Societies*
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COOPERATIVE LABEL AND PACKING POLICY IN THE U.S.

by **Betsy Wood,**

Home Economist, Consumers Cooperative of Berkeley, California, U.S.A.

IN most food markets throughout the world there is a merchant—a green-grocer, a butcher, a baker, a fishmonger, to ask about the food. In America most food is sold in self-service supermarkets which may have six thousand different items on their shelves. When people shop they are often bewildered by all the decisions they must make to select food that is appetizing, nutritious and economical. A shopper may see a hundred different boxes of breakfast cereal or ten different tins of a single vegetable.

In competing for the shopper's dollar many food companies use improved quality to attract customers. Other companies use tricks: television advertising directed at children: misleading nutritional claims, which scare some people into buying; odd shaped bottles which look larger than they are; odd sized packages such as 12 or 15 ounces when 16 ounces is "standard".

National Cooperatives follows a policy for CO-OP labelled goods designed to help shoppers make intelligent choices. Part of this policy reads:

"National Cooperatives will at all times present the consumer's, the user's point of view—giving accurate, honest, and where practical, complete specifications on the label. When in the user's interest, we shall give the limitations as well as the advantages of a given product."

National Cooperatives is the central buying agency which has six regional wholesale cooperatives in the food distribution business. National Cooperatives designs most CO-OP labels, although the products usually are manufactured by private companies to cooperative specifications.

CO-OP labels

Grade labelling is at the heart of CO-OP label policy. The highest quality has a CO-OP red label, the second quality range a CO-OP blue label, the third quality (or economy grade) a CO-OP green label. This applies principally to tinned foods but there are other items such as red and green label brooms, and red and green label paper towels (the red are softer and whiter than the unbleached green label towels).

CO-OP tinned fruits and vegetables often follow grades set up by the U.S. Department of Agriculture. Red label peas are the most tender and most uniform; green label peas are larger, more mature, and tougher. Both have the same amount of peas in the can and the same nutritive value. They are packed in the same plant under the same sanitary conditions.

Labels often give suggestions for use: Red label tomatoes are "mostly whole, ripe tomatoes of uniform red color",

Mrs. Wood explains the cost of packaging to a customer



tomatoes that can be served by themselves. Green label tomatoes are in pieces but cost less and are fine for cooking with other foods.

The Federal Government requires certain information on all packaged food: the net weight, the ingredients listed in order of predominance (there are exceptions for standardized foods), name and address of the distributor. Many commercial companies bury this information in small type on a side panel of the package. CO-OPS give this information in large, clear type.

Cooperatives often go further by providing additional information: government grade, can size, number of servings, minimum drained weight, suggestions for use and directions for storage.

The Green Label Applesauce reads:

"Composed of apples, sugar, and water. CO-OP Green Label Applesauce is selected for maximum consumer value consistent with the lowest possible price. This can contains wholesome, nutritious sauce packed with the same care given to the more expensive sauce packed from other varieties of apples.

This sauce may be used in recipes calling for applesauce, or may be used as a dessert or fruit dish with any meal. Add a dash of cinnamon for added flavor. Canned apple-

sauce is a convenient and economical fruit dish.

General description:

Size of can: No: 303

Net contents: 1 lb.

Servings: 4

Cups: Approx. 2."

The candid label of CO-OP toothpaste received favorable national attention at recent Senate hearings. It reads:

"The best insurance for sound teeth is: 1) proper diet with plenty of milk, fresh fruits and vegetables; 2) regular visits to your dentist; 3) thorough brushing after every meal. Thorough brushing cleans the teeth—often no dentifrice at all is required. Or an effective and inexpensive dentifrice such as precipitated chalk or a mixture of table salt and baking soda can be used. Many users prefer a pleasant-tasting dentifrice, such as CO-OP Tooth Paste, which encourages regular brushing by both children and adults."

CO-OP Special Formula bread is an unusually nutritious white bread. It has the ingredients on the label (as required by law) but also the amounts of essential added ingredients: 6 per cent soy flour 8 per cent nonfat dry milk, 2 per cent wheat germ.

Education necessary

Labels themselves provide much information but educational work must go

along with this program. People may not remember whether red, blue or green is top quality. Colorful posters are used in some stores to dramatize the difference. At the Berkeley, California CO-OP, new members are invited to a "Welcome Wednesday" orientation meeting. CO-OP policy and products are explained and small groups are formed to open tinned foods. One group may examine three qualities of tinned CO-OP green beans and two qualities of peaches; another group may compare grades of tomatoes and applesauce.

Deceptive Sizing

Obtaining products designed in the interest of consumers, such as even sized containers, takes more effort than merely going along with the industry, using sizes that are designed to confuse the shopper. For example apple juice is usually sold in quart, $\frac{1}{2}$ gallon and gallon sizes. The supplier in California made an excellent juice but would only pack quarts, $\frac{1}{2}$ gallons and a 3 quart 3 oz. jug. The latter looked like a gallon but contained 22 per cent less. This is legal because the volume was on the label; however, many members felt that this was a deceptive size. Finally a gallon jug was obtained. But then sales went down. Perhaps people noticed the higher price (\$ 1.15 rather than \$ 0.98) but not the larger size. (Actually price per ounce went down 10 per cent.) Our answer to this was to call attention to the change: by a sign on the apple juice shelf, by an exhibit with the new and old bottles, and by a comment in the monthly *CO-OP News*. These efforts are part of a continuing consumer education program carried on through personal contacts with members, exhibits, articles and information sheets.

A program of informative labelling

and straightforward packaging takes time and money. Competent people are needed to write labels, test recipes, check facts with experts and determine the notable qualities of each product.

American advertising and labels often shout the glory of their products or try to appeal to customers through their unconscious motivations. Cooperatives are sometimes tempted to do the same, for a responsible CO-OP policy may seem dull by comparison. But more and more CO-OP members are becoming careful shoppers, and prefer a factual approach: "Tell us how to use this detergent, don't tell us how great it is," they ask. Others are still strongly influenced by commercial advertising; they may select a national brand detergent when the CO-OP detergent is the same product packed in the same plant, but under CO-OP label. (The conflict over cooperative advertising is well described by Mr. Hewlett in *Review of International Cooperation*, February 1962.)

Vast changes in food technology and packaging since World War II have made it difficult to provide information wanted by consumers. Many people want to know the calories in a glass of buttermilk, or the amount of sodium in bread. Because of news articles and misleading advertising shoppers have many questions on the relation of fats and diet to heart disease. This information cannot be stated simply on a salad oil label, although some commercial companies attempt to do so.

What is the consumer interest?

It is not enough to say: "This store is owned by consumers. We will automatically follow the consumer interest". If an eager grocery manager rearranges his merchandise so that shoppers will have

New members compare grades
of Co-op tinned fruit and
vegetables



to walk by the high-margin items—soft drinks (Coca Cola, etc.), household medications, candy—,then more of these will be sold, the store will show more savings, and everyone will be happy with a higher patronage refund. But is this in the consumers' interest? This issue would seem to arise in cooperatives throughout the world, whether they recognize it or not.

It is important to recognize that there may be a real conflict between the consumer interest and the business interest (making "savings" for consumers). This conflict may show itself in type of displays, sales, pricing and even in labels. It would be in the consumer interest for the CO-OP Pineapple Grapefruit Drink label to say: "55 per cent water and sugar, 45 per cent juice" in addition to the list of ingredients required by law. But then people might think that the CO-OP product is more dilute than the competing ones. Because all CO-OP's must compete, they often compromise on their ideal of full disclosure.

What of the rest of the world?

To people in much of the world the details involved in the United States cooperative label and package program—grade labelling, size of bottles, size of letters for net weight, recipes, lists of ingredients, etc. may seem insignificant.

The United States is fortunate to have a food supply that is relatively abundant, clean and sanitary; largescale cheating on weight or ingredients is not common. (Cooperatives strongly support Government and private groups whose job it is to keep it that way.) Therefore helping the consumer includes paying attention to the "finer points" of merchandising. Actually any cooperative can try to provide helpful information on products: ways to prepare, directions for storage, nutritive value, limitations. Any cooperative can refrain from wild advertising, from representing their products as the best when they are not, from making unwarranted nutritional claims and from tricking people into buying what they do not need.

FLOWERS WITHOUT ROOTS

AN INTERVIEW WITH PROFESSOR MIZUNO

PROFESSOR Ryozo Mizuno is Professor of Marketing at Kobe University of Commerce in Japan. He visited the I.C.A. at the end of June 1962 after completing a 4-months study period in the United States, where he had been examining consumer organisations and consumer cooperatives.

Ryozo Mizuno has played a leading part in arousing consumer consciousness in Japan and his visit afforded us the

opportunity of learning a good deal about the condition of the consumer in Japan.

Professor Mizuno thought that the selling pressure in London was far less than it had been in New York. Advertising is one of the Professor's special interests, but his major interest is "Commodities". The interview with the Professor began by exploring what was meant by "commodities".

F. BOGGIS "Can you explain what is involved in the study of 'commodities', Professor?"

PROF. MIZUNO " 'Commodities' is a study of basic commodities, for example, food, textiles, fuels, metals, lumber, chemical products, their properties, uses, the manufacturing processes involved, their place in the economy and the standard employed in production, their control and testing. Before the war the study was mainly concerned with major raw materials but now, partly due to the influence of American books and the American testing magazines, the consumer point of view has been introduced with an emphasis on how to obtain "better buys". Particular emphasis is placed on standards—the standard used in production, in quality control and in testing. So far as raw materials are concerned there is no very great problem because those who buy from manufacturers are well-informed, but so far as consumer goods are concerned the ignorance of the average consumer produces a condition of imbalance and makes standards indispensable".

F. BOGGIS "Who takes courses in 'commodities'?"

PROF. MIZUNO " 'Comodities' is taught mainly as part of business education in the commercial high schools, colleges and universities and the courses are for a year or two in duration. Efforts are being made to introduce the subject into the general social studies courses at earlier stages in the educational ladder, because the study of "commodities" is an excellent introduction to simple economics".

F. BOGGIS "Through this course then it is possible to introduce into the normal education curriculum an understanding of what constitutes the consumer interest and how to buy scientifically? In the West it has proved very difficult to do this."

PROF. MIZUNO " 'Commoditics' stresses the double aspect of commodities; namely, that goods must satisfy both the profitability requirement and the consumers' requirements. These two aspects have to be balanced and where the expression of consumer needs is weak, government has a responsibility to assist".

F. BOGGIS **"Your last remark naturally leads me to ask what sort of consumer organisations there are in Japan."**

PROF. MIZUNO "Unfortunately the consumer organisations are still weak and lack power. There is a National Liaison Conference of Consumers' Groups which meets at the headquarters of Japanese Housewives' Unions under the auspices of the Economic Government Planning Board. In fact, however, it is only just starting. Individual consumer organisations are jealous of their independence; there are jurisdictional difficulties and it has proved difficult to secure cooperation between individuals. I am rather pessimistic about the situation and I think it will prove impossible to establish a nationwide consumer organisation".

F. BOGGIS **"But it has proved possible and fruitful elsewhere, in Holland for example."**

PROF. MIZUNO "Yes, but there are also examples of conflict in other countries, for instance, in the United States".

The Professor then went on to explain something about the Japanese Consumer Association which he advises and which has recently begun to publish test reports containing the brand names of the articles tested. He explained that this organisation was supported by funds from the Government and manufacturers as well as by subscriptions from individual consumer members. The President of the J.C.A. was from the Chamber of Commerce and Industry and the Chief Director from the Japan Productivity Centre. Amongst the other Directors there are trade unionists, members of the Housewives' Union and university people. It was true to say that despite the composition of the directive body, the leadership was in the hands of consumer-oriented people. Testing was done by laboratories dependent on funds from industry but these were independently

constituted. Whilst there might be some doubt in the minds of outside observers as to the independence of the J.C.A., it should be said that the Committees responsible for setting up test programmes were quite objective and selected their test standards from independent sources not only in Japan but elsewhere too.

Professor Mizuno explained that J.C.A. was not the only body which was publishing test results in Japan. A magazine entitled *Handbook for Good Living* had for a number of years regularly devoted something like a fifth of its space to the results of consumer testing. The Handbook's editor had been to the fore in consumer matters in Japan and the magazine had enjoyed a readership of 700,000 at its maximum, although at present circulation is approximately around 500,000.

Professor Mizuno was asked:—

F. BOGGIS **"Is there a central department in the Japanese Government Administration which is responsible for consumer affairs?"**

PROF. MIZUNO "No, responsibilities are scattered. The Ministry of Welfare is responsible for a number of health matters affecting consumers, but there is no single department concerned with consumer questions. The Department of Commerce does quite a lot in this connection and there is a Fair Trade Commission which is supposed to protect the consumer as well as promoting fair trade practices in business. Formerly it devoted most of its attention to fair trade practices, but the consumer movement is now demanding that it takes more action on the consumer front".

F. BOGGIS **"Can you give any examples of the work of the Fair Trade Commission in the consumer field?"**

PROF. MIZUNO "Certainly. There was a considerable scandal two years ago. A tin of stewed beef was found to contain whale meat. A complaint about this misrepresentation triggered off a series of similar complaints and it became clear that whale meat, or other kinds of meat were used in what purported to be stewed beef. Consumers wrote to the press and the Housewives' Union launched a campaign and made representations to the Fair Trade Commission. The firms involved in the misrepresentation alleged that this kind of practice was a recognised trade practice in cheap goods. However, the Fair Trade Commission ruled against this misleading practice but only in the case of canned meat goods. This is not enough; misleading advertising and labelling are widespread and we are seeking more extensive legislation".

F. BOGGIS **"Professor, what would you describe as the most important problem with which the consumer movement is confronted in Japan?"**

PROF. MIZUNO "Undoubtedly this is the serious distortion of the Japanese pattern of consumer expenditure. There is an imbalance in spending. Fundamental goods are neglected while large amounts are spent on unnecessary or leisure items like television sets, and this is attributable to excessive advertising. The problem is that people indulge in "gorgeous living" because they are often unable to satisfy their basic needs. It is very difficult to find satisfactory housing, for example, but relatively easy to buy a stereo-phonograph. So we have the flowers but no roots".

F. BOGGIS **"What can the consumer movement do to counteract this development?"**

PROF. MIZUNO "It can only be done through education. We must gradually educate the consumer expenditure patterns for different wage and salary levels. People are encouraged to compare their budget expenditure with that of the model. The Government's family expenditure studies show very clearly the unbalanced expenditure pattern. Too

little is spent on fresh vegetables and too much on "instant" products. There is also a marked tendency for people to buy out-of-season fruits and vegetables which can be produced now because of the application of new techniques to horticulture. We are attempting to educate consumers to demand fresher, better tasting foodstuffs in season, rather than the pre-packaged more costly foods. It is true that the pre-packaged foods are convenient, but because of high advertising costs, they are also very expensive".

F. BOGGIS **"Can you tell us what the Cooperative Movement is doing in this field of expenditure patterns?"**

PROF. MIZUNO "NADA Cooperative is particularly interested in these studies and a number of local groups compare their personal household budgets with the results of national household budget enquiries".

F. BOGGIS **"And do the cooperative members in these groups adjust their spending accordingly?"**

PROF. MIZUNO "Naturally, it is very difficult to tell. Japan has a free economy but no doubt the mutual discussions which take place help. The study groups who examine household budgets are popular and households in Japan generally record their expenditure very carefully. We are trying to get them to draw conclusions from these studies and to make comparisons with the model budgets which have been drawn up by the Planning Board".

F. BOGGIS **"I can appreciate the problem. It is essential to give basic needs priority over peripheral needs. But patterns of consumption do change as living standards rise. Is there any danger of freezing the expenditure pattern by erecting these models?"**

PROF. MIZUNO "Obviously people cannot be forced to conform to the expenditure model and hence there is really no problem. We merely seek to help consumers to achieve more desirable spending patterns and to resist the influence of advertising. We are asking businessmen to alter their production pattern so that it conforms to the demand indicated by the models. Not only would this be profitable for them but it is their duty in view of Japan's meagre resources. You see, Japan has 6 television channels, 4 of which are commercial, mostly showing westerns during the "golden", that is to say peak hours. In Japan there is too much commercial television".

F. BOGGIS **"Would you say then that in the case of Japan, high pressure salesmanship through mass media has developed at too early a stage in the process of economic development?"**

PROF. MIZUNO "Yes, and the result is this serious imbalance in spending".

F. BOGGIS **"Do you think this could prove to be a problem for the emerging economies too?"**

PROF. MIZUNO "Yes".

Professor Mizuno explained something of a study on informative tests of advertising he had undertaken from the University concerning what consumers wished to see in advertising. A sample of 1,500 consumers were asked to indicate what information they would like to have if they were buying a new product. Lists were compiled which showed information desired by different age, occupation and educational groups. The check lists of desirable information were compared with newspaper magazine advertising and publicity brochures. The brochures which were sold with the appliances conformed quite well with the check lists. But advertising in the mass media showed up very badly. Attempts were being made, the Professor explained, to influence industry to include the basic information that consumers desired in their advertising and this seemed to be meeting with some response.

Discount Buying

The Professor explained that there was some concern in Japan about discount costs, and that the Marketing Society had set up a study group to look at discount costs and productivity in marketing. Production costs are about half of the final retail cost and the remainder is marketing costs, including tax; and marketing costs are on the increase. Producers of domestic appliances for example, have tended to over-invest and over-produce with consequent severe competition. In an attempt to sell their produce, manufacturers incur very high promotional costs and grant very large margins to distributors. The retail price is very high and as a result people have been eager to buy at discount. Discount buying has become well-developed among middle and higher income groups whilst the lower

income groups tend to buy on credit. There is a multiple price system, the "credit right price", "the cash right price" and the "discount price". The right or list price is sometimes 2 or 3 times the production cost.

Professor Mizuno was keen to emphasise that he thought consumers could achieve a good deal by making their wishes known to industry. He described a recent development for feeding back to manufacturers complaints concerning the goods. Consumers were encouraged to submit their complaints to a local organisation, which in turn submitted them to a Complaints Clearing House in the Economic Planning Board. In the first six months of the operation of this scheme, 15,000 complaints had been received. The complaints would be analysed to establish whether the responsibility was with the manufacturer or the consumer for misusing the goods. The purpose of the scheme was to provide manufacturers with a guide to better merchandising.

Distortion of essential priorities

Perhaps the most significant aspect of the consumer philosophy in Japan is the attempt to help consumers to utilise their scarce resources to the best advantage. The consumer problem is in a way a reflection of that country's economic problem. Certainly the most alarming feature of consumer problems in Japan is the attempt of commercial interests to induce consumers to satisfy their less urgent needs before they use their limited resources to satisfy those needs which are essential to their welfare. The chase of television sets, before adequate housing with a proper water supply and adequate sanitation seems to indicate a distortion of essential priorities.

In the July Number of

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WORK AND METHODS

OF K.F.'S TEST-KITCHEN

by **Anna-Britt Agnsäter**,
Head of the Test-Kitchen, K.F.



A group of housewives participate in the test kitchen's taste tests

ONE can work in many different ways in a test-kitchen. The preparation of food there is inherent in the words "test-kitchen". But there are many other problems with which one can work. The greater the number of "starting-points" is, the more diversified the range of activities becomes.

The number of "starting-points" in K.F.'s test-kitchen are many because the Cooperative Union and Wholesale Society (K.F.) has an extensive and comprehensive range of activities, including foodstuffs industries, wholesale and retail trading, special information sections, as well as its own newspaper,

publishing house and advertising department. In short, one can say that the test-kitchen is an institution at the service of all these activities.

Quality Control of Foodstuffs

The test-kitchen conducts a never-ending series of taste tests, comparing cooperative products with their privately produced counterparts, all in a constant effort to appraise the quality of cooperative foodstuffs. During any one season, an average of 75 cooperative products are tested at least three times each. The cooperative product is examined and compared each time with three or four other brands. All goods are purchased from shops and are blind-tested, that is to say, the test-kitchen tasters are never aware of the brand or origin of a product. These judges consist of a select

group of about 25 housewives, previously selected, plus a number of home economics teachers associated with the test-kitchen. The results of these tests are never made public, but are available only to K.F.'s purchasing department or industries and to its foodstuffs laboratory.

This activity fills a vital function. It keeps us constantly in touch with the qualities of our wares, for one should never become complacent as soon as a product has been placed on the market. These taste tests also supplement the foodstuffs laboratory's work in quality control. Indeed, the quality of a product cannot be determined in the laboratory alone, that is to say, analytically: it must also be judged by the faculties of taste and smell which are the decisive factors determining the success of a product with the consumer.

Collaboration between the test-kitchen and laboratory is tremendously important. This is also valid for the purchase of domestic and imported merchandise where the taste test and the practical discussion of usefulness and price go hand in hand with laboratory examinations. In taste tests at this laboratory, test-kitchen teachers as well as the men who buy and sell the goods participate.

Product Development

Every industry works continuously for the development of new products. A test-kitchen can contribute significantly to product development work, e.g. by working out recipes and experimenting with them on a small scale. After a test product has been developed the test-kitchen again comes into the picture. A test-kitchen can also supply a good many pointers in discussions on things suitable for the household.

Label tests

Another important duty of a test-kitchen involves writing instructions and compiling recipes for the labels of foodstuffs. It is very important that the information on these labels should be plainly and clearly expressed. First and foremost, an informative declaration-of-contents as well as all specifications necessary for successful preparation, that is to say, the exact amounts of all ingredients to be added, boiling, frying, baking times etc., should be provided where necessary. Suggestions for serving should also be made, which can stimulate the buyer's imagination and lend variety to the product.

Household Utensil Tests

It is of value to the departments which purchase household appliances and utensils to be able to test them too, and for this our kitchen is very well equipped. Tests which determine gas, water and electrical consumption can be made. The kitchen is also provided with a special thermostatically controlled oven which can give very precise temperatures for purposes of experimental food preparation and which is also useful in testing oven-proof earthenware. This is one especially extensive aspect of our activities which we pursue on behalf of K.F.'s porcelain factory, Gustavsberg, whose designers keep in close contact with the test-kitchen whilst designing new products in plastic or porcelain.

Contact with the Swedish Household

Appliances which have been tested and approved are marked with a special test-kitchen emblem. It is a great advantage to consumer and seller to know



Housewives are always interested in the tests - Here an oven-fast dish is being tested in a special thermostatically controlled oven

The most modern equipment is used in the test kitchen



that merchandise has been tested and approved.

The results of our work are made known through articles in cooperative journals and through our cookery books. Every week, for example, the magazine "*Ti*" features a menu for the week and an informative article for consumers on food and food preparation, household utensils and other things.

The test-kitchen's cookery book, "*Vår kokbok*" (Our Cookery Book) reached its fifth edition this year. It has become the textbook in many Swedish home economics schools and is sold in every bookshop. It contains more than a thousand recipes, in which particular attention is paid to nutritional value and simplicity of preparation. The test-kitchen has sponsored many other books on such subjects as Guest Dinners, Sandwiches, Cake Baking, Drinks, Spices and many others.

Teaching through Shops

More and more attention is being paid to devising new recipes. In this connection pictures in both colour and black and white are prepared for posters and shop display purposes. Eight-hundred thousand copies of an advertising brochure are being distributed in co-operative shops every fortnight during 1962 and we anticipate continuing this in 1963. The test-kitchen files information concerning merchandise and ways of preparing food in these brochures. We pay particular attention to young households which are otherwise very hard to reach as they very seldom come to lectures or study circles. But they do come to the shops where contact can be made with them.

An excellent means of teaching in the shops themselves is through demonstrations at which people can taste a pro-

duct, but for this, trained demonstrators are needed. In collaboration with K.F.'s advertising department, much training of this nature has been initiated. Our aim is to supply each large shop with a special demonstrator and a special counter for demonstration purposes. The starting-point for these demonstrators is always a recipe from one of the brochures, which are then handed out in the shop in conjunction with the demonstration.

During 1961 about 4,200 people among whom were housewives and school groups visited the test-kitchen to learn about our work.

The test-kitchen has one teacher who devotes herself mainly to teaching at K.F.'s school, "*Vår gård*" in Saltsjöbaden near Stockholm. Her work deals mainly with nutritional assessment questions, merchandise and practical demonstrations in the preparation of food. Study-visits to the test-kitchen, are also included in the various courses.

Innovations

Since K.F.'s test-kitchen was opened in 1944, many new products have come on the market, more and more of them pre-packaged. Innovations in packaging alone have been innumerable, and there are signs that in the 60's the development will be even greater, calling for further expansion in the work of the test-kitchen.

The test-kitchen might be described as just one cog in a large machine, but the work is both interesting and stimulating. Freedom to express honest opinions is all-important and the aim should always be to uphold the consumer's best interests and to ask the housewife to join in judging, tasting and discussions.

THE CONSUMER FACES TECHNICAL PROGRESS

REPORTS PRESENTED TO THE NATIONAL CONGRESS OF THE FEDERATION NATIONALE DES COOPERATIVES DE CONSOMMATION, VICHY, JUNE 1962.

A time in which moon probes are launched, in which men circle the earth in artificial satellites and, by the use of lasers, project light into space and receive its reflection from the planets is assuredly a time when everyone becomes aware of technical progress. How else can it be in a world living in the shadow of the Hiroshima mushroom cloud!

But around us there are problems which our civilisation has failed to solve by the application of scientific thought and new technology. The millions who now live and multiply because of preventive medicine and cheap mass-produced drugs remain unfed—despite the successful application of science to agriculture as seen in increased yields on the farms. More and more people are coming to own motor cars, yet there has been no satisfactory and cheap device produced to prevent the air of our cities from becoming increasingly polluted by exhaust fumes.

In Tune with the Times

The F.N.C.C. are in tune with the times choosing the theme of "The Consumer and Technical Progress" for two papers at their Annual Congress. By dealing with this topic the Congress brings together the questions of new techniques and the defence of the consumer which were considered separately at two earlier Congresses—those of 1958 and 1961.

Jean Lacroix's report to Congress, entitled "*Progrès technique et Bien-être*" (Technical progress and welfare), deals with the broad questions on which the cooperative movement must formulate policies in a period of technical change. In François Custot's paper "*Défense de la santé et information du consommateur: la point de vue du Laboratoire*"—(Defending the consumers' health and informing the consumer: the laboratory's point of view), there is an interesting account of the difficulties which the *Laboratoire Co-opératif d'Analyses et de Recherches* encounters in its work in defence of the consumer. Custot also makes some practical suggestions for reform of the French institutions concerned with consumer matters.

Many Problems

Custot deals in fair detail with some of the current problems facing the consumer-citizen—the pollution of the atmosphere, water supplies, the dangers inherent in the incorrect use of insecticides. He proceeds to examine the difficulties which the *Laboratoire Co-opératif* encounters. The uncertainty and inaccessibility of regulations in this field and the non-publication of the advice of ministerial experts are attacked. Custot rightly draws attention to the failure to keep research on the physiological effects of new additives, pack-

aging materials, plastics, in step with the use of these products in everyday life. An interesting and important point that he makes concerns the general level of understanding of these questions in society; he points to the fact that through the popularisation of science many people will be familiar with the performance and characteristics of an Atlas rocket, but few aware of the facts concerning more mundane objects surrounding them which they will have purchased—an example which he uses is the milk content of milk-bread.

Custot's discussion of the appropriate governmental machinery for dealing with consumer questions in France will interest those concerned with consumer representation in other countries.

Among Custot's many practical suggestions for joint action by consumers is the boycotting of goods which are falsely advertised. The impact of such a campaign will be observed with interest!

French Viewpoint

Lacroix opens his paper by stating that his aim is to treat the question of technical progress from the viewpoint of the French consumer of 1962; to bring into relief a number of problems arising from technical progress and to outline the basis of a policy for the Co-operative Movement in a society characterised by industrialisation, urbanisation, economic concentration and the broadening rôle of the state.

In developing his argument Lacroix points to the way in which technical progress is now accepted as a natural phenomenon. The consumer, surrounded by new products and services, with shorter working hours and a higher standard of living than his predecessors at the beginning of the century, rightly regards technical progress, if not as the

only, then as one of the major sources of his new-found wealth.

The advance of technical progress is not without its peculiar problems. There are barriers to be overcome in the dissemination of new techniques, especially in the traditional industries. Certain technical advances can only be applied profitably on a large scale and hence require concentration or specialisation in industry. The uncertainties involved in investment in new processes, the success or failure of which may only be apparent in the long term, stand in the way of their adoption in certain cases. However, despite the neglect of science and technology in industry, the inadequacy of the institutions for disseminating scientific and technical knowledge, restrictive patent agreements and the reluctance to apply the newer techniques of automation, electronics and cybernetics, *still* there have been significant developments in the advanced economies. Lacroix quotes Fourastier who summarises the position thus:

"Technical progress frees men from servile labour, it prolongs their lives, it increases their independence in relation to their environment and permits development from a passive existence to one of speculative thinking. It brings higher education within the reach of the average man and opens up to him the way to an intellectual civilisation".

Lacroix has of course to be brief in a Congress paper and cannot explore the ideas on which he touches, otherwise no doubt he would have questioned some of the underlying judgments made by Fourastier. Inevitably, intellectuals tend to assume that the ideal state is one in which the intellectual and his interests reign supreme and that activities which are not "intellectual" are to be

discouraged or denounced. But how to define passivity? Is the audience at the opera or in the theatre any more passive than the spectator at the rugby football stadium? Does the reading of a piece of destructive criticism, so often regarded as an intellectual occupation, rank as less passive than the use of one's hands in even the most simple work of carpentry? However, it is Lacroix and not Fourastier whose ideas we are examining!

The Human Cost

The human costs of technical progress are underlined in the paper. Attention is drawn to structural unemployment, the displacement of population and the dehumanisation of work which can follow upon technical change. A useful distinction made by Sauvy between *progrès processif* (creative progress) and *progrès recessif* (destructive progress) is introduced. Creative progress, which permits the exploitation of new materials, new sources of energy or brings new land into use may still change the habits and rhythms of life. The alienation of the individual by technical progress, the creation of a "worker robot", is one of the unwelcome adjuncts of technical change.

The consumer has to take account of the effect which rapid technical change may have on the price he pays for a product. A quickening in the rhythm of technical change may render obsolete existing machinery, still with a useful productive life to work out. The cost of replacement by new plant may well be recovered from the consumer, who in return will benefit from a quality change. If the new process does reduce costs, then the expenditure required to promote the "new" or more correctly "changed" product may well absorb the

saving. Secondary quality changes may have been achieved at the cost of a waste in investment which results in little of benefit to the consumer.

Leisure and culture have been regarded as in some measure a compensation for the alienation effect which accompanies technical progress. Lacroix questions this, pointing to the changes which have been wrought in these fields by technical innovation. He goes on to draw attention to the stimulation of a "permanent exasperation of needs" which is achieved by means of advertising through the mass media. Might one not speak, asks Lacroix, of a relative pauperisation of the working class in such a situation? Do not the undeniably unfavourable psychological consequences produced by what can be attained by the working class and what is offered represent a setback?

The Heart of the Argument

The heart of Lacroix's argument has now been reached. The application by the entrepreneur in his undertaking of new techniques is undertaken because he wishes to increase profits and extend his power. Alternatively, the manufacturer may resort to the use of motivational research to enable him effectively to differentiate his product from that of his competitors rather than to "improve" the product by means of technical change. The outcome of motivation research is frequently an advertising campaign which serves to reinforce the sentiment of dissatisfaction among consumers, as well as to sell more of the manufacturer's product. Where cost savings accrue through the application of new technical processes, these may either be absorbed by shorter hours and higher wages obtained by the workers in the concern through collective bargain-

ing, or be employed to manipulate demand rather than lower prices.

When one examines an economy such as the American, which is orientated towards effective demand and individual consumption, then one is also confronted with an economy which fails to satisfy the needs of collective consumption, an economy which relies on the dependence effect to continue to grow—the higher level of production requires a higher level of want creation and necessitates a higher level of want satisfaction. Such a situation is not one in which the concept of consumer sovereignty has any meaning. This is an economy of futility, says Lacroix, not an economy of consumption. In Europe, by accepting the trend towards such an economy we should in fact be choosing an economy of futility too. Lacroix adds point to his statement by quoting a passage from Galbraith's *"The Affluent Society"*:

"Were it so that a man on arising each morning was assailed by demons which instilled in him a passion sometimes for silk shirts, sometimes for kitchenware, sometimes for chamber-pots, and sometimes for orange squash, there would be every reason to applaud the effort to find the goods, however odd, that quenched this flame. But should it be that his passion was the result of his first having cultivated the demons, and should it also be that his effort to allay it stirred the demons to even greater and greater effort, there would be question as to how rational was his solution. Unless restrained by conventional attitudes, he might wonder if the solution lay with more goods or fewer demons". Lacroix caps this quotation by one from Pierre Masse "... an economy of creation is to an economy of consumption as the civilisation of the cathedral

is to the civilisation of the gadget". But Lacroix is careful to state that to achieve such a desirable condition is not easy where the study and estimation of consumer needs lags and satisfaction of private consumption is orientated to the search for profit.

Organising the Consumer

The consumer's interest has to be confronted by other interests before it is possible to arrive at the general interest. But in arriving at the general interest the voice of other better organised interests is heard and that of the consumer frequently neglected. There are now groups whose objective is to inform and educate the consumer and these have adopted comparative testing as their principle educative tool. These groups seldom undertake the task of organising the consumer and may be reluctant to represent the consumer. These organisations, with their limited appeal, are, says Lacroix the "interlocuters" of producers in our economy, a somewhat nebulous rôle but one which clearly accepts the status quo. Lacroix goes on to assert that these groups do not remove the *raison d'être* for the Cooperative, rather they underline the originality of its contribution and its immense possibilities. The Cooperative Movement, because of its material achievements, constitutes the real countervailing power for the consumer. The Movement can justly claim to be the only organisation able practically and systematically to interpret consumers' wishes and defend their interests.

The statement which Lacroix makes at this point in his argument of cooperative responsibilities is of the greatest significance. Since the movement does not exist simply to oil the wheels of capitalism, it must be prepared to

undertake the risks and perils of intervening in unsatisfactory market situations and accept that the resulting benefits will accrue not simply to the Movement but to the community as a whole. The Movement is involved not merely in the education of "buyers" but in education in economic democracy. Above all else the movement has to establish a type of economic organisation which will bring about a series of correct choices so far as the ends and means of planning and the orientation and rhythm of technical progress are concerned. "The economy of cooperation cannot be assimilated to a simple economy of consumption and still less of futility", says Lacroix. "The objective of cooperation—in all its diverse forms, is to improve the well-being of men by their participation in the definition of this well-being, and not to accomplish this by promoting the creation of profits for individuals but by extending the general welfare of society". Lacroix concludes that the Cooperative Movement cannot consider the existing state of effective demand and structure of production as the hierarchy of needs to be satisfied. The hierarchy of needs with which the Movement must be concerned is one arrived at by rational discussion and not the totalisation of purchases of individuals more or less conditioned by advertising and alienated by technical progress.

The Rôle of Cooperation

There is an outline in Lacroix's paper of the policy that the Cooperative Movement could adopt on the basis of his analysis. There will follow here no more than a sketch of the proposals. In the conduct of its business affairs the Movement should adopt those technical innovations which will increase product-

ivity and reduce costs; for this to be done effectively regional concentration and national buying are essential. When acting in their rôle of associations of consumers the Movement must control advertising expenditure by linking appropriations and turnover, check the validity of advertising claims and seek to represent the consumer on public bodies as is appropriate. Where necessary the Movement must intervene in the market; it may be more rational (or feasible) in certain market situations to bring public opinion or official pressure to bear on those acting against the consumer interest, rather than to attempt a material intervention. As a social movement, Cooperation must concern itself with the balance between collective and private satisfactions, with the expansion of education and research budgets and the increase in cultural expenditure.

It must be evident by now that Jean Lacroix has written a paper designed to set cooperators thinking. His final thoughts are no doubt intended to start cooperators arguing! He classifies cooperative society members into three groups: 1. the customer member, who regards the society as merely a distributor; 2. the conscious consumer-member, who sees the society as an instrument for the defence of the consumer; 3. the militant-member who is engaged in the experiment of economic democracy which is Cooperation. Lacroix recognises that in the past societies have set out to attract the members in the first and the last of these categories (the customers and the militants), but not the middle group (the conscious consumers). He concedes that it is time to take more account of those people who are disconcerted by the flood of goods which the new technology has released and the claims made for them. But he

also points to the fact that these same people only see the consumers' problems superficially (*"Ils ne voient que l'écume des choses"*)—literally "They only see the froth of things"). May not catering for such people, encouraging them to join the ranks of the militants, cause the Movement to loose contact with the bulk of its members—the customer-members? One can only assume that this is the kind of rhetorical question to which Lacroix expects the answer NO! The reasons are that although the conscious consumers are still a relatively small group who do not see sufficiently far beyond their immediate concern with deception, frauds and mistatements, yet they are articulate and attract attention and if one interprets present trends aright their influence is growing. Of course it must not be overlooked—Lacroix himself neglects this point—that some conscious consumers are not cooperators and indeed reject the idea that the Movement is the effective defender of consumer interests; since these are articulate and influential people it is surely worth while to cultivate them and those of their number who are already within the Movement.

An even more fundamental reason for giving attention to the demands of this group for consumer information, adequate standards, etc., is that the bulk of consumers will benefit. It is also unrealistic to think of the great body of customer-members as uninterested in the questions preoccupying the conscious consumer. Their concern is less articulate and unorganised but it does exist! Since the Movement has been traditionally concerned with education, there is a good case for educating our customer-members to become conscious consumers and our conscious consumers to become militant cooperators. Perhaps

one might add that it may be necessary to re-educate some of the militants so that they can appreciate the problems with which the conscious consumer is preoccupied. In fact, Jean Lacroix has already answered the question with which he closes his paper earlier when he states that the Cooperative Movement has an unrivalled understanding and experience of problems of choice and quality, not only through laboratory tests but from the daily use which its members in all socio-economic groups make of products. The movement has the advantage of being in touch with thousands of families through its stores, meetings, press and auxiliaries. Given such a network of contacts, how can it loose touch with the bulk of its membership?

Perhaps the proof of the excellence of these two papers submitted to the F.N.C.C. Congress is that they lead to an examination of further problems which the Movement faces, namely, the need for effective communications within the Movement.

F. D. B.

The report of proceedings of the

CO-OPERATIVE CONGRESS

held in Blackpool at Whitsuntide
has now been published.

The booklet, which includes a verbatim report of what was said at Congress, can be obtained at 5s. 6d. post free from the

CO-OPERATIVE UNION LTD.,
Holyoake House,
Hanover Street, Manchester 4.

THE COOPERATIVE MOVEMENT AND CONSUMER PROTECTION

WHEN the Second Conference on Consumer Protection opened in Paris in January, 1962, the continuity of thinking on questions of consumer protection and enlightenment which has persisted in the Alliance since the early 1950s was immediately established. Both the President of the Alliance (Dr. M. Bonow of *Kooperativa Förbundet*) who chaired the Conference, and the President of the host organisation (M. Brot, F.N.C.C.), made reference to earlier discussions, particularly the debate at the Stockholm Congress in 1957.

The first group of papers to be discussed also firmly established a connection with the recent past.

Action since Garmisch

The initial item was an analysis of replies to a questionnaire circulated by the Secretariat of the Alliance which enabled the delegates—43 in number and from 12 countries—to assess the extent to which the member organisations had adopted the recommendations of the first consumer conference. The Garmisch-Partenkirchen Conference on *The Health of the Consumer*, held in September 1959¹ approved a number of recommendations, which, with the Executive Committee's endorsement, were circulated to the Alliance's affiliated organisations. The recommendations covered the fields of: (i) legislation pro-

tecting consumer health; (ii) consumer information and education; (iii) the work of Cooperative laboratories and (iv) international action. All the recommendations were directed to cooperative organisations. The rapporteur (F. D. Boggis of the Secretariat) indicated that there were grounds for optimism as well as pessimism in the analysis of action taken in adopting the Garmisch Conference's recommendations.

In respect of certain of the major recommendations, virtually no action had been taken. Reviews of legislation protecting consumer health and programmes of consumer information and education would seem to have been neglected although they featured in the first consumer conference's recommendations. Although the recommended reviews had not been made, there had been important changes in policy and an expansion of activity in the field of consumer information and education. Similarly, a number of organisations had participated in the formulation of new legislation and regulations concerning the safety of foodstuffs. In the discussion which developed, delegates were able to offer some explanations for the apparent failure of their organisations to undertake the recommended reviews.

Mr. H. Jennings (Cooperative Union) stressed the already comprehensive character of British legislation on food additives and that a full-scale review would

The discussion did not deal solely with the confrontation of actions and

¹ A report appeared in the October 1959 issue of the *Review of International Cooperation*.

have engaged a number of persons on a full-time basis for a considerable period. Mr. J. Wood (Cooperative Union) developed this idea further, pointing out the difficulty of interpreting what constituted a review. The discussion of new regulations between specialists in the British Movement and government officials meant that these problems were constantly under review.

The discussion did not deal solely with the confrontation of actions and recommendations but this approach proved a useful one, since the realistic appraisal which delegates made meant that later discussions were of a more critical and sober character.

Legislation Protecting Health

Among the wider questions discussed was that of the modification of legislation by means of regulations issued by ministers. M. Custot (*Laboratoire coopératif d'Analyses et de Recherches*) stated that in France a system of illegal circulars existed which modified the generally acceptable legislation on food additives. These illegal circulars were not published in the official gazette, nor were they made available to the citizen generally. Such a system could only result in a steady deterioration in the consumers' position stated M. Custot. The discussions of advisory committees on food additives were secret, the authorities maintaining that widespread publicity for these questions would cause public alarm. Scientific opinion on the question of additives could not, asserted M. Custot, be said to exist, since the amount of work done on the matter was severely restricted by lack of laboratory facilities and research funds. M. Richely (*Union féminine pour l'information et la défense du consommateur*) said that Belgian consumers were also confronted

by this problem of illegal exemptions to regulations.

Several delegates—Mr. Wood (Cooperative Union), Dr. A. S. Kovacs (GEG Central Laboratory) and M. Richely (*Union féminine pour l'information et la défense du consommateur*)—drew attention to another facet of the protection of consumer health, the unhygienic handling of foodstuffs.

Another aspect of consumer health and protection was put by Herr Heinen (*Gesamtverband gemeinnütziger Wohnungsunternehmen*) who pointed to the need for minimum safety and health regulations in the building industry not only to be improved but enforced.

Consumer Information and Education

The discussion which developed on the section of the Secretariat's paper dealing with consumer information and education drew forth interesting contributions from the French and Italian delegates on their work. M. Lacroix (*Union des Coopérateurs de Lorraine*) described a regional experiment in the course of which a campaign for legislative reform in the consumer field and consumer education were combined. In Italy, Madame Fusina (*Comité national des Coopératrices italiennes*) outlined the way in which consumers had been enlightened about health and foodstuffs while at the same time the cooperative had introduced foodstuffs of guaranteed purity.

World Wide Consumers' Concern

The second paper considered by the Conference had also been prepared in the Secretariat. It provided a survey of the general problems that had been occupying consumers in different parts of the world in the period since the

Garmisch-Partenkirchen Conference in 1959. The rapporteur dealt first with the growing problem of air and water pollution and then turned to the pollution of the atmosphere by radio-active substances. Among the other topics discussed in the paper were deceptive and misleading packaging, drug prices, advertising, seals of approval, and resale price maintenance. In each case illustrative material from more than one country was provided.

In the discussion which developed on the paper, further illustrations were produced of the abuses which had been described and indications were given of attempts to tackle some of the problems. Delegates from both Belgium and Italy enlarged upon the question of drug prices and supplies. Dr. W. J. Stainsby (Cooperative Wholesale Society) told the delegates that the British Wholesale Society anticipated starting a programme of monitoring radio-activity in imported foodstuffs. There were divided opinions on whether the larger problems discussed, for example air and water pollution, should occupy the attention of the Cooperative Movement. Mr. Jennings (Cooperative Union) regarded such problems as affecting the citizen rather than the consumer, while by contrast M. Lacroix (*Fédération Nationale des Coopératives de Consommation*) argued for the protection of all the consumers interests by the Cooperative Movement.

Consumer Laws

In concluding the discussion of this paper, the President pointed to the need to establish priorities when working with limited resources, and hence that the Movement's prime responsibility to consumers was for the goods forming parts of its trade.

The final paper of the group of three prepared in the Secretariat dealt with legislation—whether passed into law or not—which had been before legislatures in the period since the first Consumer Conference. Legislation concerning credit labelling, the safety of consumer goods and the labelling of hazardous substances were just some of the matters dealt with in the paper. The rapporteur also presented information on the representation of consumers in government. A very brief discussion ensued.

Legislation regulating credit operations in the United Kingdom was clearly described by Mr. J. M. Wood (Cooperative Union) in a careful paper which outlined the historical development of the law. Mr. Wood also indicated the change from hostility to acceptance of credit which has taken place in the British Movement and described the different forms of credit trading in existence. The contributions from the delegates in the subsequent discussion disclosed a great variety of institutions and practices in the credit field. The Director of the Alliance (W. P. Watkins) intervened to describe the enquiry on credit trading carried out by the Alliance in 1957. At that time an incomplete set of data had been accumulated but even this had proved a useful contribution on the subject. Now perhaps was the time to try to make a more complete survey. Dr. Bonow agreed, and thought that perhaps the Research Section of the Alliance might collect information on a broad basis for this purpose. An exchange of experience on this topic would be advantageous for the Movements concerned.

Comparative Testing

The Director of the *Laboratoire coopératif* (F. Custot) introduced his paper

"The Cooperative Movement and Comparative Tests on Products." He began by pointing to the need for the buyer, whether an ordinary consumer or an agent of a Wholesale Society, to know what he is buying. Such knowledge is needed to choose between apparently similar products whose prices may be quite different. For some products there may be legal prescriptions, and textbooks will describe accepted manufacturing processes, but frequently there is no reliable source of information to help the buyer. For many items of manufactured foodstuffs, e.g. ice cream or meat pies, no legal restrictions may exist and there may be processes employed in production which are secret. Legal prescriptions vary, of course, from country to country.

Comparative testing, stated M. Custot, provides useful information on many of these points. By an examination of goods sold on the market under a particular name the contents can be established, the cost price can be estimated, it can be ascertained if the laws concerning the product are observed, and finally, by practical tests, it can be seen if the goods satisfy the real desires of the users.

One of the difficulties of comparative testing, continued Custot, is that one of the central concepts—quality—is very difficult to define. Quality is not a purely objective matter, a car must run and milk must be safe to drink, but beyond this the speed of which the car is capable or the fat content of the milk beyond the permitted minima will be for the consumer to decide. In making a comparative test the selection of particular features for examination will itself be subjective in character, since consumers will regard some characteristics as more important than others. Never-

theless, despite the difficulties, comparative tests are indispensable in establishing the relative values of products.

The information produced by a laboratory making comparative tests should, said M. Custot, be available to all levels in the Cooperative Movement. Regional and local cooperative societies whose duty it was to sell good articles at a fair price must know what to select, and the central cooperative society manufacturing under a cooperative brand had to set precise specifications to be observed in manufacturing.

Fostering Competition

The Cooperative Movement is in a difficult position when it comes to the publication of test results of competing brands for the consumer's use, because it is identified as a manufacturer and the results are accordingly viewed with scepticism. There may also be accusations of unfair competition from other manufacturers.

The independent consumer organisations consider comparative testing to be their principal activity. By the publication of results favouring the better brands, asserted M. Custot, they foster competition within the capitalist economy. In relation to cooperative policy, there are some risks in this narrow approach. While the Movement engages in the competitive process, it has also to struggle against the development of monopoly and has objectives beyond capitalism.

Because of such considerations as the foregoing, the practical magnitude of the task, the necessity for large samples and retesting, and the problem of establishing what the qualities are which are to be compared, it does not seem necessary—observed M. Custot—for the Cooperative Movement *itself* to publish

the results of comparative tests of rival brands. On the other hand, it can assist those consumers' organisations which are testing goods.

M. Custot concluded his paper by arguing that since cooperatives are associations of consumers, their laboratories must be in a position to collaborate with other consumers' organisations and be able to publish at least part of the results of their work. These laboratories might need to establish the difference between their status and that of laboratories attached to manufacturers in the private sector. The solution adopted in France was for the laboratory to be legally independent, which seemed to be a satisfactory arrangement.

The Purpose of Testing

Discussion of M. Custot's paper was begun by Dr. Bock (*Zentralverband deutscher Konsumentenvereine*) who posed the question "What is the purpose of comparative testing?" As products became more complex it was clear that the consumer wished for more guidance in purchasing. Comparative testing was an important tool in consumer enlightenment, but tests were only concerned with one element in the comparison of commodities, the physically measurable. Objective commodity testing gives real guidance to the consumer; the use of internal product testing can similarly assist producers. The dissemination of internal test results may not be helpful to consumers since they are based on the needs of manufacturers, not housewives, and only have real value when a clear judgment can be made. The German Movement was collaborating closely with other consumer organisations.

A new BBC radio programme *Choice* which was based on the results

of the consumer testing organisations in the U.K., was mentioned by Mr. Wood (Cooperative Union), who explained his Movement's attitude to testing. While the Movement was in favour of any programme of consumer education they had drawn attention to the difficulties involved. Voluntary organisations whose members by their subscriptions provided the funds for test programmes were unable to test all the products available on the market. Cooperative products were frequently neglected with an adverse effect on sales. The results obtained by testing often required careful interpretation; similar brands produced by the same manufacturer might be rated high or low by the testers, lending force to the argument that tests were frequently a check on quality control rather than real quality differences.

Difficulties encountered when assessing the results of comparative tests by independent testing organisations were mentioned by Dr. Stainsby (C.W.S.) His own laboratory carried out tests, many of them control tests for productive units. There were also comparative tests made of their own and competitors' products, but unfortunately these results were not published—a deficiency which Dr. Stainsby was seeking to remedy. He described some test results obtained by the independent testers which exposed deficiencies in test methods and hence misleading results.

The need for laboratory, market research and commercial advisers to work together was stressed by Dr. Kovacs (G.E.G.). The qualities of a product acceptable to a consumer could only be established by consulting the consumer, a task for market research. Given this information, the laboratory could order an examination and draw up a specification to be used by commercial experts

with a knowledge of sources of supply.

In replying to the discussion, M. Custot underlined that the whole question of comparative testing bristled with difficulties. The independent testing organisations tended to minimise the difficulties to be overcome—if they were aware of them—and might be misleading consumers as a result. Commercial concerns had been testing products for a long time but kept their results and methods secret. Cooperative laboratories could surely communicate results and methods one to another. This whole question of comparative testing was one which would benefit by further discussion.

Consumer Choice in an Economy of Abundance

In a stimulating contribution to the Conference, Dr. Gebauer (Z.d.K.) elaborated on the theme of the written synopsis of his paper, "Consumer Choice in an Economy of Abundance", which had been circulated to delegates. In his written text Dr. Gebauer referred to the evolution of the modern economy from being one designed to meet consumer needs, to one stimulating consumer needs. The pattern of consumer demand was no longer one of uniform limited needs but of demand for broad differentiated assortments. This change was a result of the tendency towards the overproduction of consumer goods. Some countries were satisfied with a limited assortment of consumer goods and devoted the fruits of increasing economic productivity to public expenditure—schools, transport, hospitals and armaments. Economies such as these were not primarily devoted to individual personal welfare. Other economies grant freedom to producers, traders and consumers, with consumer demand, in

the final analysis, as the decisive factor in economic development, influencing both production and investment.

Is the consumer equal to his assigned rôle in the market economy, asked Dr. Gebauer. Can the consumer make rational and dynamic purchasing decisions or is he limited to passive acceptance of goods at the offered price? When productivity was low there was no problem, the condition of the economy permitted the broad masses to cover only basic essentials. In the modern economy whole groups of apparently "luxury" goods resulting from increasing agricultural and industrial productivity are made available to ever wider groups of the population.

In his written text Dr. Gebauer explains that, along with the industrialisation of consumer goods production, there has developed a new style of consumption characterised by the motto "*C'est le superflu qui est le nécessaire.*" The organisation of modern industrial society does not permit the "simple life". With the growing rationalisation of the labour process and technical advance, man has continually to orientate his whole way of living to the growing standard of living which seems essential, physically and emotionally, for the accomplishment of his tasks. This adjustment to a new, still evolving environment, can be seen in the changes in the selection of consumer goods available on the market.

Need for neutral Bodies

This development has been stimulated not so much from the consumer side of the market, but from the producer side especially by means of the advertising associated with new goods. Advertising is subject to abuse, goods of little value being sold by means of pre-

judiced and exaggerated advertising. The strong position of producers or distributors too frequently makes price fixing with consequent high profits possible. In such situations there is a need for neutral bodies to intervene in order to protect the consumer through the medium of objective information, and for there to be legislative protection of the consumer through laws on foodstuffs, labelling and restraint of competition.

Consumer cooperatives have long been active in the field of consumer protection and enlightenment. The legal disabilities under which cooperatives labour in the German Republic, hamper their competitive efforts, which nevertheless have been intensified. The advertising of German cooperative societies has adhered to the basic principle that in a free society advertising must be identified with true consumer enlightenment and in so doing they have demonstrated that clear and truthful advertising can be effective advertising.

In developing the ideas of his written paper, Dr. Gebauer spoke of the relatively recent emergence of the welfare economy. The Cooperative Movement had its origin in conditions of scarcity, poverty and low productivity. The intervention of the Cooperative Movement lowered the formerly high prices and margins in private trade. As transport improved and local monopoly situations dissolved people were less exploited. Increases in productivity, better methods of distribution and a wider range of goods on offer have marked the transition to the new welfare economy. The welfare economy has highlighted new problems, such as the allocation of investment between the public and private sectors of the economy and the increase in the growth of savings at a

rate faster than that of consumption. There are some definite trends observable in the new economy, one of which is the rapid increase in the consumption of durable consumer goods, another the changeover from basic to luxury foodstuffs. So far as foodstuffs are concerned, it seems possible that saturation levels may be reached in Europe as has already happened in the U.S.A. The retailing of foods is not stagnating since more ready-cooked dishes are being sold with a consequent intensification of processing.

Some Current Economic Problems

Dr. Gebauer, having outlined some of the characteristics of the welfare economy and the trends which are apparent, dealt with the contribution which the Cooperative Movement can make to consumers' wellbeing, illustrating his argument by reference to some current economic problems. The inception of the European Common Market had raised expectations of lower food prices in Germany since it was known that food was produced more cheaply elsewhere. Developments had been disappointing; political price cartels were pushing food prices in Germany steadily upward. The task of the Cooperative Movement in this connection was to act as the State's consumer conscience, stated Dr. Gebauer, and alter this undesirable trend. The consumer cooperatives in Germany had experienced some success in their campaign against resale price maintenance and had collaborated with other consumer organisations in pressing for new legislation.

In conclusion Dr. Gebauer described how the German Movement was projecting a new image of itself appropriate to the new economy. The name of *Konsum* is not linked to any one

class of purchaser but to the good assortment of goods and quality for money that is available from the shops. Emphasis is placed in *Konsum* advertising on wise spending rather than cheapness. *Konsum* is presented to German consumers as a large organisation engendering confidence.

A contribution from the Alliance's Economic Research Officer opened the discussion on Dr. Gebauer's contribution to the Conference. Mr. Boggis underlined Dr. Gebauer's point concerning the dangers of the preservation of high cost agricultural production in the Common Market for consumers and referred to recent discussion in GATT which appeared likely to produce similar effects internationally. He then described the changes which had taken place in the attitude of consumer advisory organisations in the United States as that economy had moved from a condition of scarcity to one of relative abundance.

Role of the Movement

When the testing organisations emerged towards the close of the economy, especially the waste inherent in the competitive system; cross hauling, lack of standardisation, waste of natural resources and the misallocation of United States consumer spending power on articles of high price and low quality. The pioneers of the consumer movement argued that by means of better consumer information the limited income of the consumer could be better allocated and waste thereby reduced. In the more abundant economy of today the consumer advisory organisations have become concerned with the allocation of discretionary spending and occupy the rôle of taste counsellors.

Questions of the relative efficiency of the economy are no longer discussed.

Mr. Boggis went on to question if we might not anticipate similar changes in the rôle of the Cooperative Movement. Traditionally, the Movement has assisted the consumer to better his condition in scarcity situations. Was its new rôle to assist in the creation of new life styles rather than leaving this solely to manufacturers and advertisers? Creativity in consumption could well be the concern of the Cooperative Movement. Since its inception the Cooperative Movement has placed emphasis on production for use rather than profit and hence can pose, more easily than other commercial organisations, the question, "Is the incessant acquisition of goods adding to or detracting from the life style of the consumer"?

Even in the economy of abundance it may be necessary to cling to the notion of waste if further expansion of consumer demand is dependent on planned obsolescence and similar techniques. A ceiling to personal expenditure may be necessary to permit the further development of the good life. Mr. Boggis concluded by pointing to the usefulness to lay cooperators of independent comparative test results as a means of checking the relative performance of cooperative and private manufacturing units. If cooperative laboratories also published test results this would assist in the search for scientific accuracy in comparative testing.

A Swedish contributor to the discussion (Mr. T. Widhe, *Kooperativa Förbundet*) commented that the standard of living in his country permitted consumers to search for the "right" article. The cooperative contribution in this situation was to produce goods which were subjected to test by laboratories,

test kitchens and groups of housewives before marketing.

Dr. Bock (ZDK) dealt in his contribution to the discussion with the elements discernible in consumers' attitudes. No longer was quality a primary consideration, utility was receding in importance and prestige or status considerations were occupying first place. Consumer sociology was now being studied more carefully and the earlier work of Veblen and Vershofen was coming under review again. The question of durability in consumer goods has to be reconciled with the wish to possess contemporary styles. Vance Packard's idea that rapid obsolescence was a necessary outcome of the dynamic of our society might not be entirely acceptable but has to be taken into account. Not to accept the "surplus society" would be a barrier to cooperative development.

Does Choice Really Exist?

The concept of rational consumer behaviour was brought under examination by M. Lacroix (*Union des Coopérateurs de Lorraine*). He questioned whether by providing objective information and instruction it was feasible to enable the consumer to act rationally. The situation in which the consumer was placed had been idealised; that there was a very large choice of particular goods available was often illusory; frequently it was the same product dressed up in different ways. The structure of the market might be such that rational choice was not possible. The consumer should not only be educated in choice, but also to understand that purchasing could influence the structure of markets. To be preoccupied with choice was to concentrate attention on the static rather than dynamic aspects of the market situation. M. Lacroix also

questioned if waste was a necessary accompaniment of economic progress. Should it be necessary for the consumer to pay for advertising and then to pay to have the advertisers' claims checked? If there grew up too much analysis of consumer goods then the consumer might be prevented from enjoying his purchase. There was the alternative in this situation of objective publicity. M. Lacroix concluded by observing that the whole question of the position of cooperation in an affluent economy deserved longer and deeper consideration.

The Director of the Alliance (W. P. Watkins) followed up M. Lacroix's remarks by commenting that the question of the place of cooperatives in an affluent economy was one which should certainly be discussed by cooperative educationalists. The enlightenment of the consumer was clearly a wider matter than the provision of information. Possibly cooperators should examine the concept of "economy" more carefully. In the Nineteenth Century cooperators had endeavoured to practise economies and had measured their relative success or failure in cash terms. To save money was the key to launching cooperation into production and achieving a measure of redistribution of wealth. However, there are other forms of economy than saving money. Perhaps the consumer cooperative movement of our time should be thinking in terms of economy in living—of the waste of life rather than the waste of monetary resources. Finding some basic principles to guide cooperatives in the abundant economy was a task requiring considerable thought.

At this point in the discussion, the President intervened to remind the Conference of the desirability of channelling part of the overflowing wealth

of the developed economies towards the under-developed world.

Dr. Gebauer replied to many of the points raised in the discussion, but prefaced his remarks by saying that there was clearly need for further discussion. It was necessary, he said, to distinguish the abundant from the affluent economy. In Europe the economy of affluence characterised by surplus wealth and senseless waste had not yet arrived. There were important changes in the allocation of income observable as wages and salaries rose. As changes in consumption took place, which were qualitative rather than quantitative, changes took place in distribution, processing and production. Vertical integration was evident, of which agriculture provided a case in point. In the modern economy in which labour was employed intensively, a consumer living below his income endangered the economy—consumers could save too much! In an era of surplus the Cooperative Movement must lead the consumer so that the consumer could become the third party in the economy, taking an equal place alongside distribution and production.

Collaboration amongst Consumer Organisations

“The Collaboration of the Cooperative Movement with other agencies for the defence of consumers’ interests” was the title of the paper delivered by Mr. G. G. Gronewegen (*CO-OP Nederland*). This paper gave a concrete example of such collaboration. The Cooperative Movement in Holland has participated in the work of the *Consumenten Contact Orgaan (C.C.O.)* since it came into official being in 1957. The CCO had its origin in an exchange of views between different types of organisations in the

consumer field initiated by the *Nederlandse Huishoudraad* (Household Council of the Netherlands) in 1955. Regular but informal contact between the *Nederlandse Consumentenbond* (Netherlands Consumers’ Union), *CO-OP Nederland* and the three trade union federations was built up. In the period before 1957 when it had an unofficial status, CCO restricted itself in the main to supporting the Government’s price stabilisation policy.

In 1957 when CCO was formally constituted, the *Nederlandse Huishoudraad* remained outside the organisation although there has been collaboration between this body and CCO since. Each of the five member organisations appoints two members to the CCO board. In 1960 CCO set up an Advisory Council whose purpose was to attract organisations not wishing to participate in all CCO activity but merely in certain phases. Seven women’s organisations and four institutes engaged in household and consumer information have become members of the Advisory Council. Whenever important policy statements are made—recently the consumer view on retail price maintenance and also advertising have been made clear—the Advisory Council is consulted by the Board of CCO before publication.

CCO and the Household Council are recognised by the Ministry of Economic Affairs as representing consumers for the purpose of consultations concerning the Government’s price stabilisation policy. In this connection, CCO has set up regional price information groups but this has not proved very successful. It was in connection with its contacts with the Ministry of Economic Affairs that CCO published its view that there were important economic disadvantages for the consumer in the practice of re-

sale price maintenance. The publication by CCO of a statement on this question attracted more attention than the separate statements of the constituent organisations would have done. CCO's memorandum on advertising which drew attention to the lack of legal penalties against misleading advertising was well received by the press. In 1959 and 1960 CCO sent addresses to Parliament advocating changes in the hire purchase laws.

Regionally (in the Common Market) and internationally CCO has had less success in making the consumer's voice heard. The existence in other countries of an organisation similar to CCO would facilitate international collaboration.

CCO have undertaken the testing of consumer goods. Agreement was reached with the Netherlands Consumers' Union that CCO should test the more expensive products. The first test results published concerned vacuum cleaners. The tests were undertaken by a small private laboratory whose experience proved insufficient and there was strong criticism from the manufacturers of the methods used. As a result of this experience when tests of spin driers were embarked upon, prior agreement on test methods and choice of laboratory was reached with the manufacturers. CCO remained free to publish whatever results and comment they wished. Joint consultation proved advantageous although it absorbed some time. A test of electric lamps did not require prior agreement with the manufacturers since an international standard existed which was a basis for measurement. As a result of the lamp tests CCO has decided to ask the Netherlands Electrotechnical Committee to prepare standards to serve as a basis for tests of washing machines

and refrigerators. Besides electrical products, mattresses and floor covering tests have been undertaken. The Government undertook in 1960 to pay 50 per cent of the costs of the comparative testing programme, with a ceiling of f 50.000,—. It imposed the condition that an independent Commission of Experts should approve the test programme.

Mr. Groenewegen stated that the procedure for comparative testing adopted by CCO of prior consultation with manufacturers on test methods was an interesting departure in this field.

Since CCO has been in existence, said Mr. Groenewegen, *CO-OP Nederland* had transferred a good deal of its activity in the field of consumer protection to that body. The combined studies and pronouncements of CCO have had more value and impact than would the individual efforts and views of the constituent bodies. The existence of CCO has meant that *CO-OP Nederland* can participate in the work of an organisation undertaking comparative testing, an activity from which it would otherwise be excluded. There is a division of labour amongst the consumer organisations, hence the Cooperative Movement has to make clear to other consumer groups in which ways it serves the consumer, similarly the Movement has to understand how other consumer organisations can defend the consumers' interests. A mutual appreciation of viewpoints has emerged within CCO.

By combining their efforts, the Netherlands consumer organisations have diminished somewhat the weakness which afflicts consumer organisations elsewhere. When, in 1957, *CO-OP Nederland* decided to collaborate in the formation of CCO it was to a large extent a leap in the dark. Now, said Mr.

Groenewegen, the Movement was convinced that this form of collaboration was right and that other movements might profitably adopt a similar course.

Two contributors to the discussion, Frau Staiger (*Frauengilde, ZDK*) and Mr. Jennings (Cooperative Union) complemented Mr. Groenewegen's remarks by reference to developments in their own countries. There was already, said Frau Staiger, a Working Party of Consumers' Unions in Germany which drew public attention to developments affecting the consumer. The Working Party issues a bulletin and publishes surveys of the goods available on the market. The German Women's Guild makes use of the published reports in their own work and favours wider collaboration between the Cooperative Movement and the Working Party. Mr. Jennings described the work of the British Standards Institution and the way in which manufacturers, retailers and consumers were engaged in the drafting of standards for consumer goods.

Herr Klingler (*ZDK*) referred in his comments to some of the implications which the unification of consumer movements might have. Industrialists, whose own combinations were restricted by laws regulating competition might well use the argument that in the face of a combined consumer front, they should be permitted to work more closely together. The question had to be posed as to how an equilibrium or reconciliation between those two competing economic power groups could be achieved in the interest of the whole economy.

M. Richely (*S.G.C.*) had a number of questions about the organisation of CCO and Mr. Groenewegen replied to these in his final remarks. M. Richely asked if the need to have manufacturers'

agreement on test methods did not paralyse the work of CCO. Mr. Groenewegen explained that contact with manufacturers was restricted to consultation. Manufacturers might of course try to lengthen the period of consultation and this would be an embroilment. In reply to further questions put by M. Richely, Mr. Groenewegen confirmed that manufacturers could not use test results for advertising and that the costs of testing were met solely by member organisation subscriptions and government grant.

The President brought the discussion to a close by commenting that there was clearly a tendency towards closer working amongst consumer organisations in a number of countries, but that the form of collaboration differed from country to country. In Sweden the principle of introducing an element of countervailing power into economic affairs has led to the inclusion of representatives of consumer interests on government advisory committees.

The Case for a Consumer Working Party

The final paper of the Conference was delivered in lively style by Madame C. Ancion (*Ligue nationale des Coopératrices*) and had the title: "An ICA Working Party on Consumer Protection: Its Aims and Functions". Madame Ancion began by stating that the Cooperative Movement had to rethink the action it takes with regard to information, education and defence of the consumer. This was ever more necessary since consumers were becoming active once more and regrouping themselves in associations which have nothing in common with cooperatives. Some bogus consumers' associations existed but should we, as good cooperators, complain when associations of consumers

combine to render themselves a service? I do not believe so, said Madame Ancion.

Cooperatives, as the first associations of consumers, wished to supply their members with the best possible products at the best prices in accordance with existing legislation. That this has been done, said Madame Ancion, was something of which the Movement should be proud. But was there not also the duty if legislation was insufficient to denounce falsification, fraud and deception by dishonest manufacturers also be denounced? Ten years ago the answer to such a question, stated Mme. Ancion, would have been in the negative. Today, however things are different, we are on a new road at last, even if we have lost time finding the way. One is tempted to pose the question "Would the consumer associations have come into being if the cooperatives had fulfilled their duties?" However, this question takes us into the past and cooperators are concerned with establishing a reputation for defending the consumer now.

At Garmisch, said Mme. Ancion, the desire for an international centre for assembling and diffusing information in the consumer field had gained support. If such a centre had been functioning, its experience would have been very useful today, especially if it had been active and had been more than a mere letter-box. By searching out information in the form which would make international comparisons possible, the centre would have rendered a useful service and no doubt have led to the creation of a working party such as that being argued for now.

The aim of a working party, asserted Mme. Ancion, would be to engage all

the member organisations in an expansion of their endeavours in the consumer field and to help them to see their way clearly by means of careful comparisons of activity. The working party would also make it possible to establish what positions of principle the Movement should assume on, for example, additives, colourants, processing, premium offers, credit, advertising illegal circulars, etc., all subjects shown to be of some importance at the Conference, but on which differing views were held. Mme. Ancion acknowledged that it was not always easy to reach an agreed view but if the Movement did not do so others would! Clearly, specialist groups such as laboratory experts and the Community of Consumer Cooperatives of the Common Market could advise the working party. The Retail and Wholesale Committee would also have a contribution to make. Without creating too cumbersome a machinery it was necessary to bring all the specialists together under the aegis of the Alliance to create an effective defence for the consumer.

Mme. Ancion then considered relations with other consumer organisations. Surely it was possible to coordinate action between trade unionists, women's and family associations, consumers' unions and cooperatives. Bitter experience in the Common Market with regard to additives showed a neglect of the consumer interest because of lack of coordination. The working party would certainly need to give attention to this question. Mme. Ancion also drew attention to the desirability of establishing links between ICA and the specialist agencies of the United Nations active in the consumer sphere e.g. FAO and WHO.

If a proper defence of the consumer

is to be achieved, then consumers themselves have to be objectively informed of the problems concerned. This takes us, said Mme. Ancion, beyond the simple slogan "Buy Co-op" into another field of publicity. If such matters are to be dealt with then our own products must be rigorously controlled. In this field cooperative educationalists would find an opportunity to restate the cooperative principles they seek to promote. The women's Cooperative Guilds had an important function to fulfill in this respect too. In Belgium the Guild, in collaboration with UFIDEC, had carried through a successful campaign on the abuse of advertising and had held "Buyers Schools" at which the frauds perpetrated and the inadequacy of legislation were dealt with. The Alliance could serve as the intermediary in ideas in this field.

Of course action in the consumer field has implications for trading policy, stated Mme Ancion, and there are certain difficulties and dangers involved but within the Belgian movement it has meant collaboration between the wholesale, the cooperative insurance society, and UFIDEC.

Mme. Ancion concluded by saying that the formation of a working party would afford the I.C.A. a great opportunity in the consumer field.

The discussion of Mme Ancion's contribution was begun by Mr. Jennings (Cooperative Union) who stressed the need for more frequent consultations on consumer affairs. Large groups were too cumbersome for policy consideration and top policy formulation must remain with the I.C.A. Executive. Consumer protection and enlightenment was a wide front and it was impossible to proceed rapidly on all the matters covered; clearly, a small body was needed to select

priorities, possibly two, three or four people with a member of the Secretariat to act as coordinator. Ad hoc groups of experts might be required to advise on particular issues, for example the harmonisation of legislation on food additives.

There was a danger, asserted M. Custot, (*Laboratoire coopératif d'Analyses et de Recherches*) of underestimating the contradictions within the Cooperative Movement. In France the *Union Fédérale de la Consommation* had played down the conflict of interest inherent in the profit system and this was unsatisfactory for the consumer in the end; the Movement had to guard against similar errors. If there was to be a study group then its work needed to be prepared, probably by the exchange of correspondence. Meetings of a few people should deal with general matters. Certain practical tasks might fall to the working party such as the comparison of legislation on food additives in order to produce a harmonisation favourable to the consumer.

There were a number of speakers in the discussion: T. Fusina (*Lega Nazionale delle Cooperative*), Semler-Collery (FNCC) and Eggert-Nielsen (*De samvirkende danske Andelselskaber*) who dealt with the possibilities for improving the consumer's position if the opportunities afforded by the Common Market for raising standards and removing restrictions were seized.

M. Barbier took up Mme. Ancion's point on the character of cooperative publicity. The advertising which reached the public has been debauched by private trade whose assault on the consumer was massive. The movement has to progress materially and hence was faced with a difficult problem to resolve in the advertising field. On the whole

there were few battles on behalf of the consumer to be fought within the movement. By the expansion of its internal services the movement could assist in the creation of responsible consumers, an activity which required an appreciation of realities and a calm, balanced outlook.

Mme. Ancion replied briefly to the discussion, pointing to the intensification which the Common Market would cause in the consideration of consumer questions and that this afforded an opening for the Cooperative Movement. The speaker also stressed the unique character of cooperatives as associations of consumers acting for consumers.

Programme for Future Work

At the close of the conference Dr. Bonow outlined a tentative programme for future work in the field of consumer information, enlightenment and education. He pointed to innovations in manufacturing technology and the adoption of new distribution methods which were causing significant changes in economic structures, especially as regards the Western economy. These changes were affecting all forms of enterprise.

In many industrialised countries the attempt to pursue a policy of economic expansion and full employment has led to rapid increases in real incomes and to drastic and rapid changes in consumer demand.

It is in a society of this kind that the Cooperative Movement has to work to protect consumer interests, said Dr. Bonow. In fulfilling this task, the Movement must work with dynamic concepts. In its educational and other work it must adapt itself to change; in the commercial field, especially where the extremely important changes in consumer

demand are concerned, a continuous adaptation of working methods is indispensable.

This Conference had shown, stated the President, that there was an awareness within the National Cooperative Movements of the fact that the protection of the consumer in an affluent society assumes new dimensions and necessitates a dynamic outlook on the part of all responsible officials. It was necessary to look ahead and plan not only for the immediate future but for years to come, in order to protect consumer interests and to be ahead of the Movement's very powerful competitors.

It was quite clear that some kind of coordination of national cooperative efforts was necessary and the President drew attention first to what the Common Market may mean in this respect. The Common Market, with full members and associate members, may eventually include practically the whole of Western Europe. Also there is the work of the United Nations and its Specialised Agencies with which I.C.A. collaboration is quite natural.

The Movement should consider, therefore, what form its concerted action should take.

Firstly, a division of tasks was called for within the I.C.A. between institutions already established, of which there are several, and the new Working Party on Consumer Protection and Education.

In order to cope with the many different aspects of the problem, the President advanced the following five main points in the form of a tentative Programme:

1. *Problems of a socio-economic character.*
 - a. *Restrictive Business Practices*—their repression and control nationally, regionally and internationally.

International policy on these problems is quite clear and has been decided by several I.C.A. Congresses; and national policies have been outlined by several Cooperative Movements. But there is a need, as the discussions had shown, for intensified studies, exchange of experiences and proposals for coordinated action, regionally and internationally on, for example, resale price maintenance.

- b. *National and Regional Economic Policy*, which might affect consumers' interests, no less than those of industrial and agricultural producers, must also be studied intensively. Attention was drawn in the discussion to the effects for the lesser developed countries of a big European market, to which, on account of protective measures, the rest of the world might have only limited access.
- c. *Problems of Different Forms of Credit Trading*, which have socio-economic, business-economic and cooperative managerial aspects, require study.
- d. *Malpractices*, such as deceptive and misleading packaging and trading premiums, demand similar consideration.

National and international research, exchange of experiences and preliminary proposals for concerted action in the field covered by a., b., c., and d. should, the President suggested, be undertaken by the National Statistical and Research Officers and coordinated through the I.C.A. Research Department and the Working Party of National Research Officers. Factual surveys of legislation already in existence, or being prepared, which bear upon these *economic* aspects of consumer protection might also be included in the working programme of

the National Research Officers and the I.C.A. Research Section.

2. *Health Aspects of the Consumer Protection Problem.*

These could, to some extent, be dealt with separately and the Heads of Cooperative Laboratories have already established, in their own countries, collaboration between their laboratories and state laboratories, also in some cases with private laboratories. This collaboration can continue without recommendations from the I.C.A.

International collaboration already exists between the Heads of Cooperative Laboratories and Dr. Bonow though it very important that this collaboration should continue by means of correspondence and conferences. This collaboration covers scientific and technical aspects of the problem, and would include hygienic and other legislation relating to the health of the consumer, for example, food protection should be covered from its very earliest production stages up to the point at which the goods reach the consumer.

Besides the control of foodstuffs, by means of testing and control through laboratories of all kinds, there is the category of non-foodstuffs which comprises a great variety of goods. These goods are of rapidly increasing importance for consumers and, as soon as the cooperative volume of trade in this sector is large enough, there should be international collaboration between the Chiefs of specialised laboratories and institutions, such as already exists to some extent in the textile field.

3. *The Functional Aspects* of both foodstuffs and other goods, more or less durable, should increasingly be tested and controlled by cooperative and state institutions, also in some cases by col-

laboration with private institutions. Cooperative Test Kitchens have instituted an important control, of cooperatively and privately produced food-stuffs, especially by blind testing. In some cases there is a similar testing of household appliances. In certain countries mixed cooperative and private institutions are providing valuable information services to consumers in the field of household utensils and durable consumer goods. The Heads of the Cooperative Test Kitchens already collaborate internationally.

Valuable assistance in functional tests, especially blind testing, is given in some Cooperative Movements by selected panels of housewives mainly recruited from Cooperative Women's Guilds. Efforts should be made to promote international collaboration on consumer protection problems between National Cooperative Women's Guilds and, of course, the I.C.W.G., if possible within the framework of the I.C.A.

4. *A Programme of Cooperative Consumer Education* was a pre-requisite for an effective cooperative consumer protection policy; a vastly expanded and strongly intensified programme was required. The method applied in some Movements of establishing special *Housewives' Departments* has been very successful. Other Movements apply different methods. Some of the Housewives' Departments collaborate with study circles, women's organisations, particularly Cooperative Women's Guilds; they promote consumer education through the Cooperative press, Cooperative colleges, and by means of films. It is clearly our task to give effective information about all kinds of measurable properties of consumer goods. A more difficult task is to give advice

about non-measurable factors involved in the concept of quality when comparing different kinds of goods. In some countries campaigns of enlightenment have been organised by Housewives' Departments in Cooperative shops and department stores, the impact of which, both upon Cooperative members and the general public, has been very valuable.

Need for a Special Working Party

The President thought that it was evident that panels of specialists on various aspects of consumer protection and education were already in existence within the International Cooperative Movement.

Although existing working groups were handling certain aspects of consumer protection policy, the President considered there was a need for a general, but of necessity rather small, Working Party on Consumer Protection and Education which could be recruited by the I.C.A. mainly from the existing panels of specialists.

The editors of national Cooperative journals were planning a Working Party, and the cooperative press, as we know, is a very important means for disseminating consumer information. In the same way, the Directors of certain Cooperative Colleges had already formed a regional Working Party, and the intention was to widen participation so that it would become an International Working Party for Directors of Cooperative Colleges. There were also Auxiliary Committees of the I.C.A.—for example, the Cooperative Wholesale Committee and the Retail Distribution Committee—also the Working Parties for the EFTA group and for the Movements in the Common Market. All these bodies had in their programmes prob-

lems more or less closely connected with consumer protection policy and are contemplating some coordination of their activities. Consumer protection and education will also be very much to the fore in the work of the I.C.A. Housing Committee.

Dr. Bonow stressed the need for flexibility in working methods within the different groups by correspondence, by routine exchange of information, or by means of conferences.

The same consideration would apply to the Working Party on Consumer Protection which is envisaged. Regular meetings at suitable intervals might be supplemented by ad hoc meetings for special tasks, for which specialists in the fields concerned would be co-opted.

An important problem mentioned during the Conference was whether we should try to find a form of collaboration, nationally and internationally, with non-cooperative consumers' organisations, like trade unions, consumers' unions, housewives' associations, family associations. In the President's view, the I.C.A. should not formulate a definite policy on this question or recommend any lines of national action, but should leave each National Cooperative Organisation to act in accordance with national conditions. Different national solutions might be found, but probably all would serve the same end, namely the marshalling and strengthening of the forces interested in consumer protection.

As regards the International Organisation of Consumers' Unions in the Hague, it should be left to the Secretariat of the I.C.A. to maintain contact.

The President ended by stressing that it would be the responsibility of the

I.C.A. Executive, after receiving a report on the Conference, to decide on the creation of, and the terms of reference for, a general Working Party on Consumer Protection and Education, taking care to avoid duplication of work between existing working parties and the new one. There could be no divided opinion about the urgent need for efficient co-operative action to increase consumer protection both nationally and internationally. The only question was to find the best means of vigorously pursuing this aim.

F. D. B.

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8, Holland Road, Kuala Lumpur.
- MALTA:** Farmers' Central Cooperative Society
Ltd., New Building, Middleman Street, Marsa,
Malta.
- MAURITIUS:** Mauritius Cooperative Union,
Dumat Street, Port Louis.
- MEXICO:** Confederación Nacional Cooperativa de
la Republica Mexicana, C.C.L., Lic. Verdad 3,
Mexico 1, D.F.
- MOROCCO:** Cooperative Study and Action
Circle "Georges Fauquet", Rabat
- NEW ZEALAND:** Hutt Valley Consumers' Coe-
perative Society, Ltd., P.O.B. 41, Lower Hutt.
- NIGERIA:** Cooperative Union of Eastern Nigeria
Ltd., Cooperative Bank Buildings, Milverton Ave,
Aba.
Co-operative Union of Western Nigeria, Ltd.,
c/o Co-operative Buildings, New Court Rd.
Ibadan.
- NORWAY:** Norges Kooperative Landsforening,
Organisasjonsavdelingen, Kirkegaten 4, Oslo.
Affiliated societies (1961): 1,148; membership: 315,442;
turnover of local societies: Kr. 1,442 mill.; of N.K.L.:
Kr. 408 mill.
BBL A/L Norske Boligbyggelags Landsforbund,
Trondheimsveien 84-86, Oslo.
- PAKISTAN:** West Pakistan Co-operative Union,
31, Lower Mall, Lahore.
Punjab Provincial Cooperative Bank Ltd., Lahore.
Membership: 10,950; share capital: Rs. 12,85,163;
reserve fund: Rs. 33,32,919; loans and deposits Rs.
5,48,65,281.
Karachi Central Cooperative Bank, Ltd., 14,
Laxmi Building, Bunder Road, Karachi 2.
Karachi Central Cooperative Consumers' Union,
Block No. 53, Pakistan Secretariat, Karachi, 3.
- Karachi Cooperative Housing Societies Union,
Shaheed-e-Millat Road, Karachi 5.
Karachi Cooperative Institute Ltd, Pir Illahi
Bux Cooperative Housing Society, Karachi 5.
Karachi Fishermen's Cooperative Purchase and
Sales Society Ltd., West Wharf Road, Karachi.
Sind Provincial Cooperative Bank Ltd., Provin-
cial Cooperative Bank Building, Serai Road, P.O.
Box 4705, Karachi 2.
- ROUMANIA:** Uniunea Centrale a Cooperativelor
de Consum "Centrococop", Calea Victoriei 29,
Bucharest.
- SARAWAK:** Sarawak Co-operative Central Bank
Ltd., Kuching.
- SCANDINAVIA:** Nordisk Andelsforbund (Scan-
dianavian Co-operative Wholesale Society),
Njalsgade 15, Copenhagen 5.
- SINGAPORE:** Singapore Co-operative Union, Ltd.,
Post Box 366, Singapore.
- SUDAN:** Sudan Cooperative Union, P. O. Box 834,
Kartoum, Sudan.
- SWEDEN:** Kooperativa Förbundet, Stockholm 15.
Affiliated retail societies (1961): 522; membership:
1,206,000; total turnover of distributive societies:
Kr. 3,643 mill.; total turnover of K.F.: Kr. 2,565 mill.
(Kr. 1,565 mill. sales to affiliated societies); own produc-
tion: Kr. 1,355 mill.; total capital (shares and reserves)
of K.F. and affiliated societies: Kr. 921 million, surplus
included.
Kooperativa Kvinnogillesförbundet, Stockholm, 15
Hyresgästernas Sparkasse- och Byggnadsförenin-
gars Riksförbundet (H.S.B.), Fleminggatan, 41,
Stockholm 18.
Affiliated Building Societies: 186; with individual mem-
bers: 160,000; number of flats administered by local
societies: 160,000; value of real estate: 5,000 mill. Kr.
Svenska Riksbyggen, Box 14031, Stockholm, 14.
- SWITZERLAND:** Verband schweiz. Konsum-
vereine (V.S.K.), Thiersteinerallee 14, Basle.
Affiliated societies (1961): 540; shops: 3,300; member-
ship: 723,000; retail turnover of affiliated societies:
Frs. 1,346; wholesale turnover: Frs. 853 mill.
Verband ostschweiz. landwirtschaftlicher Ge-
nossenschaften (V.O.L.G.), Schaffhauserstrasse 6,
Winterthur.
Schweiz. Verband Sozialer Baubetriebe, SBHV.,
Postfach Sihlpost, Zürich 1.
- U.S.A.** The Co-operative League of the U.S.A.,
343 South Dearborn Street, Chicago III, and 1012
14th Street, N.W., Washington 5, D.C.
- U.S.S.R.:** Central Union of Consumers' Cooper-
ative Societies of the U.S.S.R. "Centrosoyus",
Ilyinka Tcherkassy pereulok 15, Moscow.
Consumers' societies (1961): 17,500; members: 43,1
mill.; stores: 321,000.
- YUGOSLAVIA:** Glavni Zadruzni Savez FNJR.,
Ulica I Maja 15/111, Belgrade.



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THE INTERNATIONAL COOPERATIVE ALLIANCE

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

It comprises 111 organisations in 51 different countries and its total affiliated membership through national organisations exceeds 163,000,000. The Consumers' Movement accounts for the majority of this membership, but agricultural, credit, workers' productive and artisan cooperatives are well represented.

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

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

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

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

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

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

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

AFFILIATED ORGANISATIONS

- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, *Avda. Suarez, 2034, Buenos Aires.*
- AUSTRALIA:** Cooperative Federation of Australia, *45, Mandolong Road, Mosman, Sydney, N.S.W.*
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, *Theobaldgasse 19, Vienna VI.*
 Membership (1961): 409,357; turnover: consumers' societies: Sch. 2,584 mill.; wholesale (G.Ö.C.): Sch. 1,239 mill.; department stores: Sch. 357 mill.; own production: consumer societies: Sch. 317 mill.; G.Ö.C. and subsidiaries: Sch. 389 mill.
 Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, *Bösendorferstrasse 7/11, Vienna I.*
 (1960): Member Societies: 224, Assocs. 107; No. of members: 82,971; Dwellings administered: (socs.) 68,329; Assocs. 93,750; Total Balance: (Socs.) Sch. 5,670,105,800; (Assocs.) Sch. 7,352,955,200.
 Österreichischer Genossenschaftsverband, *Peregringasse, 4, Vienna 9.*
 Österreichischer Raiffeisenverband, *Seilergasse 16, Vienna I.*
- BELGIUM:** Société Générale Coopérative, *17—21 Place Emile Vandervelde, Brussels*
 Affiliated consumers' societies: 32; membership: 390,000; turnover (1961): Frs. 3,400 mill.; shops: 1,500; Wholesale society turnover (1961): Frs. 827 mill.
 Société Coopérative d'Assurances "La Prévoyance Sociale", *P.S. Building, 151, rue Royale, Brussels.*
 Premiums (1961): Frs. 922 mill.; reserves: Frs. 4,000 mill.; insurance funds, life: Frs. 12,000 mill.; fire: Frs. 155,000 mill.
 Fédération Nationale des Coopératives Chrétiennes, *rue de la Loi, 141, Brussels.*
 Société "Bien-Etre": 1,320 shops; turnover Frs. 1,251 million; dividends: Frs. 60 million; Savings Bank: 1,800 branches; 300,000 members; deposits: Frs. 5,000 mill. Insurance Society: 160,000 policy holders; premiums: Frs. 193 mill.; reserves Frs. 500 mill.
 L'Economie Populaire, *30, rue des Champs, Ciney (Namur).*
 Branches (1961): 445; membership: 74,956; turnover: Frs. 687 mill.; savings deposits: Frs. 404 mill.; capital and reserves: Frs. 77 mill.
 Institut Provincial de Coopération Agricole, *42, rue des Augustins, Liège.*
- OPHACO** (Office des Pharmacies Coopératives de Belgique), *602, chaussée de Mons, Brussels.*
 Union of 25 cooperative societies owning 313 pharmacies, 50 optical departments and counters, 7 drug stores, 15 wholesale depots. Turnover (1960): Frs. 832 mill. Surplus distributed to 400,000 members: Frs. 74 mill.
 Société Coopérative Fédérale de Belgique, *83-85, rue Vanderschrick, Brussels.*
- BRAZIL:** Centro Nacional de Estudos Cooperativos, *Av. Franklin Roosevelt 39, 12º, Sala 1216, Rio de Janeiro.*
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., *21, Croal Street, Georgetown.*
- BULGARIA:** Central Cooperative Union, *21, rue 6 Septemvri, Sofia.*
- BURMA:** National Cooperative Council, *290-300, Lewis Street, (2nd Floor), Rangoon.*
- CANADA:** Co-operative Union of Canada, *202, Queen Street, Ottawa 4, Ont.*
 Affiliated Societies (1961): 793; membership 887,255; turnover: marketing: \$ 570,404,142; merchandising: \$ 222,334,989; assets: \$ 330,337,111.
 Conseil Canadien de la Coopération, *2030, Bd. Hamel, Quebec 8.*
- CEYLON:** The Co-operative Federation of Ceylon, *Co-operative House, 455, Galle Road, Colombo 3.*
- CHILE:** Federación Chilena de Cooperativas de Ahorro, Ltda., *Huerfanos 1639, Clasificador 760, Santiago de Chile.*
- COLOMBIA:** Cooperativa Familiar de Medellín Ltda., *Calle 49, No. 52-49, Medellín.*
- CYPRUS:** Cooperative Central Bank Ltd., *P.O. Box 411, Nicosia.*
 Cyprus Turkish Co-operative Central Bank Ltd., *P.O. Box 791, Nicosia.*
 Vine Products Cooperative Marketing Union Ltd., *P.O. Box 314, Limassol.*
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, *Tešnov 5, Prague II.*
- DENMARK:** De samvirkende danske Andelselskaber (Andelsudvalget), *H. C. Andersens Boulevard 42, Copenhagen V.*
 Representing 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1961): D.Kr. 11,300 million.
 Det kooperative Faellesforbund i Danmark, *Gyldenloevsgade 11, Copenhagen V.*
 Affiliated societies (1960): 626; total sales: D.Kr. 1,050 mill.; employees: 11,000; comprises: consumers' workers', artisans', productive and housing societies etc.
- EGYPT:** Société Coopérative des Pétroles, *94, Kasr el Eini Street, Cairo.*
- EIRE:** The National Cooperative Council, *35, Lower Gardiner Street, Dublin.*
- FINLAND:** Suomen Osuuskappojen Keskuskunta (S.O.K.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; wholesale turnover: Fmk. 82,333 million; own production of SOK: Fmk. 20,380 million.
 Yleinen Osuuskappojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; turnover of societies: Fmk. 145,354 million; total production of the affiliated societies: Fmk. 3,251 mill.
 Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki.*
 Affiliated societies (1961): 111; members 514,951; turnover of societies Fmk. 106,131 mill.; production of societies 16,333 million.

- Osuustukkukauppa (O.T.K.), *Hameentie 19, Helsinki*.
 Affiliated Societies (1961) 111; turnover Fmk. 68,666 mill.; own production Fmk. 20,697 mill.
- Keskinäinen Vahinkovakuutusyhtiö Kansa, *Hämeentie 19, Helsinki*.
 Affiliated societies: 117; Life insurance coverage: Fmk. 43,284 mill., 282,364 insured persons; Fire insurance coverage: Fmk. 284,854 mill., 159,195 policies, Assets (1960): Fmk. 7,444 million.
 Pellervo-Seura, *Simonkatu, 6, Helsinki*.
- FRANCE: Fédération Nationale des Coopératives de Consommation, F.N.C.C., 89, rue de la Boétie, *Paris VIII*.
 Affiliated societies (1960): 572; membership: 3,242,567; shops: 9,530; turnover: NF. 2,624,785,132.
 Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88, rue de Courcelles, *Paris VIII*.
 Confédération Générale des Sociétés Coopératives Ouvrières de Production de France et de l'Union Française, 88, rue de Courcelles, *Paris VIII*.
 Banque Coopérative des Sociétés Ouvrières de Production de France, 88, rue de Courcelles, *Paris VIII*.
 Fédération Nationale de la Coopération, de la Mutualité et du Crédit agricoles, 129, Bd. St. Germain, *Paris VIe*.
 Caisse Nationale de Crédit Agricole, 30, rue Las Cases, *Paris VIIe*.
 Fédération Nationale de la Coopération Agricole, 129, Bd. St. Germain, *Paris VIe*.
 Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, Foyer Coopératif, 17, rue de Richelieu, *Paris Ier*.
 Confédération des Coopératives de Construction et d'Habitation, 4, Cité de Londres, *Paris 9e*.
 L'Association Bâticoop, 6, rue Halévy, *Paris 9e*.
 Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la petite Propriété, 9, rue Mathurin Régnier, *Paris 15e*.
 Confédération des Organismes de Crédit Mutuel, 18 bis, Avenue Hoche, *Paris VIII*.
- GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., *Besenbinderhof 43, (2), Hamburg I*.
 Affiliated societies (1961): 257; membership: 2,586,960; turnover: D.M. 3,377,7 mill.
 Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof, 52, 2, Hamburg I*.
 Total turnover (1961): D.M. 1,726,300,000; own production: D.M. 593,7 mill.
 Gesamtverband Gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4 (22a), Cologne*.
 „Alte Volksfürsorge“, Gewerkschaftlich-Genossenschaftliche Lebensversicherungs A.G., *An der Alster, Hamburg, 1*.
- GREAT BRITAIN: The Co-operative Union Ltd. *Holyoake House, Hanover Street, Manchester 4.*,
 Affiliated Societies (1961): 826. Membership: 13,043,484. Retail Societies' share capital: £ 254,751,695
 Retail sales: £ 1,044,798,803.
 Co-operative Wholesale Society Ltd., 1, *Balloon Street, Manchester 4*.
 Affiliated societies (1961): 895; sales: £ 465,170,491; Bank turnover: £ 6,048,004,673; reserve and insurance funds: £ 32,381,925; total assets: £ 291,916,424.
 Co-operative Insurance Society, Ltd., 109, *Corporation Street, Manchester 4*.
 Assets exceed £ 187 mill.
 Scottish Co-operative Wholesale Society Ltd., 95, *Morrison Street, Glasgow C. 5*.
 Affiliated societies (1961): 171; sales: £ 88,824,880; reserves and insurance funds: £ 6,877,629; total resources: £ 18,608,126.
 The Co-operative Productive Federation, Ltd., 138, *Charles Street, Leicester*.
 Sales: £ 5,415,067; employees: 4,557; societies: 33.
- GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), 6, *Othonos Street, Athens*.
- HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikcoöperaties, "Co-op Nederland", *Vierhavensstraat 40, Rotterdam 7*.
- ICELAND: Samband Isl. Samvinnufjelaga, *Reykjavik*.
- INDIA: National Cooperative Union of India, 72, *Jorbagh Nursery, New Delhi-3*.
 All Bombay Consumers Cooperative Societies Federation, Ltd., 3rd Floor, *Military Square Lane, Fort, Bombay 1*.
 National Agricultural Cooperative Marketing Federation, Ltd., 248A *Krishni Bhawan, New Delhi*.
- IRAN: Cherkate Taavoni Masrafe Artêche (Army Consumers' Co-operative Society), Avenue *Sevjom Esfand, Rue Artêche, Teheran*.
- ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., P.O.B. 303, *Tel-Aviv*.
 Affiliated societies (1962): 1,679, including 660 agricultural, 465 producers' and services. 69 consumers', 232 housing, and 253 pension and provident funds.
 Hamashbir Hamerkazi, P. O. Box 130, *Tel-Aviv*.
 "Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, P. O. Box 75, *Tel-Aviv*.
 "Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, 8 *Hakirya Street, P.O.B. 209, Tel-Aviv*.
- ITALY: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome*.
 Confederazione Cooperativa Italiana, *Borgo Santo Spirito, 78, Rome*.
- IVORY COAST: Centre National de la Coopération et de la Mutualité Agricoles, B.P. 702, *Abidjan*.

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ota

THE commission appointed by the Inter-American Cooperative Conference at Bogota to work out in detail the constitution of the Cooperative Organisation of America has completed its work. The declaration of principles and the by-laws of the proposed Organisation, already discussed at regional meetings held in April at San José, Costa Rica and Medellin, Colombia, were approved by the Commission, at a meeting in Mexico City in the last week in May, for submission to the interested national organisations. The Commission further agreed that the constituent assembly of the Cooperative Organisation of America should be convened for the 10th December at Lima, Peru.

It was also agreed at Bogota that there should be two ancillary institutions, one for financing, the other for education. The special committee set up to establish the finance institution met at Bogota before the Conference dispersed and elected Mr. Walter Sommerhoff (Chile) as its Chairman, besides deciding to call on the assistance of the Administration for International Development and the Inter-American Development Bank. The study of this project and its feasibility is subsidised by a grant from AID of \$82,000 and the negotiations proceeded so smoothly that it was possible to hold a meeting of the committee in Washington on the 14th and 15th June and to start work immediately. The research is expected to be completed in four months and will include an analysis of the financial situation and problems of the Cooperative Movement in Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico. The committee will probably receive the report at a further meeting in Washington in October.

Parallel to this action the Organising Commission decided to set up a Cooperative development committee whose first task will be to carry out a social and economic study of the Cooperative Movement in Latin America. Such a study is considered to be a necessary preliminary to drafting a programme of future work. A request for financial assistance to cover the cost of this study was

Peru to Puerto Rico

presented by Mr. Jerry Voorhis to the assistant Co-ordinator of the Alliance for Progress in June. At the same time, Mr. Voorhis called attention to the Commission's resolution affirming the need for a broad received programme of Cooperative training as well as special training activities to precede or accompany the expansion or new Cooperative projects.

As a result of conversations during the Bogota Conference, a young Peruvian Cooperator, chosen by the Federation of Consumers' Cooperative Societies, travelled to Puerto Rico early in July to begin a six months' course of training in general management. This is a project adopted by the I.C.A. Technical Assistance Subcommittee which approved the payment of the candidate's return air fare and a subsistence grant during his period of training from the I.C.A. Development Fund. The Consumers' Cooperative Movement in Peru is in the early stage of its development. The Federation comprises hardly more than a handful of societies and is unable to provide from its own resources the technical advice and guidance which they need. Obviously the sending of a young man from Santa Maria to Puerto Rico for training is only a first step and must be followed by other measures, perhaps by attaching a resident expert to the Federation, if the full value is to be reaped. Meanwhile, the project clarifies the kind of assistance which the I.C.A. can provide and intends to render under its Long-term Programme. It is the promptitude with which it can act when the need is demonstrated and the project well planned.

Asian Agricultural Conference

The Agricultural Cooperative Movement in Japan is the most efficiently organised in Asia and will compare favourably with any in the rest of the world. It has long been known that the Japanese Agricultural Cooperators had much to offer in value to impart to their fellow-Cooperators in other countries less advanced than their own. The problem is to find the best means of enabling Cooperators from other lands to learn from Japanese experience. Fro

point of view, the decision to work for the establishment of an Institute for the Development of Agricultural Cooperation in Asia was the best possible outcome of the Conference which met at Tokyo in April when the I.C.A. and Cooperative organisations from 15 Asian countries were represented. Observers were also present from I.L.O., F.A.O., Unesco and I.F.A.P.

The agenda comprised four main items as follows:—

1. Mutual collaboration for the development of agricultural Cooperatives;
2. Establishment of an Asian Agricultural Cooperative Organisation;
3. Promotion of International Cooperative Trade;
4. Establishment of an International Financial Institution for Agricultural Cooperatives.

The discussions in the conference voiced the general feeling among the delegates that the mutual collaboration which all recognised as desirable did not necessitate a new and special organisation, more especially in view of the existence in S.E. Asia of the I.C.A. Regional Office and Education Centre which provided ready-made machinery for collaboration and achieved some of the purpose at which collaboration would aim. The Japanese delegation was therefore probably wise to modify its original suggestion in favour of the projected Institute which would enable their Movement to make a contribution of the utmost value and, at the same time, to supplement the aid provided through the I.C.A. Regional Office and Education Centre and work more closely with them. The proposed Institute will be, of course, the creation and sole responsibility of the Japanese Agricultural Cooperative Movement which already possesses its own well-equipped training college with a experienced staff.

In regard to international trade the Conference, through one of its working groups, was able to define the problems, but in the absence of a survey of the facts of the situation was unable to proceed much farther. It therefore concluded by requesting the I.C.A. Regional Office to carry out the necessary survey. The discussion on the proposal for an Asian financial institution for Agricultural Cooperation followed a similar course to an identical conclusion. The delegates were conscious of the urgent need for more finance, especially in view of the great efforts being made to increase agricultural production, but the conference had nothing like a complete



Opening of the Plenary Session in Tokyo. On the right of the President, Dr. Hasumi, is the Japanese Government Representative. The speaker is Dr. Saxena, and on the extreme right is Dr. Yang of F.A.O.

picture of the situation as a whole. It was therefore obliged to invite the I.C.A. to consider making a survey and eventually convening a meeting to discuss the proposal again in close association with the national governments of the region. It is obvious that demands such as these will need careful consideration by the I.C.A. Technical Assistance Sub-committee because of their implications in terms of staffing and finance for the Regional Office.

Partnership in Economic Development

In the first week of July a remarkable conference was held at Salzburg and Vienna under the auspices of the Theodor Körner Foundation for the Promotion of Science and Art. This Foundation was established in commemoration of the late President of the Austrian Republic and an important part of its work is to convene periodic conferences on questions of widespread or even world interest.

This year's conference was based on the theme: Collaboration in the Promotion of Economic Development, and in order to emphasise the idea that successful promotion demands partnership, the conference was composed of representatives chosen by invitation from both the highly industrialised and the newly-developing countries. Notwithstanding their many different views on political, economic and social questions the statement submitted to the final plenary sitting was adopted unanimously. It is hoped to give the statement textually in a later issue of the "Review". For the present, however, it may be of

interest to note that the Cooperative Movement was strongly represented in the conference. The leaders of the Austrian Cooperative delegates, Mr. Andreas Korp and Dr. A. Vukovich, also undertook to represent the I.C.A. They invited the other Cooperators, who came from every continent, to attend special meetings at which a section of the final report dealing with Cooperatives was drafted. This section, which obtained the unanimous agreement of the conference as a whole, reads as follows:

“The Cooperative Movement is of vital importance in the transformation of the economic, educational, and social structure of developing countries, particularly countries moving from subsistence to market economies and as a unique, practical and indispensable channel through which the people can help themselves.

It is therefore recommended that part of the foreign aid programme be channelled through cooperative institutions directly to the people through their free genuine credit unions and other cooperative associations which are controlled and administered by their members. Where these cooperative associations do not exist or are in need of further development, it is recommended that some foreign aid funds be used to encourage their creation and development.”

New Party Secretary

The post of Secretary to the British Cooperative Party is unique in the Movement since the Party itself is a unique institution. Its Secretary for over 20 years has been Mr. Jack Bailey who is due to retire at the end of this year. Mr. Bailey will be greatly missed from his office in London, not far from the Houses of Parliament, where countless Cooperators from overseas, especially from the developing countries and those territories of the British Commonwealth which were advancing towards independence and have in recent years achieved it, have talked with him. Mr. Bailey has never been content to be simply a political organiser. He has always been aware of the economic and social under-currents which influence and often determine political objectives. He has done more than any other man to relate the political activity of the British Cooperative Movement to the true nature and fundamental principles of Cooperation and, for that very reason, has been the stoutest defender of the Movement's right to independent thought and action, even in the political sphere. One consolation which his friends and colleagues may perhaps set against his retirement is the

expectation that, with greater leisure, he will be able to think even more deeply about the Movement's role and its future and give his thoughts fuller expression in the written word.

The special selection committee appointed to deal with the problem of finding a successor to Mr. Bailey has unanimously recommended Mr. Harold E. Campbell for the post. No doubt the Central Executive of the Cooperative Union and the National Committee of the Party will endorse this recommendation. Mr. Campbell has served for many years as Assistant Secretary to the Party but is still no more than 47 years old. He served his apprenticeship to Cooperation in the Movements' Youth Organisations. Recently he has become a powerful advocate by pen and voice of Cooperative housing societies in Great Britain. Other evidence of his wide Cooperative interests is to be seen in his undertaking the secretaryship of the British Committee which is assisting the promotion of Cooperation among the Australian aborigines.

**I.C.A. Centre's
1962-63
Programme**

The 1962 meeting of the Advisory Council, representing the Cooperative Organisations of S.E. Asia, which assists the I.C.A. Education Centre at Delhi, was held in April at Tokyo. The Centre's programme of work for the period October 1962 to August 1963, which was considered at Tokyo, was issued to Cooperative Unions and Government Departments in July as recommended by the Advisory Council and approved by the I.C.A. Technical Assistance Sub-committee. The programme comprises 8 seminars and courses, including the Seminar on "The Role of Cooperation in the Emancipation of Women" which the I.C.A., with the support of Unesco and interested non-governmental organisations, will hold at the Centre in Delhi in November.

The programme actually begins with a regional seminar on Cooperative Press and Publicity for which the probable venue will be Ceylon. The subject matter will be drawn from technical, economic and organisational aspects of publicity work. Another technical course, this time dealing with library work and documentation, will be held at Delhi in January. The Centre will have the assistance for this course of the I.C.A. Committee of Cooperative Librarians which has recently produced a guide to library organisation especially designed for the guidance of those responsible for new Cooperative libra-

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CONCENTRATION IN THE FRENCH CONSUMERS' COOPERATIVE MOVEMENT

by **Marcel Brot,**

President, F.N.C.C. Paris.

THE French Consumers' Cooperative Movement will shortly celebrate the fiftieth anniversary of its unification.

Before 1912 there were more than 3,000 societies of varying size scattered over the country. Several attempts at achieving regional or national unity had resulted in the formation of two movements. On the one hand there was the so-called neutral "*Union Coopérative*", whose most eminent representative was Professor Charles Gide; on the other, the "*Bourse des Coopératives Socialistes*" whose chief spokesman in the negotiations which led up to their amalgamation was Albert Thomas.

Identity of aims

The great merit of the men who worked for this consolidation of forces was that they were able to raise the active Cooperators on both sides above their differences of method and give them a broad view of the future. Following the International Socialist Congress of Copenhagen in 1910, a French Socialist Congress declared itself in favour of Cooperative unity. This was accomplished in 1912 by the signature of a Pact in which the two Movements recognised both the identity of their aims and the independence of the National Federation they were then establishing. The achievement of unity had one important immediate consequence and that was the affiliation of numerous

societies which had held aloof from barren controversy.

"Development societies"

As early as 1913 the National Congress adopted a resolution which was to determine the development of the Movement for years to come. The first years of the present century had witnessed the development of capitalist multiple-store enterprises. Their competition was formidable, not only because of their rationalised organisation but above all because they were able to cut prices to an abnormally low level locally, while compensating themselves through the overall volume of their business. The Congress decided that societies called "development societies" should be established and that their purpose should be to consolidate the societies of a given region in a single organisation supplied by one entrepôt.

Unfortunately war broke out in 1914 when a part of French territory was invaded. The considerable rise in prices and difficulties due to food shortages led many consumers into cooperative societies which exerted a moderating influence on prices. From 1919 onwards, the National Federation set to work to establish regional development societies. Its General Secretary, the indefatigable Ernest Poisson, toured the country from north to south and east to west persuading societies to hold meetings and seeking out men capable of leadership. In

a very few years the development societies were founded and the amalgamation of local societies accelerated.

Concentration of strength

The concentration of the Movement's strength will be appreciated from these figures: in 1913 there were more than 3,000 societies, today there are fewer than 600, 45 of which do 80 per cent of the total trade. The growth of the Movement is indicated by its present 9,500 selling points and the $3\frac{1}{2}$ million families which adhere to it. In the execution of this vast programme success was not always achieved, but cooperative solidarity ensured recovery from difficult situations and sometimes resulted in the formation of societies with very widely extended areas of operation. In these cases, difficulties were overcome by decentralisation, with entrepôts serving less extensive districts.

An extreme example of territorial extension is provided by the Union of Cooperators of Lorraine which was obliged to cover an area measuring over 400 km. in length from north to south and 300 km. width from east to west.

Centralisation of administration and management, accounting, buying and certain common services, such as the warehousing of non-food articles, is balanced by dividing the area into six sectors. Every sector supplies through its own entrepôt several hundred shops out of the total of 1,300. Each sector is in its turn divided into sub-sectors directed and controlled by a responsible official.

The Congress of 1913, however, recommended a system of retail shop management imitated from the technique of the multiple shop firms. The manager of every selling point entered into a contract with the society which gave him

full authority. Against the deposit of a sum of money as guarantee, the manager was made responsible for the stock entrusted to his care and was remunerated almost entirely by a percentage of his total sales. This method is still adopted for small shops which are generally managed by a man and his wife, but it is not suitable for the large stores which are now increasing in numbers.

Powerful central unit

Concentration in strong regional societies has also brought with it satisfactory consequences on the national level. The *Magasin de Gros* (Wholesale Society), established in 1903 by the *Bourses des Coopératives Socialistes*, rapidly extended its field of activity. The regional societies are attached to it by a contract which has reinforced their loyalty. By uniting their purchasing power and combining their import requirements the societies have built up their central organisation into a powerful unit which enables them to purchase under the best market conditions.

Since 1940 the central commercial organisation has been known as the *Société Générale des Coopératives de Consommation* and has increased its productive output by setting up modern factories, notably for macaroni, chocolate, vegetable and fish canning and edible oils, the raw material for which comes from a factory in Senegal.

From the very beginning of this great movement in the direction of concentration the internal structure of the societies has been organised so as to ensure the operation of democracy. It is to the late Paul Ramadier, at one time legal adviser to the National Federation, that we owe the provisions which have legalised local meetings of members pre-

paratory to the delegate assembly which is the sovereign authority. The erection of a democratic structure, however, would not have been enough to safeguard the cooperative spirit. The economic power of the societies has enabled them to employ means of information and education for the members as well as for local leaders.

Dividend policy

The rapid development of the societies during the last 40 years is without a doubt due to concentration, to reforms in management and to increasing propaganda efforts. To these must be added a change in dividend policy. Before 1914, many societies distributed dividends on purchases of from 6 to 10 per cent. The regional societies brought these rates down to 2–4 per cent. While pursuing an active price policy they were also able to maintain their expansion by substantial self-financing.

Given such solid foundations in the retail distributive societies, the French Cooperative Movement could enter other fields of activity.

The Cooperative Bank of France which assisted its development in the earlier years was endangered when the banking crisis in 1934 obliged the Government to lend its support to a number of financial institutions. Out of its own resources alone, the Cooperative Movement as one body, repaid depositors in full and paid interest on their holdings. The Bank, having modernised its methods, today renders the societies important financial services. The French Movement took up insurance with great caution, first in the form of a brokerage company. More recently it has established the insurance society, "*La Sauvegarde*", with fire risks as its principal branch of business.

In the field of social welfare, concentration has developed from local initiatives with a great movement for the benefit of the children. "*L'Entraide Co-opérative*" provides holidays for several thousand children each year in 18 holiday camps besides maintaining two permanent establishments.

The National Federation co-ordinates all activities, not simply by defining the general direction of the Movement's policy but by organising joint meetings of the boards responsible for the different national organisations.

Every affiliated society must submit to a periodic audit. A General Commissioner whose independence is guaranteed by a National Committee has power to make representations if necessary to the boards of societies. When it appears that a society's situation cannot be remedied by its own management, this is replaced under contract by the Management Society (*Société de Gestion*) until normal management can be resumed.

This rapid description of the various activities of the Consumers' Cooperative Movement gives an idea of the scope of the tasks discharged by the National Federation.

Among the media of propaganda and education available to the societies we must mention, in particular, the newspaper "*Le Coopérateur de France*" with a circulation exceeding 1,200,000 in regional editions which reach Cooperative households every fortnight.

Parallel to this, great efforts have been made to train and improve the standards of management personnel. The Technical Department and its committees for the exchange of experience study problems presented by new commercial techniques.

Finally it is the function of the Na-

tional Federation to represent the Movement in its relations both with other great economic and social movements and with the State and various official institutions. It is represented notably on the National Economic and Social Council and the National Credit Council.

Pact of unity

The general policy of the Movement has been maintained on lines laid down by the Pact of Unity. Jealously preserving its independence, it nevertheless is not content to play a neutral rôle in regard to the country's economic and social problems. This independence is an indispensable condition of the prosperity of its undertakings.

Although during the occupation from

1940 to 1944 the National Federation was suppressed by the Vichy Government, the Consumers' Cooperative societies held their ground with dignity before the occupying forces and traded honestly in contrast to the black market. This conduct enabled them to build up among the public that moral reputation which is one of the surest supports of their practical operations.

Today it is not adaptation to new techniques which presents difficulties to the French Movement. It desires above all that this development shall not weaken the participation of Cooperators in the real life of the Movement. It is in this direction that it must put forth its greatest effort.

To recover its youth the Movement must not lose its soul.

(Continue from p. 217)

ries in the developing countries. Techniques and Methods of Member Education will be the theme of a regional course at Singapore in April 1963, when special attention will be paid to the application of discussion and study-circle techniques under the conditions prevailing in the region. Economic problems of Cooperation are also given their due place in courses on Cooperative farming, credit, finance and insurance at various centres.

In addition to carrying out its own programme as above, the Centre is prepared to assist as many as four national Cooperative Organisations which desire to arrange their own courses on subjects related to member education. Three research fellowships, tenable at the Centre for a period of 8 months, are also offered. Candidates are to be nominated by their respective national organisations, the final selection being made by the Director of the Centre, the Chairman of the Advisory Council and the I.C.A. Regional Officer for S.E. Asia. From the foregoing it will be evident that the Centre, now in its second year of activity, is now applying the knowledge and experience it has already gained to the satisfaction of the Cooperative educational needs of the region.

W. P. W.

THE English Women's Cooperative Guild and the International Guild have enjoyed the leadership of women of great renown like Margaret Llewelyn Davies, Lilian Harris, Emmy Freundlich, Honora Enfield, and to these names we add that of Cecily Cook.

While it is her cooperative work which is best known today and will be remembered, some of her earlier years were spent in the political field.

The Suffragette Movement was one of the first in which she was active, that was in the years preceding the First World War. The early 20's found her working as agent for labour candidates in London County Council elections—one of her candidates was Clement Attlee, later British Prime Minister and now Lord Attlee. For eight years she served the Independent Labour Party and, as Secretary of its Research Department, prepared notes for speakers, as well as material for Members of Parliament and others on social, political and industrial problems. She left the I.L.P. at the time of its split with the Labour Party.

In 1922 she joined the Women's Guild, in several branches of which she held office; ten years later she joined the headquarters staff of the Guild, and was appointed General Secretary in 1949. It was her pride that, throughout the period of her Secretaryship, in spite of her personal political interests, she directed the work of the Guild in complete harmony with its aims and principles, and kept it free of party politics. From 1940 she represented the Guild on the Central Committee of the International Guild and, when the Presidency

of the I.C.W.G. became vacant in 1951, she learned of a strong desire on the part of members of its Central Committee that she should become President. But it was only after very serious thought and consultation, that she accepted election. She was always deeply conscious of some limitations for this post, particularly lack of knowledge of languages, but nevertheless her wide experience, her unbounded faith in the aims and principles of the Organisation, her conviction that its existence was vitally necessary, and not least her personality, made her an excellent President.

We cannot here write at length about her work in the International Guild, but one thing must be said: that during the last few years her concern for its future deepened and became a constant anxiety. The last time we met before her illness she impressed her wishes upon us—and even when we saw her in hospital.

While the International Women's Guild surely became her first love, her second love was The Women's Council, an Organisation with headquarters in London, "Collaborating with women of India, Pakistan, Ceylon, Indonesia, Malaya, Thailand, the Philippines", of which The Hon. Lady Egerton is President, and whose Officers include a number of distinguished women.

In an Obituary which she sent to *The Times*, Lady Egerton wrote: "Cecily Cook, who died on June 28, was a very remarkable woman. Starting from simple surroundings she became a most valued member of many organisations. She always took a special interest in the

CECILY COOK †

growing position of women in our society, and in the need to help them to understand their new responsibilities . . . She had been for many years a member of a Committee of which I was Chairman and in 1952 she was persuaded to join the Women's Council."

Mrs. Winifred Holmes, Chairman of the Council, in a recent letter to us, wrote: "Cecily was the dearest and most generous of colleagues, always ready to help if she possibly could and always generously giving her wholehearted consideration of problems and how to solve them. She met Asians on a level of complete equality; they loved and respected her for her directness, objectivity, human warmth and interest in them, and for her wide experience and clear-sightedness. Within the last few months we had set up a Students' Membership and had begun to hold regular monthly evenings at which these young Asians, under- and post-graduates both, and British ones too, discussed all kinds of topics of mutual interest—family life, the rôle of women in the home and outside, professions for women, and so forth. Cecily was the leader in this work, showing a youthfull zest for discussion, an outlook unclouded by prejudice and a closeness to the young and aspiring unusual in someone of over seventy".

Cecily Cook's love for young people of other races was seen at the I.C.A. Seminar for Women at Innsbruck in 1956, where we had students from India,



Africa, Ceylon and Malaya, all of whom were making their first visit to Europe. Jayavati Kaji, one of the Indian students, pays tribute in these words: "It was an afternoon in May 1956 that I first met Mrs. Cecily Cook in her office in London, on my way to Innsbruck to attend the Second International Womens' Cooperative Seminar. This first meeting made a deep mark on me of Mrs. Cook's most gentle and lovable personality. Then again I had the opportunity of living and working together with her during the Seminar. She was the Chairman of the English-speaking group of delegates, and I had

the privilege to work with her as the Secretary of the group. It was such a pleasure to associate with her, she was so kind and considerate. I can never forget how she worked with such zeal and energy, always offering new ideas and thoughts—giving to others the benefit of her wide experience. It is really very difficult to describe in words her deep knowledge of Cooperation, her profound understanding of the problems facing the less developed countries, and her wide human sympathy which endeared her to all those who came in her contact. She was a person entirely devoted to the cooperative ideology and worked for it till the last days of her life. Her wholehearted dedication to the cause of the Cooperative Movement will ever continue to inspire all those working in this field”.

Mrs. Cook was acknowledged as a gifted and convincing speaker—sometimes just factual, sometimes witty or whimsical—at times almost torrential, for instance when demanding full recognition of woman's equality with man, a recognition which she found sadly lacking in the Cooperative Movement at national and international level. As a writer she could be inspiring and thought provoking, always interesting, and Guildswomen in many parts of the world will particularly remember her regular contributions to the Bulletin of the I.C.W.G.

Not surprisingly, there was another side to Mrs. Cook's life which doubtless was the source of much of her personal charm, her happiness, and her solace in times of sorrow: her world of poetry. Charles-Henri Barbier, one of her great friends, in a very personal homage to her in the Swiss cooperative press, says that poetry was to her an artificial paradise—as was also Cooperation. “She

knew by heart thousands of verses from the great founts of poetry—English, Scottish, Irish, American, even Australian. But only to very friends were these springs—pure, torrent-like, liberating or heart-breaking, from which she drank—ever revealed. Only a few friends heard her—in the humidity of the woods at La Brévière, in the long, dreary yet animated streets of London, by a grey sea whose spray stings the skin and lips—reciting in a voice a little harsh, too dashing, breathless but without pause, the poems she secretly loved the most: those of Swinburne, of Shelly, of Francis Thompson, of Edgar Poe, of Wilde, of Christopher Brennan”.

She had, too, a repertoire of character sketches—we remember particularly a little cockney character sketch she gave one night at the International Seminar to the delight of everybody.

When her work permitted, she spent her weekends on the outskirts of London in a little caravan which rested in the corner of a field, around which she grew flowers of the cottage type, also sweet lavender which she loved to gather at the end of the summer and send to her friends. Here, far from the madding crowd, we can be sure she was always in tune with nature.

Cecily's Cook's earthly sojourn ended with a simplicity truly symbolical of her. There was no procession of carriage-drawn mourners but, as the time approached for the Service a group of people—personal friends, representatives of Organisations with which she had been associated, Guildswomen, officials of the Cooperative Movement—National and International—gathered at the Crematorium—to remember her as each had known her in the fulness of her life, and to pray for the peace of her soul.

G. F. P.

COOPERATION IN BASUTOLAND

The I.C.A. was fortunate in having among its visitors Mr. T. M. Mabote from Basutoland, who was kind enough to give the Secretariat an impression of the Cooperative Movement in his country. Ed.

IN discussing the cooperative problems of an under-developed territory, this article is rather different from most, since the observations and criticism come from an indigenous citizen of Basutoland who is a cooperator of some experience, and able to look at his country through the eyes of the Basuto themselves.

To see the cooperative activity in Basutoland in its proper perspective, something should first be said about this smallest of British dependencies and its people. Entirely surrounded by the Republic of South Africa, within which it forms an enclave, it has an area of about 12,000 square miles, three quarters of which is mountain ranges rising to over 11,000 feet, and the remaining lowland varying from 5,000 to 6,000 feet above sea level. Communication is by air and bridle path in the mountains, and by road across the lowland. The country's scenic beauty has earned it the title of the Switzerland of Southern Africa, and the Basuto pony is still the chief means of transport.

Single-tribe territory

Basutoland is an entirely native territory where European settlement is not permitted. Out of a population of some

650,000, there are 2,000 Europeans and 200 Indians. With the exception of a few scattered minorities of the Nguni tribes, the country is essentially a single-tribe territory, with a strong and well defined tribal system where each district has its clear cut hierarchy of chiefs and headmen, all of whom are subject to a single paramount chief.

Constitutionally, Basutoland has advanced to the stage where it has a Legislative Council in which forty of the eighty members are elected, twenty two are ex-officio chiefs, fourteen are nominated by the paramount chief, and the remaining four are appointed by Government officials.

As to industries, the country has none, and exploitation of the potential mineral wealth has only just begun, on a very minor scale. Actually, Basutoland is probably the largest exporter of labour to South Africa's gold mines and other industries. But fundamentally, the country's wealth must always lie in the soil—an element that has suffered badly from erosion and from the depletion of its natural fertility through over-population that has resulted in over-grazing. Only a sixth of the territory is under cultivation. For the rest, it is pasture supporting large numbers of cattle, sheep, and goats.





In the higher altitudes of Basutoland there is always snow.
A typical Basuto village where the small boys are the shepherds.
A visitor arrives at the village. Photos by courtesy of S.P.G.



Cooperative Development

Cooperation in Basutoland is of fairly recent origin, and is still in the melting pot. It was virtually unknown before 1948, and even then it was not the result of spontaneous demand by the people, but part of Government policy. The first Registrar of Cooperative Societies found it necessary to spend several months in the districts explaining Co-operation, before the initiation of any cooperatives could be contemplated. The Movement aimed at helping both the relatively well-off flock owners and the peasants without flocks, and consumers generally.

There were varying degrees of progress and success in these fields. The first societies to be formed were for the marketing of wool, mohair, hides, skins and agricultural produce. Consumer societies followed, but shortage of cooperative staff hindered their development. The wool and mohair marketing societies, which arranged for the export of members' output, for sale by auction in the Republic of South Africa, were successful at first. Later, however, they became unpopular because of the long delay in getting final settlement of accounts, and the uncertainty about weights and prices. Members began to clamour for the society to pay cash at the time of delivery, but this was not possible because of lack of finance and fluctuations in wool prices. Finally, this latter problem was met by fixing prices, always assuming the market would fall. If it did not, then the profit realised was distributed as a bonus. This system is still operative.

The BSBU

In 1958, the Basutoland Cooperative Banking Union was formed, in order to organise effective marketing, maintain a

wholesale supply agency, and make possible the borrowing of working capital. Though there was a considerable measure of success in these undertakings, the arrangement did not prove satisfactory, and in 1960 the BCBU was reconstituted purely as a financing organisation. Its marketing responsibilities were handed over to the newly formed Basutoland Cooperative Federation, whose membership consisted of three representatives of the BCBU and two from the Farmers' Cooperative Union of South Africa. The question of the composition of the Federation's Board, which contained no cooperators, was the rock on which the organisation foundered in December, 1961, when it was dissolved.

Meantime, towards the end of 1958, the first agricultural credit societies—of which there are now about 130—were formed. Also, as a result of pressure from the Basuto outside Basutoland who could not use the normal cooperative channels for saving their money, a special savings society was registered in 1959 as the Basutoland Cooperative Savings Society. Apart from the emphasis placed on thrift, one of the primary objects of this society was to fulfil the function normally belonging to building societies in other countries.

Rivalry or amalgamation?

Altogether, Basutoland has about 180 societies, including two transport cooperatives, a builders' and carpenters' society, and a cooperative bakery. The latest development is in credit unions.

The ingredients for a sound and expanding Cooperative Movement are there, but proper planning and co-ordination are needed to integrate them into a whole. Constructive criticism in several directions leads to sound pro-

posals for bettering the Movement. One great drawback is the rivalry that exists between the Basutoland Cooperative Banking Union and the Basutoland Cooperative Saving Society—both are struggling for customers. Amalgamation of these two bodies would seem to be the solution.

The financial structure of the Movement also leaves much to be desired. With few exceptions, share capital payable by individual members on joining, is £1, and a society's membership is often not large enough to make it a viable economic unit. Members are not willing to take out additional shares, and as a result the demands on the small amount of capital cannot be met effectively. Where the BCBU is concerned, the share capital payable by member societies is too small to be worth much at all, considering the work the Union is expected to do. Its financial machinery is further weakened by the fact that the agricultural credit societies have no funds other than part of the share capital they retain after paying over the share which goes to the Banking Union. Indifference on the part of committees and members towards the collection and repayment of loans freely granted to them by the BCBU, could bring the Union to a standstill and also put a halt to operations in other cooperative sectors depending on the Union's financial assistance.

Legal limitations

Legislation leaves much to be desired. The law governing cooperatives in Basutoland is in many respects out of date and needs to be much more flexible and comprehensive. Legal restrictions have limited the trading activities of the cooperatives, making it very difficult, in most cases, to expand.

Other difficulties centre round the attempts at religious and political infiltration into the governing bodies of the Movement, and around the shortage of trained personnel. This latter problem—an all too familiar one in the newly-developing countries—could be partly solved by raising the status of the Cooperative Department and thus attracting capable people. Basutoland not only suffers from an acute shortage of trained cooperative personnel, but there is also a dire shortage of cooperative literature, which means that people are starved of current cooperative thought and ideas, and as a result tend to be stereotyped in their way of doing things, with cooperative work becoming purely a matter of routine.

Potential rewards

For the cooperative rank and file, there is still a great deal of groundwork to be done. The basic ideas of self-help and joint effort have not yet sufficiently penetrated the minds of a large number of cooperators, and there is a marked tendency to leave things to the Registrar and his staff. The present Registrar, who took office in 1957, had the hard task of more or less resuscitating the Movement and, despite lack of trained help, succeeded in keeping it alive. Today, there are encouraging signs of progress in the wool and mohair marketing societies, and the few consumer cooperatives. Many errors need repairing, changes need to be made; but the potential rewards are there, in the shape of better farming, better business, better living, to be achieved through a training in cooperative principles and practice, and a developing social sense. Here is ample justification for the effort to establish a real, stable Cooperative Movement in Basutoland.



JULIUS BRECHT — 1900-1962

WITH the death on the 10th July at the early age of 62 of Dr. Julius Brecht, the German Cooperative Movement, and especially that important branch which is engaged in housing, has lost one of its outstanding leaders. The International Cooperative Alliance has lost one of the most distinguished members of its Central Committee who had represented the Confederation of Non-profit Housing Societies on the Committee since 1954.

Dr. Brecht's service to Cooperative housing and the better housing of German working people in general began over forty years ago when he was a student of economics at the University of Freiburg-in-Breisgau. While still a young man, he entered the Heimstätte movement and eventually was promoted to the post of manager of the Westphalian Heimstätte. From 1935 to 1938 he was similarly engaged in the Saarland and then became President of the National Union of German Non-profit Housing Associations which had its headquarters in Berlin.

Under the Occupation he served as expert adviser to the British Authorities, but also took part in the preparatory work which led in a few years to the establishment in Cologne of the Confederation of Non-profit Housing Associations covering the whole of the Federal Republic. He became Chairman of the Board and Director of the Confederation in May 1951 and held these offices until his death.

Dr. Brecht was much more than a specialist in Cooperative housing. He was an all-round Cooperator with a good working knowledge of all branches of the Movement and, especially, its financial institutions, the *Deutsche Genossenschaftskasse* and the *Bank für Gemeinwirtschaft*, as well as a thorough acquaintance with the international organisations concerned with housing and town and country planning.

The number of other offices he held testifies to the breadth of his interests and the confidence which the members and officers of the movements he served reposed in him. Always friendly and approachable, his personality will be recalled with pleasure and esteem by his colleagues of the I.C.A. Central Committee. Upon his own Organisation falls the sorrowful and difficult task of replacing so excellent a leader.

W.P.W.



ENTERPRISING COOPERATIVE VENTURES IN ADEN

The I.C.A. was fortunate in having among its visitors Mr. Hussein Salem Basidiq from Khormaksar, Aden, who was kind enough to give the Secretariat an impression of the Cooperative Movement in his country. Mr. Basidiq is in the centre (with striped tie) of the above group of students.

COOPERATION in Aden is still in its infancy and has only just overcome its teething difficulties. It is likely to require a few years more of substantial assistance from the Cooperative Department before it can stand on its own. The Cooperative Department is at present the sole agency responsible for Cooperation and undertakes all the basic tasks of propagating, establishing and promoting Cooperation in Aden as well as exercising other legal and departmental functions.

This Cooperative Movement, which started early in 1957, is almost the youngest in the world. The agricultural societies, which have surmounted certain difficulties and are now tackling fresh ones, have played a significant rôle in shaping the character and improving

the situation of the peasant farmer in Aden. There are also a number of other non-agricultural cooperative enterprises which include consumers', fishermens', credit, supply, and school thrift societies, but they are neither as numerous nor as important as the agricultural cooperatives.

Difficulties

Three to five years is too short a time in which to look for great improvements, when one considers the series of difficulties which confronted this young movement at its inception. Most of these difficulties are either geographical or social.

a. Geographical

Aden is geographically divided into three parts:

1) The Port (i.e. the Aden Colony) with its barren mountains, strategic importance for shipping, and progressive trading.

2) The Eastern part (i.e. Eastern Aden Protectorate) with its blazing sand, date-palm plantations, and external trade reputation.

3) The Western part (i.e. Western Aden Protectorate) with its many little scattered states, green plains, plateaux and tribalism.

Rain is rare or non-existent in many parts; the cost of digging wells is exorbitant. Communications, except in the Port, are very difficult. Agricultural produce is transported to the Port, where the market for it exists, under pretty miserable conditions, which lead to wastage and deterioration of the produce and, consequently, to poor returns.

b. *Social*

Tradition—bound farmers

Surviving tribalism and peasant individualism conditions the character of the peasant farmer in Aden. He is remote from the outside world and interests himself only in what will affect his subsistence, provided that it does not affect the reputation of his tribe. Under these circumstances, it is quite difficult to induce a farmer to change from his subsistence farming to commercial farming which will benefit him materially and morally and lead him to participate, as a citizen, in the development of his country.

Despite all these difficulties, the agricultural cooperatives in Aden have overcome hardships successfully and are initiating a movement with real opportunities of progress.

Cooperation exists only where the need for it exists and where that need is

recognised by an agency for Cooperation. Fortunately both these conditions were present in Aden—agricultural cooperatives were needed for the farmers and support was forthcoming from the government's Cooperative Department. The two factors combined to create the cooperative society. The circumstances which gave rise to this development were: a) the poverty of the peasant farmers, low variable income, and generally poor conditions; b) exploitation by auctioneers selling the produce in the Port market in the absence of the farmer, by transport monopolistic agencies, and by irresponsible officials handling the produce of the farmers.

It is clear, from the small number of other kinds of cooperatives in Aden, that conditions creating the need for agricultural cooperation were the most prevalent. Farmers badly needed to be rescued from an oppressive situation and agricultural cooperation was the obvious solution—enabling them by means of substantial assistance in all forms from the government Cooperative Department, to improve their technical and financial situation.

Cotton Producers' Associations

These marked the "take-off" in the progress of agricultural cooperation. Since their formation, the cotton growers have begun to prosper; they find they are offered the cream in return for their labours and not merely the dregs. Previously (and even now in areas where cooperation does not exist), cotton growers suffered severely from excessive individualism and tribal difficulties. Cooperation has at least helped to reduce the difficulties of tribalism and to harness individualism to the general good. In addition to services rendered to members, the Cotton Producers' Associations

have built up adequate reserves which have proved the solvency of their enterprises. They are now gradually taking up mechanised farming and most of the associations, if not all, own tractors and other mechanised implements.

Fruit and Vegetable Cooperatives

These cooperatives began to operate by about the middle of 1959. Although in existence for such a short time, they have managed to survive the difficulties mentioned above. Assisted financially by the Government, these societies issue short-term loans to their members for productive purposes. Their most distinctive feature is, however, that they are neither exclusively credit nor marketing societies. They grant loans and assist the farmers in marketing their produce through a central produce marketing organisation in the Port. This characteristic may at present be peculiar to them, but in future it may lead to agricultural cooperatives becoming multi-purpose societies, in which, the farmer

will find all his interests well served.

The fruit and vegetable societies answered a pressing need and have proved their worth by releasing farmers from the grip of profit-hunting moneylenders and other exploiters.

The Central Wholesale Produce Market

After the formation of the fruit and vegetable societies, it became essential to organise the marketing of the growers' produce. The newly-formed cooperatives were not firmly or financially established enough to carry out this task. The Government, through the Cooperative Department, fostered a scheme to erect a central organisation through which produce entering the Port would be marketed. This was of great service to the farmers, although initially it stirred the discontent of some farmers who were sufficiently lacking in foresight to be tempted in various ways by the auctioneers to adhere to the old system. Eventually, farmers came to appreciate the



Cooperative Wholesale Produce Market.

benefits of the new plan and the intentions of the Central Wholesale Produce Market to increase their incomes.

In its first year the lowest monthly turnover of the Central Wholesale Produce Market was £14,450 in October, 1960, and the highest was £30,000 in June, 1960. In its record year, the highest turnover was £44,239 in November, 1961. The total turnover of the Central Produce Market at the end of its first year was £437,250 of which £300,000 was paid to the farmers; for the second year it was £556,500. This central organisation markets about 20 different kinds of fruit and 20 different kinds of vegetables. It employs over 160 persons, has its own internal audit section and an Advisory Board which comprises representatives from different fruit and vegetable growing districts. Early in 1961, the Central Wholesale Produce Market made several attempts to seek markets for certain produce in Kuwait, Saudi Arabia, and Greece.

Two of the organisation's officials

attended the "Horace Plunkett Foundation Short Managerial Courses" held in Kenya, in 1961, and in Uganda, in 1962. As an educative venture, in 1961 it arranged for a group of farmers' representatives, accompanied by the Overseer of the Market, to visit Asmara farms and produce marketing organisations.

Future projects

Its achievements in the past five years are an indication of the substantial role which the Cooperative Movement can play in contributing to the economic development of the country and in raising living standards of the people. Agricultural cooperation does not represent the entire movement but it does constitute the major part. However, there is hope for development in many other cooperative fields such as fishermen's cooperatives, housing cooperatives, wage-earners' credit and thrift societies, and other productive societies.

H. S. Basidiq,
Assistant Marketing Officer (agric.)

STATISTICS OF AFFILIATED ORGANISATIONS

Comparative Statements 1959-60

1. *The Strength of the I.C.A.*
2. *Cooperative Penetration into the Population*
3. *Membership and Trade of Consumers' Societies
(including Wholesale Societies)*
4. *Membership and Trade of Agricultural Societies*
5. *Membership and Trade Fishery Societies*
6. *Membership and Trade of Workers' Productive and Artisanal Societies*
7. *Miscellaneous Societies*
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AN IMPRESSIVE RAIFFEISEN MEETING

by **Dr. Herbert Wendt**,
Deutscher Raiffeisenverband, Bonn.

THE annual general meeting of the Raiffeisen Union, with its great and rich tradition, which took place recently in Frankfurt-on-Main, was this year dominated by the great changes brought about by the European Economic Community. The decisions taken in Brussels and the overwhelming changes made in the food markets confront the Raiffeisen Credit Unions with new tasks. They have to re-evaluate the situation and to adapt the instruments of agricultural self-help to the requirements of the modern market. Nobody would, of course, seriously think that such tremendous changes could be completed overnight. They must follow the laws dictated by their own development. The necessary preconditions must, however, be prepared thoroughly and in time. Even the Raiffeisen Societies cannot venture on such a journey into the

future without seeing the "green light".

Wide Response

This background formed the actual basis of the comprehensive and up-to-date programme of this year's Raiffeisen meeting, which once again met with a public response far beyond its own organization. Numerous important guests had come from abroad and from friendly organizations; the Federal President, the Federal Chancellor and the Minister of Economic Affairs had sent greetings and expressed their agreement with the cooperative idea, thus publicly honouring the Raiffeisen Society. Finally Herr Blessing, President of the German Bank, dealt in a comprehensive and well informed speech with the current boom and currency problems and gave an instructive picture of the present problems of our economic policy.

The well-known German Professor of Jurisprudence, Dr. Harry Westermann of the *Institut für Genossenschaftswesen* at the University of Münster, emphasized, in a speech on "Freedom and Responsibility in Cooperative Law", the members' personal freedom of choice in their responsibility towards the Cooperative Community.

East and West Differences

Dr. Westermann's address was followed with great interest as the Cooperative Movements were very worried by various recent abusive statements in which certain people tried to confuse, in an unpleasant manner, our free Cooperative Movements with the compulsory collectives of the East. Dr. Westermann's clear and convincing speech showed the world-wide difference which exists between the compulsory collectives in the East and our free Cooperative Movements.

Problem of Concentration

The focal point of this public event was quite naturally the speech by the President of the German Raiffeisen Society, the former Under-Secretary of State, Dr. Theodor Sonnemann, who presided for the first time at a German Raiffeisen meeting. Dr. Sonnemann, who dealt with the general problems of the cooperative policy of the Raiffeisen Society, came, in his talk, to the conclusion that the Raiffeisen Credit Unions cannot ignore the tendencies towards concentration in industry if they want to pursue successfully and consistently their aim to further the interests of the middle layers of society in town and country. Dr. Sonnemann did not fail to stress the fact that the realization of these aims required a considerable amount of

capital goods which would, in the main, have to be supplied by the peasants themselves. He also emphasized the fact that all efforts to enforce the progress of cooperatives in agriculture were mainly dependent on the attitude of the individuals who are active in the cooperative movement. This applied in particular to members who were not prepared to offer first class products to their own cooperative. Dr. Sonnemann demanded better payment for better goods in order to promote the idea of quality.

Dealing with the position of the producers of foodstuffs, Dr. Sonnemann said: "The agricultural cooperatives do not aim at monopoly. We should have a sober view of our forces and our possibilities and also of our limitations. We must not ignore the facts created by others and which they will continue to create. We are willing to enter into partnership when the other side is prepared to do so and if it can be achieved on the basis of equal rights. Associations of enterprises in which agriculture merely plays the rôle of the supplier do not accord with our ideas. We can only participate in common arrangements with non-agricultural trade enterprises if agriculture and the cooperatives as the extension of it, have the possibility of a decisive say in the policy and the success of the business."

Reform of Legislation

The draft of a new law for a reform of the existing cooperative law has become a cause of worry to the Raiffeisen Credit Unions. At a press conference, Dr. Gustav Klusak expressed his doubts about this draft. He said that if there was to be a new law it should under no circumstances be worse than the existing one. The doubts of the German Raiffeisen Society mainly concern the regula-

tions dealing with the legal basis of the auditing associations who are to lose the right to represent the interests of the cooperatives. The Raiffeisen Society is therefore opposed to all changes of the present law which would do away with old and well-proven regulations.

The Minister President of Land Hesse, Dr. Georg August Zinn, agreed with this opinion when he spoke at the meeting on the following day. He said: "I cannot in a short welcome-address enter into the discussion of this problem, but I should like to point out that the Constitution of Land Hesse demands in its articles 43 and 44 the energetic promotion and extension by law and administration of cooperative self-help and cooperatives. For this reason—and also because it is our conviction, we are anxious to further the cooperatives with all our strength. As leader of the administration in Hesse, I should like to point out that in all debates for a reform of cooperative law, I shall stand for free cooperatives and oppose all attempts designed to worsen cooperative competition as well as all interference with the free development and expansion of the cooperatives. We have to ask ourselves whether it is advisable to aim at a change of cooperative law at the very moment when the Common Market is causing such tremendous changes in our economy. As far as I can see the existing cooperative law has in all its essentials stood up to the test during the past years".

Expanding Business

A glance at the business report submitted by Dr. Klusak showed that on the whole the development of the Raiffeisen Credit Unions was satisfactory. 203,000 persons are employed in 22,600 cooperatives with a total of 4,200,000

members. The number of cooperatives decreased during the last ten years by 981 or 4.2 per cent, whilst the membership increased by about 857,000 or 25 per cent. The total sum of the balance sheets of all agricultural cooperatives increased, in 1961, by about 2,400 million DM to 20,500 million DM.

The agricultural credit cooperatives and their central banks reported, for the year under review, a rate of increase in deposits which surpasses the total of all previous years by 1,400 million DM. The deposits thus increased to about 10,700 million DM. About two thirds of the increase in deposits was savings.

During the year under review the loan business was on the upward trend. The total of loans granted by credit cooperatives and their central banks to non-customers of the bank increased by 1,200 million DM to 8,100 million DM.

The Raiffeisen Credit Unions tried successfully to adapt themselves to the constantly changing conditions by further rationalisation. Many small credit cooperatives were united into bigger and more efficient organizations. On the commodity market the effects of the bad weather conditions during the last 18 months made themselves felt in all fields of supply and demand. Due to the rising demand of mills and manufacturers there was a quick turnover of grain which went, thanks to State subsidies of freight, to a wider area and on the whole found easier sale than during the previous years.

The lack of agricultural labour and the greater mechanization of agriculture have resulted in bigger sales of agricultural machines as compared with the previous year.

As expected there was, in 1961, a further increase in dairy production. The dairies received 600 million kilogram-

mes more milk than in the previous year.

There was again an increase in the production of condensed milk, whole-milk and skimmed-milk powder.

There was a considerable increase in butter production which went up by 6 per cent to 474,000 tons.

Due to the increase in sales of butter, cream and durable milk products the surplus production was sold to the home market without affecting the income from milk sales.

As there is no unified federal market policy, there exists a considerable difference in the yields of the various processing industries. The measures taken to compensate for the difference in yields were not nearly sufficient to achieve an equalization of the differences in yields from fresh and processed milk. The German Raiffeisen Society endeavours to collaborate in the introduction of a just compensatory system.

The share of the cooperatives in the collection and marketing of eggs of German origin increased in all areas of the Society. During the year under review the cooperatives handled 339 million eggs as compared with 270 million in the previous year. Due to the differences in structure of the various *Länder*, the organizational methods of egg marketing had to be varied.

The consumption of poultry further increased by 0.5 kg per head. 60 per cent of the demand for poultry is provided by imports. The main supplier is the United States. Holland will probably be the biggest competitor of German poultry for slaughter in the Common Market.

The intensification of agricultural poultry farming by an increase in stocks, shortening of laying time and improve-

ment of poultry fattening methods raise the question of new cooperative ways for the collection and utilization of poultry for slaughter.

Increase in Meat Trade

1961 was an important year for cooperative cattle trading. It has generally been accepted that in view of the big changes which have occurred in the marketing of cattle and meat, it was unavoidable for the cooperatives to go over to the slaughter of cattle and the processing of meat. The one-sided orientation as to the best utilization and, if possible, marketing of live cattle is making way for other more varied methods, especially in the fields of processing and sales. The cooperative slaughter houses are on the increase and a network of meat-marketing centres is being built up. The economic result of cooperative trading in live-stock was good. In the year under review the cooperatives collected 3.4 million animals for slaughter and 0.7 million for other uses, 211,000 animals more than in the previous year.

There was a considerable increase in the cooperative slaughter of animals. Every fourth animal handled by the cooperatives was slaughtered. According to provisional estimates the butchers take 30 per cent of the slaughtered animals, the meat wholesalers 15 per cent, the meat processing industry 35 per cent and 20 per cent go to department and chain stores. We attach great importance to the fact that all branches of the cattle and meat trade buy slaughtered cattle as well as live cattle for slaughter from the cooperatives.

The cooperatives have also made use of the plans for integration of our agriculture. They are in close touch with the individual pig farming organizations

and their central bodies which are now being formed everywhere.

The value of fresh fruit and vegetables marketed by the fruit and vegetable processing cooperatives increased during the year 1961 by 18.5 per cent to 307 million DM.

Communal Orchards

In their efforts to modernize cultivation many cooperatives fostered the introduction of communal fruit orchards. In Baden alone there are 22 communal fruit orchards and a further twelve are in the making. It is hoped that this development will overcome the disadvantages of small plots. A general plan has been elaborated in the Rhineland to get rid of the cultivation of vegetables on small plots and to go over to greenhouse cultivation with the aid of public sales by the cooperatives, especially in the mountainous areas.

In view of the structural changes in the trading of goods, endeavours are now being made to coordinate the cooperative sales of fresh fruit and vegetables. Such coordination is facilitated by the cultivation of specific kinds in specific areas.

The production of the must wine harvest of 3.75 million hl. was about 4 million hl. less than the unique record results of the previous year; but it was noticeably higher than the average for 1954 to 1959. The increase in the area of cultivation and the higher results per hectare, with other factors, the cause of this increase.

More and more winegrowers are now beginning to understand that cooperative self-help can contribute considerably to the solution of their present and future problems. Increase in membership and bigger harvests led to a higher

turnover of our cooperatives which managed with considerable effort to augment their cellar storage capacity by 23 per cent in one year.

The German Raiffeisen Society can again look back with pride and satisfaction at the results obtained during the previous year. At its annual meeting in 1962 in Frankfurt-on-Main, the Raiffeisen Society gave a fine example of its unceasing work for cooperative self-help and it became clear to every outsider that it is well prepared to face the difficulties in store for it due to European Common Market developments.

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CO-OPERATIVE ADVERTISING

A NEW APPROACH

AN advertisement does not always tell us to buy, but in the main, its insistent message is to buy and go on buying. In a competitive climate it is, of course, necessary for the Cooperative Movement to reiterate to its consumer members that the prices of its products, the quality of its goods and the character of its services are equal to or better than those of traders in the private sector. But advertising as a way of convincing and informing consumers has become debased. The appeal to buy has therefore been written in terms which carry less and less conviction and depend more and more on sensation and, as advertisers will frankly admit, it is often misleading.

In the face of dilemmas such as this, it is interesting to see cooperative advertisers adopting a new approach. In both the U.K. and the U.S. there are now examples of 'public service' advertising by cooperatives which is informative, entertaining and provokes some re-thinking amongst those people who read the copy.

A different appeal

Over a period of 6 years the Cooperative Wholesale Society in Britain has published a series of advertisements with the title "at the sign of the wheat-sheaf". These columns appear over the signature Sator and are described as 'thoughts on a current theme'. Two of the recent columns by Sator may help to show the way in which this form of cooperative advertising differs from the simple sales appeal. In an advertisement which appeared in April of this year, Sator discussed the legislation

which existed in the U.K. to protect the buyer of goods—the Sale of Goods Act, 1893. The discussion turned on a point that the Law was probably out of step with the times and that new legislation was needed. The columnist wrote *inter alia*:—

"We need a new Sale of Goods Act either in all such cases imposing on the manufacturer all the obligations which normally rest on the retailer (and rendering void any contract purporting to relieve both of them), or prohibiting the retailer from contracting out".

In this column the copywriter had given an airing to an important public issue on which it is difficult to imagine other commercially-minded organisations spending their advertising appropriation. More recently, in July, the C.W.S. devoted Sator's column to a discussion on a controversial government committee report—the Pilkington Report—on the future of television broadcasting. The Pilkington Committee had recommended a radical change in the institutional set-up for the sale of advertising time in commercial television. Sator, pointing to the rapid rise of television advertising rates which had taken place, and to the monopoly which existed in commercial advertising, said:—

"...but it is devastatingly clear that private enterprise cannot, of its nature, resist the temptation to make as much money as possible. Independent Television has shown vigour and originality, which have in turn led to an improvement in some British Broadcasting Corporation programmes, but this does not compensate us for the trash which has flooded our screens.

There is no reason at all why there should not be a television service owned by the Government, controlled by an independent board charged with the duty of ensuring high standards, the programmes being supplied by private enterprise, the whole financed by the sale of advertising time".



Enemy Not Anivar Urbina, small citizen of Honduras. But the enemy is there all around him—malnutrition, disease, the intense despair of poverty. Anivar and millions like him face the Enemy from the day they are born to the quick twilight of their lives. They need help now—above all, help to help themselves. They need food, tools, books, medicines and technical know-how. By any standard they know, we have these things in abundance. Whether it be in Honduras, Africa, India, or even in our own country, this abundance *must* be shared. If we Americans help this child and others like him defeat the Enemy, he will never forget us; if we ignore him, or try to bribe him, he will never forgive us. *Which will it be?*

P.S. Employees and agents of Nationwide voluntarily have been sponsoring special self-help programs in four Central American countries in cooperation with CARE. More than \$ 150,000 has been raised in the last 18 months to provide the people of these countries with the tools for better education, medical care, agriculture, housing and other basic needs.



Nationwide Mutual Ins. Co., Nationwide Life Ins. Co., Nationwide Mutual Fire Ins. Co., home office: Columbus 16, O.

Sator had thus taken an opportunity to put to the readers of an advertising column an important point concerning public policy in the television field. Sator's column appears in the Cooperative Sunday newspaper *Reynold's News* and in a number of publications which are sympathetic to the Movement's aims.

American Example

In the U.S. a most interesting advertising campaign has been carried through by NATIONWIDE a very large cooperative insurance company. The advertisements have appeared in some of the leading weekly and monthly magazines—*Saturday Review*, the *Atlantic*, *Harper's*, as well as in the cooperative press. All the advertisements draw attention to the responsibility of the citizen in modern society. A very striking advertisement seeks to arouse in the reader's mind a feeling of responsibility for the teenage delinquents; referring to him by the euphemism "Man About Town", the advertisement goes on to say:—

"Care to meet him after dark in your neighbourhood? His address may be unfashionable, but he travels frequently—usually in packs. When many of us fled to escape the creeping urban blight, he was left to grow up in the slum that crept in. But in escaping this product of unthinking progress did we escape our responsibility for him, too? In a democratic society can our commitments to one another be left to out-moded municipal statutes and overworked social workers? Perhaps we'd all better make him our priority business now. If we don't, he most certainly will make us his!"

The theme that business, especially cooperative business, must take account of its responsibilities to society is the thread running through more than one of the advertisements. The need for citizens to participate in public affairs is punched home in several of the

NATIONWIDE 'public service' advertisements. One of these—sub-titled the "Troublemaker"—is the most successful of the series. The copy which appears underneath the picture of an individual twiddling his thumbs sitting in a high back chair with a resigned expression on his face is as follows:—

"He is the silent one. He never speaks up on issues. He never sounds off in the letter column of his local newspaper. He never writes his Congressman. He is as quiet as a clam. And in his wish to offend nobody, he offends Democracy. How could Democracy succeed... if all of us like this one, withheld our opinions, our ideas, our criticisms? Voting on election day is only part of a citizen's duty. Active day-by-day participation in government, in society, in business associations is a responsibility for each and every one of us. The silent troublemaker fails to understand this. In his worship of "law and order", he never dares to question an oppressive law, never distinguishes "order" for stagnation. He is the apostle of social decay, not Democracy".

The advertising series is not afraid to step outside the purely internal American affairs to describe the problem of the under developed countries and the need to share America's abundance with those who are not so fortunate.

A sane note

The conscious development of 'public service' advertising by the cooperative movement is of course a natural development of the movement's social aims and also illustrates the way in which it can protest against the abuses of the competitive system although still forced in a competitive climate to keep its name before the public. Significantly, this form of advertising has not often been adopted by the movement's competitors. This kind of advertising may also be a partial solution to the problem of differentiating the cooperative movement from its competitors

F. B.

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of the

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- JAMAICA:** The Jamaica Cooperative Union, Ltd., 74½ Hanover Street, Kingston, B.W.I.
- JAPAN:** Nippon Seikatsu Kyodokumiai Rengokai, (Japanese Consumers' Cooperative Union), Rokin-Kaikan, 5, 2-chome, Shiba-Tamuracho, Minatoku, Tokyo.
Zenokou Nogyokyodokumiai Chuokai, (Central Union of Agricultural Cooperatives) 11, Yurakucho, 1-chome, Chiyoda-ku, Tokyo.
Zenkoku Gyogyo Kyodokumiai Rengokai, (National Federation of Fishery Co-operative Associations), Sankaido Building, Akasaka-ta meikomachi, Minato-ku, Tokyo.
- JORDAN:** Jordan Co-operative Central Union Ltd., P.O.B. 1343, Amman.
- MALAYA:** Cooperative Union of Malaya, 8, Holland Road, Kuala Lumpur.
Federation of Co-operative Housing Societies, 8, Holland Road, Kuala Lumpur.
- MALTA:** Farmers' Central Cooperative Society Ltd., New Building, Middleman Street, Marsa, Malta.
- MAURITIUS:** Mauritius Cooperative Union, Dumat Street, Port Louis.
- MEXICO:** Confederación Nacional Cooperativa de la Republica Mexicana, C.C.L., Lic. Verdad 3, Mexico 1, D.F.
- MOROCCO:** Cooperative Study and Action Circle "Georges Fauquet", Rabat
- NEW ZEALAND:** Hutt Valley Consumers' Cooperative Society, Ltd., P.O.B. 41, Lower Hutt.
- NIGERIA:** Cooperative Union of Eastern Nigeria Ltd., Cooperative Bank Buildings, Milverton Ave, Aba.
Co-operative Union of Western Nigeria, Ltd., c/o Co-operative Buildings, New Court Rd. Ibadan.
- NORWAY:** Norges Kooperative Landsforening, Organisasjonsavdelingen, Kirkegaten 4, Oslo.
Affiliated societies (1961): 1,148; membership: 315,442; turnover of local societies: Kr. 1,442 mill.; of N.K.L.: Kr. 408 mill.
BBL A/L Norske Boligbyggelags Landsforbund, Trondheimsveien 84-86, Oslo.
- PAKISTAN:** West Pakistan Co-operative Union, 31, Lower Mall, Lahore.
Punjab Provincial Cooperative Bank Ltd., Lahore. Membership: 10,950; share capital: Rs. 12,85,163; reserve fund: Rs. 33,32,919; loans and deposits Rs. 5,48,65,281.
Karachi Central Cooperative Bank, Ltd., 14, Laxmi Building, Bunder Road, Karachi 2.
Karachi Central Cooperative Consumers' Union, Block No. 53, Pakistan Secretariat, Karachi, 3.
Karachi Cooperative Housing Societies Union, Shaheed-e-illat Road, Karachi 5.
Karachi Cooperative Institute Ltd, Pir Illahi Bux Cooperative Housing Society, Karachi 5.
Karachi Fishermen's Cooperative Purchase and Sales Society Ltd., West Wharf Road, Karachi.
Sind Provincial Cooperative Bank Ltd., Provincial Cooperative Bank Building, Serai Road, P.O. Box 4705, Karachi 2.
- ROUMANIA:** Uniunea Centrale a Cooperativelor de Consum "Centrocop". Calea Victoriei 29, Bucharest.
- SARAWAK:** Sarawak Co-operative Central Bank Ltd., Kuching.
- SCANDINAVIA:** Nordisk Andelsforbund (Scandinavian Co-operative Wholesale Society), Njalsgade 15, Copenhagen 5.
- SINGAPORE:** Singapore Co-operative Union, Ltd., Post Box 366, Singapore.
- SUDAN:** Sudan Cooperative Union, P. O. Box 834, Kartoum, Sudan.
- SWEDEN:** Kooperativa Förbundet, Stockholm 15.
Affiliated retail societies (1961): 522; membership: 1,206,000; total turnover of distributive societies: Kr. 3,643 mill.; total turnover of K.F.: Kr. 2,565 mill. (Kr. 1,565 mill. sales to affiliated societies); own production: Kr. 1,355 mill.; total capital (shares and reserves) of K.F. and affiliated societies: Kr. 921 million, surplus included.
Kooperativa Kvinnogillesförbundet, Stockholm, 15
Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund (H.S.B.), Fleminggatan, 41, Stockholm 18.
Affiliated Building Societies: 186; with individual members: 160,000; number of flats administered by local societies: 160,000; value of real estate: 5,000 mill. Kr.
Svenska Riksbyggen, Box 14031, Stockholm, 14.
- SWITZERLAND:** Verband schweiz. Konsumvereine (V.S.K.), Thiersteinallee 14, Basle.
Affiliated societies (1961): 540; shops: 3,300; membership: 723,000; retail turnover of affiliated societies: Frs. 1,346; wholesale turnover: Frs. 853 mill.
Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), Schaffhauserstrasse 6, Winterthur.
Schweiz. Verband Sozialer Baubetriebe, SBHV., Postfach Sihlpost, Zürich 1.
- U.S.A.** The Co-operative League of the U.S.A., 343 South Dearborn Street, Chicago III, and 1012 14th Street, N.W., Washington 5, D.C.
- U.S.S.R.:** Central Union of Consumers' Cooperative Societies of the U.S.S.R. "Centrosoyus", Ilyinka Tcherkassy pereulok 15, Moscow.
Consumers' societies (1961): 17,500; members: 43,1 mill.; stores: 321,000.
- YUGOSLAVIA:** Glavni Zadruzni Savez FNJR. Ulica 1 Maja 15/111, Belgrade.



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. . . you'll find C.W. S products. And not only in baskets. You'll see C.W. S Windsor fine bone china in homes as far apart as Margate and Melbourne; housewives in Gloucester and Ghana know the outstanding qualities of Invincible aluminium ware; stylish Wheatshaf footwear is proudly worn by Americans as well as Britons; and from Bangkok to Bangor, Spel takes the work out of washdays. C.W. S products, in fact, are enjoyed not only by 12,000,000 members and their families in Britain, but by many peoples of different creeds and colour in far distant corners of the earth.



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INTERNATIONAL COOPERATIVE ALLIANCE

REVIEW OF
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THE INTERNATIONAL COOPERATIVE ALLIANCE

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

It comprises 111 organisations in 51 different countries and its total affiliated membership through national organisations exceeds 163,000,000. The Consumers' Movement accounts for the majority of this membership, but agricultural, credit, workers' productive and artisan cooperatives are well represented.

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

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

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

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

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

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

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

AFFILIATED ORGANISATIONS

- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, *Avda. Suarez, 2034, Buenos Aires.*
- AUSTRALIA:** Cooperative Federation of Australia, *45, Mandolong Road, Mosman, Sydney, N.S.W.*
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, *Theobaldgasse 19, Vienna VI.*
 Membership (1961): 409,357; turnover: consumers' societies: Sch. 2,584 mill.; wholesale (G.Ö.C.): Sch. 1,239 mill.; department stores: Sch. 357 mill.; own production: consumer societies: Sch. 317 mill.; G.Ö.C. and subsidiaries: Sch. 389 mill.
 Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, *Bösendorferstrasse 7/11, Vienna I.*
 (1960): Member Societies: 224, Assocs. 107; No. of members: 82,971; Dwellings administered: (socs.) 68,329; Assocs. 93,750; Total Balance: (Socs.) Sch. 5,670,105,800; (Assocs.) Sch. 7,352,955,200.
 Österreichischer Genossenschaftsverband, *Peregringasse, 4, Vienna 9.*
 Österreichischer Raiffeisenverband, *Seilergasse 16, Vienna I.*
- BELGIUM:** Société Générale Coopérative, *17—21 Place Emile Vandervelde, Brussels*
 Affiliated consumers' societies: 32; membership: 390,000; turnover (1961): Frs. 3,400 mill.; shops: 1,500; Wholesale society turnover (1961): Frs. 827 mill.
 Société Coopérative d'Assurances "La Prévoyance Sociale", *P.S. Building, 151, rue Royale, Brussels.*
 Premiums (1961): Frs. 922 mill.; reserves: Frs. 4,000 mill.; insurance funds, life: Frs. 12,000 mill.; fire: Frs. 155,000 mill.
 Fédération Nationale des Coopératives Chrétiennes, *rue de la Loi, 141, Brussels.*
 Société "Bien-Etre": 1,320 shops; turnover Frs. 1,251 million; dividends: Frs. 60 million; Savings Bank: 1,800 branches; 300,000 members; deposits: Frs. 5,000 mill. Insurance Society: 160,000 policy holders; premiums: Frs. 193 mill.; reserves Frs. 500 mill.
 L'Economie Populaire, *30, rue des Champs, Ciney (Namur).*
 Branches (1961): 445; membership: 74,956; turnover: Frs. 687 mill.; savings deposits: Frs. 404 mill.; capital and reserves: Frs. 77 mill.
 Institut Provincial de Coopération Agricole, *42, rue des Augustins, Liège.*
- OPHACO** (Office des Pharmacies Coopératives de Belgique), *602, chaussée de Mons, Brussels.*
 Union of 25 cooperative societies owning 313 pharmacies, 50 optical departments and counters, 7 drug stores, 15 wholesale depots. Turnover (1960): Frs. 832 mill. Surplus distributed to 400,000 members: Frs. 74 mill.
 Société Coopérative Fédérale de Belgique, *83-85, rue Vanderschrick, Brussels.*
- BRAZIL:** Centro Nacional de Estudos Cooperativos, *Av. Franklin Roosevelt 39, 12º, Sala 1216, Rio de Janeiro.*
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., *21, Croal Street, Georgetown.*
- BULGARIA:** Central Cooperative Union, *21, rue 6 Septemvri, Sofia.*
- BURMA:** National Cooperative Council, *290-300, Lewis Street, (2nd Floor), Rangoon.*
- CANADA:** Co-operative Union of Canada, *202, Queen Street, Ottawa 4, Ont.*
 Affiliated Societies (1961): 793; membership 887,255; turnover: marketing: \$ 570,404,142; merchandising: \$ 222,334,989; assets: \$ 330,337,111.
 Conseil Canadien de la Coopération, *2030, Bd. Hamel, Quebec 8.*
- CEYLON:** The Co-operative Federation of Ceylon, *Co-operative House, 455, Galle Road, Colombo 3.*
- CHILE:** Federación Chilena de Cooperativas de Ahorro, Ltda., *Huerfanos 1639, Clasificador 760, Santiago de Chile.*
- COLOMBIA:** Cooperativa Familiar de Medellín Ltda., *Calle 49, No. 52-49, Medellín.*
- CYPRUS:** Cooperative Central Bank Ltd., *P.O. Box 411, Nicosia.*
 Cyprus Turkish Cooperative Central Bank Ltd., *P.O. Box 791, Nicosia.*
 Vine Products Cooperative Marketing Union Ltd., *P.O. Box 314, Limassol.*
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, *Tesnov 5, Prague II.*
- DENMARK:** De samvirkende danske Andelskaber (Andelsudvalget), *H. C. Andersens Boulevard 42, Copenhagen V.*
 Representing 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1961): D.Kr. 11,300 mill.
 Det kooperative Faellesforbund i Danmark, *Gyldenloevsgade II, Copenhagen V.*
 Affiliated societies (1960): 626; total sales: D.Kr. 1,050 mill.; employees: 11,000; comprises: consumers' workers', artisans', productive and housing societies etc.
- EGYPT:** Société Coopérative des Pétroles, *94, Kasr el Eini Street, Cairo.*
- EIRE:** The National Cooperative Council, *35, Lower Gardiner Street, Dublin.*
- FINLAND:** Suomen Osuuskauppojen Keskuskunta (S.O.K.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; wholesale turnover: Fmk. 82,333 million; own production of SOK: Fmk. 20,380 million.
 Yleinen Osuuskauppojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; turnover of societies: Fmk. 145,354 million; total production of the affiliated societies: Fmk. 3,251 mill.
 Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki.*
 Affiliated societies (1961): 111; members 514,951; turnover of societies Fmk. 106,131 mill.; production of societies 16,333 million.

- Osuustukkukauppa (O.T.K.), *Hameentie 19, Helsinki.*
 Affiliated Societies (1961) 111; turnover Fmk. 68,666 mill.; own production Fmk. 20,697 mill.
- Keskinäinen Vahinkovakuutusyhtiö Kansa, *Hämeentie 19, Helsinki.*
 Affiliated societies: 117; Life insurance coverage: Fmk. 43,284 mill., 282,364 insured persons; Fire insurance coverage: Fmk. 284,854 mill., 159,195 policies, Assets (1960): Fmk. 7,444 million.
 Pellervo-Seura, *Simonkatu, 6, Helsinki.*
- FRANCE: Fédération Nationale des Coopératives de Consommation, F.N.C.C., *89, rue de la Boétie, Paris VIII.*
 Affiliated societies (1960): 572; membership: 3,242,567; shops: 9,530; turnover: NF. 2,624,785,132.
 Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, *88, rue de Courcelles, Paris VIII.*
 Confédération Générale des Sociétés Coopératives Ouvrières de Production de France et de l'Union Française, *88, rue de Courcelles, Paris VIII.*
 Banque Coopérative des Sociétés Ouvrières de Production de France, *88, rue de Courcelles, Paris VIII.*
 Fédération Nationale de la Coopération, de la Mutualité et du Crédit agricoles, *129, Bd. St. Germain, Paris VIe.*
 Caisse Nationale de Crédit Agricole, *30, rue Las Cases, Paris VIIe.*
 Fédération Nationale de la Coopération Agricole, *129, Bd. St. Germain, Paris VIe.*
 Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, *Foyer Coopératif, 17, rue de Richelieu, Paris I er.*
 Confédération des Coopératives de Construction et d'Habitation, *4, Cité de Londres, Paris 9e.*
 L'Association Bâti Coop, *6, rue Halévy, Paris 9e.*
 Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la petite Propriété, *9, rue Mathurin Régnier, Paris 15e.*
 Confédération des Organismes de Crédit Maritime Mutuel, *18 bis, Avenue Hoche, Paris VIII.*
- GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., *Besenbinderhof 43, (2), Hamburg I.*
 Affiliated societies (1961): 257; membership: 2,586,960; turnover: D.M. 3,377,7 mill.
 Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof, 52, 2, Hamburg I.*
 Total turnover (1961): D.M. 1,726,300,000; own production: D.M. 593,7 mill.
 Gesamtverband Gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4 (22a), Cologne.*
 „Alte Volksfürsorge“, Gewerkschaftlich-Genossenschaftliche Lebensversicherungs A.G., *An der Alster, Hamburg, 1.*
- GREAT BRITAIN: The Co-operative Union Ltd. *Holyoake House, Hanover Street, Manchester 4.,*
 Affiliated Societies (1961): 826. Membership: 13,043,484. Retail Societies' share capital: £ 254,751,695. Retail sales: £ 1,044,798,803.
 Co-operative Wholesale Society Ltd., *1, Balloon Street, Manchester 4.*
 Affiliated societies (1961): 895; sales: £ 465,170,491; Bank turnover: £ 6,048,004,673; reserve and insurance funds: £ 32,381,925; total assets: £ 291,916,424.
 Co-operative Insurance Society, Ltd., *Miller Street, Manchester 4.*
 Assets exceed £ 187 mill.
 Scottish Co-operative Wholesale Society Ltd., *95, Morrison Street, Glasgow C. 5.*
 Affiliated societies (1961): 171; sales: £ 88,824,880; reserves and insurance funds: £ 6,877,629; total resources: £ 18,608,126.
 The Co-operative Produce Federation, Ltd., *138, Charles Street, Leicester.*
 Sales: £ 5,415,067; employees: 4,557; societies: 33.
- GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), *6, Othonos Street, Athens.*
- HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikscoöperaties, "Co-op Nederland", *Vierhavensstraat 40, Rotterdam 7.*
- ICELAND: Samband Isl. Samvinnufjelaga, *Reykjavik.*
- INDIA: National Cooperative Union of India, *72, Jorbagh Nursery, New Delhi-3.*
 All Bombay Consumers Cooperative Societies Federation, Ltd., *3rd Floor, Military Square Lane, Fort, Bombay 1.*
 National Agricultural Cooperative Marketing Federation, Ltd., *248A Krishna Bhawan, New Delhi.*
- IRAN: Cherkate Taavoni Masrafe Artêche (Army Consumers' Co-operative Society), *Avenue Sevvom Esfand, Rue Artêche, Teheran.*
- ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv.*
 Affiliated societies (1962): 1,679, including 660 agricultural, 465 producers' and services, 69 consumers', 232 housing, and 253 pension and provident funds.
 Hamashbir Hamerkazi, *P. O. Box 130, Tel-Aviv.*
 "Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, *P. O. Box 75, Tel-Aviv.*
 "Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, *8 Hakiryia Street, P.O.B. 209, Tel-Aviv.*
- ITALY: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome.*
 Confederazione Cooperativa Italiana, *Borgo Santo Spirito, 78, Rome.*
 Associazione Generale delle Cooperative Italiane, *Via Milano 42, Rome.*

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I.C.A. SCHOOL AT HAMBURG



Host and Director of the School

AFTER an interval of 34 years the International Cooperative School returned this year to Hamburg on the invitation of the Central Union of German Consumers' Cooperative societies. In that period, not merely the German Cooperative Movement but the I.C.A. and, indeed, the whole Cooperative world have been transformed. In 1928 the Alliance had not yet assumed entire control and administration of the International School which owed its existence to the initiative of the British Cooperative Union at a time when the resources of the Alliance were very

small. Nevertheless, the first Hamburg School attracted 69 participants from 18 countries, which compares very favourably indeed with this year's 60 participants from 13 countries.

The School of Consumers' Cooperation is beautifully situated at Sasel to the north of Hamburg and excellently equipped, but its dimensions were a little too small for a School of the average size of the I.C.A. School. Not all who wished to attend could be accepted, for an absolute limit was set by the physical capacity of the lecture hall. Supplementary lodging accommodation

had to be found in Hamburg. The resulting disadvantages, however, were more than compensated by the organising skill of Dr. Theo Vösschmidt, the Principal, and the staff of the School of Consumers' Cooperation and the Secretariat of the Central Union. Between them they succeeded in creating for the International School an environment in which its work could proceed from beginning to end smoothly, pleasantly and efficiently.

The German Movement

Naturally enough, the opportunity of a close examination of the German Cooperative Movement in such an important centre of Cooperative activity as Hamburg was one of which full advantage must be taken. Four lectures and appendent discussions were devoted to this subject, comprising a general survey of the Movement to-day by Professor Dr. Reinhold Henzler, Director of the Institute of Cooperation at Hamburg University, and lectures on the consumers' agricultural and housing Cooperative Movements by Dr. Cornel J. Bock, S. H. Meyerholz and Mr. W. Brillau respectively. These were supported by a series of study-visits to the establishments of the celebrated consumers' society "*Produktion*", the Wholesale Society G.E.G., the consumers' society at Lübeck, two agricultural cooperatives at Lauenburg and a number of housing estates with communal services in Hamburg and its suburbs. In the course of these visits the participants in the course gained many first-hand impressions of the vigorous commercial and industrial life of the city of Hamburg, its busy harbour and world-wide trading and financial connections, as well as of the prosperous rural life of Schleswig-Holstein.

The lecturers on the German Cooperative Movement did not dwell at length on its origins and historical development. They wisely chose rather to present the Movement as a growing organism in a dynamic situation which required fresh ideas and energetic action. Professor Henzler in particular pointed out the marked tendency, in almost all branches of the Movement, towards larger societies, not simply because of normal growth, but also because of amalgamation and the technical advantages of centralisation in combating competition and other market influences. He went on to show how the solutions adopted in the sphere of organisation gave rise to new and often delicate problems in maintaining contact between management and members, in determining the relations between honorary, part-time and full-time administrators, a financial (especially investment) and trading policy, and in defining new educational aims and providing the means for their realisation.

Branch problems

The function of the lecturers who followed Professor Henzler was, therefore, in a large measure to illustrate in their respective branches of the Movement the operation of the general tendencies he outlined. Naturally, each branch had its special features and problems. As Dr. Bock showed, the consumers' Cooperative Movement, faced by the increasing competition of large-scale retail enterprise, was particularly concerned to remove the legislative provisions penalising sale to non-members and to avert the menace of recent suggestions in governmental quarters aiming at restricting dealing with non-members to 10 per cent of a society's turnover.

Dr. Bock emphasised the recent studies and researches carried out by the Central Union and the Wholesale Society into publicity, sales promotion, rationalisation of business methods and management training as well as the measures designed to bring about greater concentration and more effective employment of the Movement's human and material resources.

Dr. H. Meyerholz showed how the effects of the labour shortage in agriculture and of changes in the market for farm produce were bringing about rationalisation in the sub-structure of the Agricultural Cooperative Movement. The increasing demand for investment capital could not be met by little societies. Notwithstanding the exploitation of every possibility of capital expansion, the increase in the last ten years had not kept pace with the extension of cooperative enterprises. The rural cooperatives, he said, wished to be in a position to deliver to big distributors such as the central organisations and large societies of the consumers' movement. At Lauenburg the School was able to inspect the potato grading and storage plant of a multi-purpose agricultural society trading directly with the consumers' society "*Produktion*".

Owing to the death, a few days before the opening of the School, of Dr. Julius Brecht, who was to have given the lecture on the Housing Cooperative Movement, this branch of the Movement was introduced by the President of the North-West German Union of Housing Societies, Mr. W. Brillau, who gave a lively account of their aims and organisation, and particularly of the provision and administration of the collective amenities and services, such as central laundries, workshops, children's playgrounds and sports grounds which form

a special feature of cooperative housing estates.

The questions on all the preceding lectures revealed that the great majority of the participants already possessed considerable insight into the problems of German Cooperation because they had already encountered these problems in their own National Movements. They were all the better prepared, therefore, to discuss in more general terms the broad theme of Cooperation in a Changing World which was introduced by Professor K. F. Svärðström (Sweden) and Mr. Jean Lacroix (France), who dealt with agricultural and consumers' cooperation respectively.

Contrasting Situation

Professor Svärðström drew an important distinction between the situation of agricultural cooperation in the newly-developing countries where agriculture is just replacing hunting and fishing and its situation in those countries where it is already long-established and highly integrated. He discussed, in relation to the demand for reform in land tenure in the developing countries, the possibilities of cooperative farming and the difficulties it encounters in developing strong and intelligent leadership as well as the resistance to be found where ownership is widely distributed. In any case, the agriculturist moving over from subsistence to commercial farming needs both a market and credit and this points to the value of multi-purpose cooperatives.

In dealing with the problems of the old-established agricultural Cooperative Movements, Professor Svärðström emphasised the effects of the growth of national markets which can be regulated as units, the effects of this transition from scarcity to saturation economics

and the penetration of industrial methods of organisation into agriculture. These changes could only be met by the acceptance of vertical integration in the organisation of agricultural cooperatives as a means to more coordinated service to their members.

A regulative force

Mr. Jean Lacroix considered the rôle of the consumers' Cooperative Movement mainly in relation to the democratic welfare state, but also in relation to centrally-planned economies and the developing countries. He sketched the main factors in the economic and social environment with which the consumers' Cooperative Movement had to reckon to-day: rising and more stable incomes and the changing patterns of consumption; technical improvement and large-scale enterprise in distribution, and the uncertain effects of competition, regarded as a defence of consumers' interests. The rôle of consumers' societies and their federations in such circumstances is, on the one hand, to demonstrate the value of an active attitude on the part of consumers and of democracy in the administration of economic enterprises, and, on the other, to demonstrate the effectiveness of an economy based on service rather than profit and act as a regulative force, at the same time enlightening consumers in making their choices and in looking after their own health and general well-being. He concluded by emphasising, with a quotation from J. P. Sartre, the inter-action between a changing world and changing human nature.

Technical aid projects

The remaining lecture of the course, delivered by Mr. Ch.-H. Barbier, discussed the promotion of Cooperation in



the developing countries with special reference to technical assistance, Cooperative mutual-help and leadership training. A member, since its creation, of the Technical Assistance Sub-committee of the I.C.A. Executive and the moving spirit of the Dahomey project of the Swiss Cooperative Union V.S.K., Mr. Barbier expounded to a rapt audience the firmly held conclusions he had drawn from years of study, travel and action in this important field. He distinguished between the technical assistance provided through governmental and inter-governmental agencies, notably the U.N. Expanded Programme and the direct, fraternal help given by the older to younger cooperative organisations, either through the I.C.A. or through special national projects. He drew upon the experience already gained in carrying out the Dahomey project in order to illustrate the gain in effectiveness which followed increasing recognition of the fact that leadership training was the key to sustained Cooperative advance in the developing countries and that potential leaders should never be long separated for training purposes from their own people and their home country. In the course of discussion, Mr. Barbier showed how the adoption of a Cooperative aid project awakened both members and employees of well-established Cooperative Movements to the deeper motives and loftier aims of Cooperation which had been thrust into the background by the Movement's preoccupation with immediate economic tasks.

"Without boundaries"

In such ways as these the 60 participants from 13 countries who formed the 32nd. International Cooperative School came to appreciate the inter-relation between the three elements of the course:



Mr. Charles Barbier

the German Cooperative Movement; the rôle of Cooperation in a changing world and the promotion of Cooperation in the newly-developing regions of the world. The School was thus able to dissolve barriers of prejudice and pre-existing mental limitations and at the same time awaken sympathies and create associations which will probably endure long after the details of the lectures have been forgotten. To this realisation of a School "without boundaries" the cordial hospitality of the German cooperative organisations, headed by the Central Union of Consumers' Societies, made an inestimable contribution. It was also thanks to their efforts that the School obtained publicity on the radio and television, as well as in the newspaper press such as has been accorded to very few of its predecessors.

W. P. W.

COOPERATIVE COMMENTARY

Free Associations

ONE of the most helpful things the Union of International Associations has done this year is to publish Mr. James E. Knott's brochure on Freedom of Association. The purpose of the brochure is indicated by its subtitle which describes it as a study of the role of international non-governmental organisations in the development process of emerging countries. Mr. Knott believes that the role of these organisations has so far been largely neglected. One reason for this may be the negative epithet "non-governmental", a piece of bureaucratic jargon possessing the sole advantage of administrative convenience for dealing with the large groups of very diverse associations denied membership, but granted consultative privileges in varying degrees, with international organisations of governments.

It is not easy to find a term which stands boldly and unequivocally for the positive value of the free or voluntary associations of the people without which human progress is hardly conceivable. A cynic once said of the old League that it was not a league of nations but a league of governments. The organisations of which Mr. Knott writes represent the element which the League, especially in its earlier years, largely treated as non-existent and which many new governments to-day have not yet learned to appreciate. Mr. Knott's brochure should be compulsory reading for apprentice politicians in all newly-liberated countries.

The great merit of the voluntary organisations, over and above the multitude of beneficial objects they have in view, is that through them the people educate themselves. Scholastic education is not enough in a dynamic world. It never was, of course. The pressure exerted on Unesco and other international organisations by the new governments demanding help in order to eliminate illiteracy and provide more abundant schools and colleges is understandable. It springs from a belief in education which is certainly well-founded but almost completely unenlightened as to the true nature of the educational process. It is much easier to draft constitutions and construct cabinets than to train citizens to behave constitu-

tionally. Stability and efficiency of government in Western societies has much to do with the fact that the development of parliamentary government and adult suffrage was preceded or accompanied by the growth of voluntary movements based on democracy.

Mr. Knott illustrates his arguments in favour of more attention, stronger support and wider opportunities for free associations in assisting economic, social, and educational progress in the developing regions by reference to the International Cooperative Alliance, the World Veterans' Federation and the World Confederation of Organisations of the Teaching Profession and their activities in these regions. They and other organisations of the kind are handicapped at present by the fact that they have not yet many affiliates in the newly-liberated countries and that those they have are young, inexperienced, financially weak and subject to too much governmental supervision. Mr. Knott has no difficulty in proving his case for more planned and concerted action by the non-governmental organisations. It is therefore encouraging that the Unesco Conference of consultative organisations is showing signs of increasing vitality and that certain of them which represent widespread social and economic interests—trade unionists, cooperatives, farmers, country-women—have recently been finding new points of mutual contact.

Workers' Education

The International Federation of Workers' Educational Associations held its sixth General Conference at Dusseldorf from the 22nd to 25th August. Mr. Sven Arne Stahre presided over an attendance of about 50 delegates and observers. The latter included specialists in adult and workers' education from Unesco and the I.L.O., besides fraternal delegations from the I.C.A., I.C.F.T.U., W.F.U.N.A., and I.F.W.T.A.

The representatives of Unesco and I.L.O. gave valuable information concerning the achievements and plans of their respective organisations, emphasising the importance of the collaboration of I.F.W.E.A. and other voluntary organisations. Nevertheless, there was considerable doubt as to whether the conclusions and recommendations of the Montreal World Conference on Adult Education of 1960 were being studied with sufficient attention and applied with energy. The fact that Unesco's International Committee for the Advancement of Adult Education held only one meeting in 1961–62, and that only

one meeting is provided for in the period 1963–64 was the occasion of bitter disappointment. A motion, sponsored by the Workers' Educational Associations of Norway, Finland, Sweden and Denmark, emphasised the need for effective contact between the workers' delegates with a view to action at the conferences of Unesco, particularly the next General Conference which will be held in Paris in November 1962. This motion was adopted unanimously and the statements made on behalf of the I.C.A. and the I.C.F.T.U. indicated that consultations concerning action at the General Conference had already begun.

Price-stop in Austria

On the 25th July the *Konsumverband*, the Central Union of Austrian Consumers' Societies, announced that the 1,700 shops of its affiliated retail societies would not increase any of their prices for foodstuffs or textiles until the end of September. The Wholesale Society "GÖC" will support their action by imposing a similar standstill on the prices it charges to the societies.

The reasons for this action, which was duly noted by the radio and daily press, were outlined by the Union's President, Mr. Andreas Korp, in the members' journal *Wir vom Konsum*. On the 24th July the Government had adopted a number of resolutions designed to safeguard the internal and external purchasing power of the schilling. The need for this action arose from the demands made from every side on the social product which exceeded the increase in productivity. In the judgement of the *Konsumverband* the price spiral could not be checked by appeals and ordinances. The economy and the citizens as a body must be disciplined.

The price standstill of the consumers' societies is thus a measure in support of the government and an example to the rest of the community of concern for the public interest. They naturally expect that the government, through the abolition of import prohibitions and reductions in out-of-date tariffs, will make it possible to continue with price reductions for an indefinite period. It will be of no little interest in other countries to learn at a later stage about the assessment the Austrian cooperators are able to make of the success of their action.

Counter-attack in London

The London Cooperative Society, which has been feeling for several years past the impact of all the new forms of retail distributive enterprise, announced at the beginning of September a new price and dividend policy

which was described as "aggressive" at a press conference on the 2nd September by the President, Mr. J. Stonehouse, M.P. He announced that the Society will pay its members a guaranteed dividend on purchases of 6d in the £ ($2\frac{1}{2}$ per cent) for the next financial year and will also cut prices of groceries in its self-service stores by 5 per cent. This price-cut is really in the nature of a rebate and purchases benefiting from it will not be eligible in addition for the guaranteed dividend. Managers of self-service shops have been instructed, if competitors retaliate by also lowering prices, to cut their own prices further. The President declared that the Society was determined not to be undersold in the grocery trade in any area in which it operated. It was also going to be tougher in its buying policies and, by taking a lower profit margin on increased turnover, pass on savings to its customers.

This radical departure from traditional cooperative practice by the world's largest consumers' society is a matter of interest and concern to cooperators everywhere. The effectiveness of the new policy in attaining the results expected of it are bound to sway opinion for or against. It is worth noting that the guaranteed dividend, although not large, is fixed at twice the rate paid by the Society according to orthodox methods of computation for the last balancing period. In a sense the Society would appear to have burnt its boats, for a return to the old policy is scarcely conceivable if the new policy does not succeed. What is greatly to be hoped is that the new aggressive spirit will rally interest and support among the members.

Youth and the European Community

The Cooperative Youth Movement, which is promoted by the Education Department of the British Cooperative Union, has adopted for the session 1962-63 a study project which merits rather more than ordinary attention. Under the general title of "European Citizenship" the young people in their local clubs will be encouraged to prepare handbooks or wall-charts illustrating the degree of integration already reached by the E.E.C., the position of the Cooperative Movement in the various countries and the issues involved in the entry of Great Britain into the Community. The same theme has also been chosen for the public-speaking contest which will be held during the national rally at Easter 1963. Prizes are offered for the best handbook and wall-chart. These prizes, at the

(continued on page 255.)

OIL COOPERATION IN SCANDINAVIA

By **Trobjörn Lindvall**,
OK, Stockholm.

IN order to be in a better position to cope with the rapidly growing rate of oil consumption in Scandinavia as a whole, various cooperative organisations in Denmark, Norway and Sweden agreed, in 1960, to pool their resources relating to the import and distribution of mineral oils. The initiator of this cooperative venture was OK (*Sveriges Oljekonsumenters Riksförbund*) which is the Swedish oil-consumers' import and wholesale organisation. Bearing in mind that OK itself was originally intended as a preparatory step towards extended international collaboration in the field of cooperative oil supply, united action of this kind appears a natural development. Nevertheless, it is satisfactory to report that agreement was reached last year between three Nordic countries which will enable them to work together for common interests. This working agreement, in addition to putting Scandinavia's cooperative oil trade on a more efficient and competitive basis, will confer benefits on oil consumers in all the countries concerned.

Building up an organisation

Denmark is represented in the new association by *Arbejdernes Faelles-organisations Braendselforretning* (AFB) and *Faellesforeningen for Danmarks Brugsforeninger* (FDB); Norway by *Norges Kooperative Landsforening* (NKL), *Norske Drosjeeiernes Faelleskjøp*, *Norges Fiskarlag*, *Oslo Bolig- og Sparelag*,



Oslo Samvirkeleg and several agricultural cooperatives; and Sweden by *Kooperativa Förbundet* (KF) and OK.

Besides OK, two new companies for the coordination of the import and marketing of petroleum products have been formed in Denmark and Norway. OK has a financial share in both these enterprises. *Nordisk Oliekonsumenters Indkøbsselskab A/S* in Denmark has a share capital of DKr 6 million, to which AFB, ADB and OK have subscribed DKr 2 million each. In Norway, *Aksjeselskapet Norske Oljekonsum (A/S Norske OK)*, has an initial share capital of Nkr 500,000, to which Norwegian enterprises have jointly subscribed Nkr 300,000 in combination and KF and OK Nkr 100,000 each. The operations conducted in Norway by *Oljeforbrukernes Andelslag* have been transferred to the new company, but the *Andelslag* remains as a member organisation and will later become a member of the Swedish OK.

Naturally, the new companies will take advantage of, and develop further, what has already been achieved in the field of cooperative oil supply by OK in Sweden. A more detailed account of

OK's activities to-day is therefore of interest in this connection.

OK to-day

Sweden, where imported oil now supplies than more than 60 per cent of total energy needs, has by far the biggest market of the three Nordic countries. Last year the Swedish consumption of oil was 13.6 million cubic metres which represents the highest per capital consumption in Europe. Consumption of oil in Denmark last year was 6.0 and in Norway 4.0 million cubic metres. Consequently, total consumption in the three Nordic countries in 1961 was 23.6 million cubic metres, or the equivalent of 20.5 million tons.

The Swedish cooperative oil trade has expanded rapidly since 1945 when OK began to operate. In 1951, OK's sales volume of liquid fuels amounted to 407,000 cubic metres. Last year it was 2,115,000 cubic metres which means that total sales volume has increased more than five times in ten years. During the same period, sales rose from about SKr 109 million (£7.5 million) to more than SKr 417 million (£28.8 million). As a result OK now accounts for 15.5 per cent of all the oil supplied to the Swedish market, as compared with 14 per cent in 1960 and only 8 per cent in 1951.

This rapid expansion is due to an *active price policy*, based on increasing efficiency and constant rationalization. The benefits to the consumer are best illustrated by the fact that, while the General Consumer Price Index between 1949-1961 rose to 163 (1949 = 100), the average price index for all motor fuels and heating oils, excluding taxes, was only 102 in 1961 as compared with 100 in 1949.

Keeping pace with the increase in

demand, OK has thus undertaken new commitments designed to make its operations more efficient. An extensive programme for the expansion and modernization of import and storage installations is nearing completion. OK now has import facilities in all the main Swedish ports as well as in many inland depots.

A little more than one quarter of last year's imports was brought in by OK's own tankers OKEANOS, OKTAVIUS and OKTURUS. The addition of two new tankers of about 42,000 tons d.w. each—of which one, the OKLAHOMA, will be delivered this autumn and the other early next spring—will strike a better balance between own and chartered tonnage and will in the long run lower costs for ocean transport.

Oil prospecting in Libya

Through OK, the cooperatives in Scandinavia have also taken the first step towards fully integrated operations. In partnership with a group of Libyan businessmen and four independent American companies—which largely operate on a cooperative basis—OK has formed the National Oil Company of Libya (NOLCOL) in order to prospect for and extract crude oil in that country.

The company is to have a share capital of 500,000 Libyan pounds. OK and the American companies are jointly subscribing 49 per cent of this total, the majority interest being retained by Libyan nationals. OK's share of NOLCOL has been transferred to a separate company, AB Swedish Overseas Oil Ltd., which is jointly owned on an equal basis by OK and KF.

The participating American enterprises are the Kewanee Overseas Oil Company, the International Cooperative



Petroleum Association of New York, Cracca Libya Ltd.—owned by the Consumers Cooperative Association of Kansas City—and the Libyan Desert Oil Company.

About 35 per cent of the shares have been offered for subscription in Libya so as to ensure the broadest possible domestic footing and to win the support of Libyans for this enterprise. Within

two months of their being offered to the public, these shares were oversubscribed. The application list for the shares shows that the applicants come from all parts of Libya and form a good cross section of the population. About 80 per cent of the applications were for 100 shares or less. At two Libyan pounds a share this means that some of the smallest savers have invested in Libya's future.

(continued from page 252)

option of the winning clubs, may take the form of free participation of a member at a holiday course.

A novel feature is the proposal to organise after the completion of the project a two-weeks' study tour embracing several countries of the Economic Community. Participation will be open to young people between 15 and 21 years of age, who will stay at youth hostels and travel economically in other respects. As the brochure on the project aptly puts it, it is the young people whose lives will be shaped by the decisions now being made—and it is therefore important that young cooperators should be equipped with the relevant knowledge. W. P. W.

P. V. KRISHNA AYYAR

LIMITATIONS of space have prevented the *Review* from making earlier reference to the sudden and widely regretted death of P. V. Krishna Ayyar, an Indian cooperator who, within the last ten years, became well known in every part of the world. He was taken ill at Tel-Aviv, while directing an I.L.O. Regional Seminar, and died on 22nd May in his sixtieth year.

Krishna Ayyar served his apprenticeship to the Movement in the Cooperative Department of Madras, which he entered in 1926, not long after leaving the university. During the following seven years he occupied various posts concerned with training and finance, and was promoted to Deputy Registrar in 1933. He held this office for ten years, the last two being devoted specially to the development of handloom weavers' cooperatives in Madras Province. The value of Ayyar's work, visible today in the importance of this branch of Cooperation, was recognised by the Government by the award of a decoration.

After nearly ten years of service to the Central Government of India, Krishna Ayyar returned to Cooperation in 1952, when he became head of the I.L.O. Mission advising the Government of Burma on Cooperative development. His leadership of a team of varied nationalities and the sagacious report which was finally presented in 1954 enhanced his reputation.

Since 1954, Ayyar has served on the permanent staff of the I.L.O. at Geneva, where his special experience was brought to bear on the planning and supervision of projects for the promotion of Cooperation in the developing countries. He played an active rôle in various seminars and training courses, notably the annual seminar in Denmark, in which the I.L.O. collaborates with F.A.O. and the Danish government.

Always accessible and friendly, his collaboration was highly esteemed, not only by his official colleagues, but also by numerous Cooperators from the national movements who had occasion to consult him. His work was a living proof that a man can be a loyal and efficient national and international civil servant and, at the same time, a convinced and enthusiastic Cooperator. W.P.W.

THE IMPACT ON COOPERATIVES

of the Agricultural Problems of Underdeveloped Countries - I

by L. Stettner.

The problem

THE world's "agricultural problem", which is currently being debated with mounting urgency in a number of different international forums, has implications as important for the cooperative movement as for any of the various interests which are pressing their case at these discussions.

The problem is a composite of several specific difficulties: hunger and poverty in large parts of the world concurrent with enormous food and commodity surpluses elsewhere; steadily declining commodity prices; and the threat posed to the development programmes of less developed countries by unfavourable terms of trade and shrinking foreign exchange reserves.

These difficulties have provided a dominant theme for almost every major international economic conference convened in recent months. The UN Food and Agriculture Organization has been discussing Freedom from Hunger and concrete proposals for surplus disposal. The Organisation for European Cooperation and Development is debating ways of increasing and coordinating the flow of development aid and of eliminating remaining trade restrictions. The United Nations is busy with surplus disposal and with plans for a UN Development Decade designed to make a major assault on the problems of less developed countries. In recent GATT sessions

the agricultural issue played a more prominent role than ever before. Negotiations for United Kingdom entry into the European Economic Community are centred on the agricultural problems of the Commonwealth. Agriculture is a major aspect of the Alliance For Progress programme for development in Latin America. In the United States President Kennedy has been fighting for his new Trade Act as a major plank in a "grand design" for "interdependence" and assistance to underdeveloped nations through removal of trade barriers, expanded development aid and worldwide commodity agreements. In Cairo more than thirty "uncommitted" African, Asian, Latin American and European countries recently conferred on mutual agricultural problems of developing countries.

The immediate causes of the difficulty are clear enough. Commodity prices have been declining over a long period during which the prices of the industrial imports of commodity-producing countries were steadily rising. This makes it difficult for primary producing countries to pay for the capital imports they require for their development programmes.

The decline in commodity prices has roots in both demand and supply factors. Demand has been retarded by low incomes in developing countries, by the development of substitutes (e.g., synthe-

tic fibres, dyes and rubber, plastics, margarine), by economies in the industrial use of raw materials, by changes in the food consumption pattern unfavourable to primary producing countries, by the unresponsiveness of demand for food and beverages both to increases in income and to price declines, and by growing agricultural protectionism. On the supply side, agricultural productivity has greatly increased, particularly in the richer countries, as a result of new strains, better cultivation methods and improved pest and disease control, and because acreage has been expanded, notably for tropical products. At the same time price instability is fostered by adverse production cycles; for example, periods of high prices stimulate coffee and cocoa plantings which start yielding several years later when demand may no longer be buoyant.

A few selected data serve to illustrate the acuteness of the problem.

Data relating to *trade*:

Commodity prices, on the average and for a majority of products, have been declining for about a decade, and reached a record low in August of this year;

Since industrial prices have been rising steeply during this period, the loss for primary producing countries through unfavourable terms of trade has more than cancelled out the very generous development aid extended by industrialised countries;

Exports of the less developed countries have increased one-third in volume over the past decade, but only one-sixth in value; in 1960 they accounted for only 21.3 per cent of the world's exports as compared to 22.4 per cent in 1959, and 23.1 per cent in 1958;

Within the downward trend commodity prices fluctuate much more than industrial prices; in postwar years the price variations during a year have averaged about 12 per cent from trough to peak.

Data relating to *poverty and hunger*:

World population is growing by about 45 millions a year, but food production capacity is growing by only the amount needed to feed 35 millions a year;

Only about one-third of the world's population is adequately fed; between 300 and 500 million people are suffering from acute malnutrition, and perhaps another 1,000 million from malnutrition of a lesser degree, with the bulk of the undernourished in less developed countries;

Average per capita incomes in the mid-1950's were

\$ per year	Country
100	less developed countries
550	Russia
700	Common Market members
875	EFTA (excluding Portugal)
2075	USA

Future prospects are even more discouraging—if matters are allowed to drift. The gap between the rich and the poor countries is rapidly increasing, with national product growing at the rate of only a little over 1 per cent a year in the developing countries as compared to 2½ per cent a year in the industrialised nations.

Moreover, it has been predicted from several quarters that exports of primary producing countries will continue to decline in the absence of effective measures to reverse the trend, and that com-

modity surpluses are likely to increase as the growing demand of industrial countries is met through increased productivity on their own farms.

Proposed solutions

On the other hand, if plans envisaged in connection with the UN Development Decade prove effective, the trend will be reversed. The goals set forth in that programme include a doubling of the standard of living of underdeveloped countries within twenty-five to thirty years, to be achieved by a growth rate of 5 to 6 per cent a year, and a $2\frac{1}{2}$ per cent annual increase in personal incomes. These increased would be financed by (i) development aid amounting to 1 per cent of the combined incomes of developed countries (which would represent 10 per cent of the incomes of recipient countries and would enable them to double their net capital formation), (ii) by increasing demand for commodities enough to raise their share of international trade to about 28 per cent as it was in the mid-fifties, and (iii) by a 10 per cent improvement in the terms of trade of the less developed countries.

It is primarily these three aspects of a comprehensive attack on the world's agricultural problem—development aid, agricultural protectionism, and earnings from agricultural exports—that have been discussed in recent international meetings.

Development Aid

Developing countries themselves pin their greatest hopes, for their "Operations Bootstrap", on financial assistance for their programmes of investment in industrial and agricultural development. The appeal of this approach lies in its "pump-priming" effect, in the fact that it enables recipient countries to help

themselves along lines determined by them in accordance with their own priorities.

In addition to their direct effect on living standards through stimulation of economic growth, development programmes help solve "the agricultural problem" of hunger, declining commodity prices and dwindling export earnings. By increasing efficiency in production of food and raw materials, they lower costs. By increasing incomes, they expand the demand for commodities; more can be sold domestically or to other countries also in the process of development, since it is only in relatively rich countries that demand for food is inelastic. And they increase the stability of foreign exchange earnings, partly by encouraging diversification, and partly by stimulating processing industries, thus increasing the foreign exchange earnings of food and raw materials by carrying them through another productive stage.

A special facet of development aid relates to the disposal of commodity surpluses; that is the simple notion that surplus food should be given to hungry nations to help them in their efforts to increase their output and economic efficiency. This concept has taken shape in the World Food Programme, initiated by the FAO and the UN, which is expected to be in operation by the end of 1962. This is an international, multi-lateral plan for integrating food aid into the development plans of less developed countries via a fund of approximately \$100 million in commodities, services and cash (at least a third of the total). The food will either be given away or sold for local currency which will be retained by recipient governments for investment in their development programmes. The fund will be administered

by a joint UN/FAO Intergovernmental Committee with headquarters in Rome.

Surpluses are expected to contribute to economic development in a number of ways. By meeting some of the demand for food generated by increased industrial production and associated high incomes, they will help to contain inflation. By releasing workers from farms they will increase available industrial manpower and in a sense pay part of their wages. They will relieve temporary food production shortages caused by land reform. And they can be devoted to such "social" development purposes as school lunches and nourishment for infants and expectant mothers.

Although the notion is simple, it is strangely enough not easy to give away food to hungry people in foreign countries. A number of difficulties have emerged from the protracted discussions of this problem over the past few years. Transport and storage give rise to heavy expenses. Many underdeveloped countries lack transport and distribution facilities. Difficulties are caused by traditional eating habits; for example, rice-eating peoples may spurn gifts of corn or even wheat. But the biggest obstacle relates to the commercial fears engendered by attempts to distribute surpluses—fear that they will weaken internal prices in recipient countries, discourage domestic production, or spoil the market for other developing countries which also produce the items in surplus. Above all it is feared that the disposal programme will perpetuate surpluses by encouraging uneconomic production, that is, will be looked upon as a convenient way of "dumping" surpluses while at the same time protecting high domestic prices in industrialised countries. There is also concern lest the total flow of financial assistance will be reduced as a

result of the surplus disposal programme if donor countries are allowed to substitute commodities for cash in meeting their aid commitments. Finally it is argued that the programme might interfere with the continuity of aid since surpluses are temporary, fortuitous and haphazard. Although attempts have been made in the World Food Programme through specific promises to guard against each of these contingencies, its successful operation is not a foregone conclusion.

Agricultural Protectionism

The demand for commodities is being stimulated in developing countries through development programmes, and in industrialised countries by continuous economic growth. In the latter case the effect is limited by inelasticity of demand, a problem about which little can be done. There is, however, another more important facet of the agricultural problem, namely artificial barriers to markets, which is susceptible to remedial action, given the political will.

Restrictions on free world trade in agriculture are rooted in a very real social problem—the need to protect an underprivileged group. The undeniable political power of farmers as a pressure group stems from their very great numbers, the essential (and in times of war, strategic) nature of their product, and the inelasticity of demand for food and many raw materials which makes it impossible for market forces alone to keep farm incomes on a tolerable level as compared with industrial wages. Hence the almost universal recourse to state intervention to maintain domestic farm prices at a level usually considerably above that of the most efficient producers in world markets. This in turn necessitates insulation from the world

market via import restrictions, and thus encourages expansion of output by relatively high-cost producers. In this way enormous surpluses are generated which depress prices in the world market. Alternatively, as in the United Kingdom, it may be farm incomes that are artificially supported, via deficiency payments financed by taxpayers; in this case, there are no restrictions on imports, but there is still an inducement to high-cost, relatively inefficient production.

There are three broad groups of restrictions all of which have the effect of keeping prices above the "market" level and limiting access of imports either directly or by increasing self-sufficiency: (i) those which directly discourage imports, including import duties, quantitative restrictions, unfavourable terms to foreign suppliers by state-trading organisations, mixing ratios (national producers required to use a certain percentage of domestic produce), agreements with exporting countries to limit their exports, and heavy consumption taxes; (ii) those which directly encourage exports, including export subsidies, multiple exchange rates favourable to exporters, special tax remissions, favourable terms by state-trading organisations, credit privileges to exports; (iii) those which directly encourage home production including deficiency supplements to farm income, payments for ploughing up grassland, tax concessions, subsidies on fertilizer and seeds and cheap credit; these have the effect of keeping the reward to farmers above world market prices. Alternatively, production or marketing controls can be used to keep domestic prices above world prices.

The problem of barriers to agricultural imports has been discussed for

many years, and with increasing vehemence. Recently the debate has been given impetus by the growing influence in international forums of developing countries, and by United States backing for them, for example in OECD, in GATT, and in EEC discussions.

In OECD in July of this year United States pleas for immediate action by member countries to eliminate remaining quantitative restrictions against imports from Japan and from less developed countries, particularly those imposed by Spain, Portugal, Austria and Denmark, were turned down; all that could be agreed was a general recommendation for further liberalisation. Clearly most members consider either GATT or the EEC as a more appropriate framework for trade liberalisation efforts.

GATT has long been the sounding board for the rising chorus of protests concerning the agricultural protectionism practised by industrialised nations—partly because it is the major international economic organisation in which all the primary producing and less developed countries are represented, and even more because their protests have been dramatised by the increasingly blatant one-sided way in which the General Agreement on Tariffs and Trade has been implemented with respect to industrial products and openly violated with respect to agricultural commodities. For a long time this was rationalised in terms of "mitigating" circumstances; the excuse was that trade restrictions were being imposed for balance of payments reasons. But foreign exchange positions in industrialised countries have now recovered markedly, and full convertibility was achieved almost three years ago. Accordingly the agricultural countries are making it abundantly clear that al-

though they had in the past been prepared to tolerate discrimination against their exports so long as these could be justified on financial grounds, this is no longer the case.

At the recent GATT session which ended in July significant action was taken on at least three fronts. One was the final resolution of the Ministerial meeting in November, 1961 which included a *Declaration on Promotion of the Trade of Less Developed Countries* which stated *inter alia*: "...The Contracting Parties accordingly recognise the need for a conscious and purposeful effort on the part of all governments to promote an expansion in the export earnings of less developed countries through the adoption of concrete measures to this end".

With this in mind, the Ministers made a number of specific recommendations:

- the speedy removal of quantitative import restrictions which affect the export trade of less developed countries;
- elimination of tariffs on primary products important in the trade of less developed countries;
- removal or reduction of revenue duties and fiscal charges in industrialised countries on products important in the trade of less developed countries;
- improvement of access for primary products by countries operating State import monopolies;
- assurance that preferences do not place less developed countries at a competitive disadvantage;
- limitation of the use of production or export subsidies with a view to avoiding injury to export earnings of less developed countries;
- safeguards in surplus disposal programmes for the interests of less developed exporting countries;
- flexible "reciprocity" in reduction of trade barriers to take account of the need in less developed countries for protection of "infant" industries;
- technical and financial assistance to efforts of less developed countries to improve their production and marketing methods;
- commodity agreements and diversification of exports in order to reduce the instability of export earnings of less developed countries; and
- increased trade *among* less developed countries.

Secondly, a long-term cotton textile agreement has been hammered out, under GATT auspices, to solve the "low-cost imports" issue. This problem stems from the fact that less developed countries in their initial stages of development turn to simpler "labour-intensive" types of production which frequently happen to be in stage of relative stagnation in industrialised countries, thus evoking a sharp reaction from entrenched interests there which demand protection in the form of import restrictions against "low-wage competition". The new agreement is based on guaranteed and expanding quotas for low-cost imports. With the dual aim of providing expanded access to markets that are presently restricted and promoting orderly access to prevent disruption of other "free" markets like the United Kingdom, it provides for gradually opening up the markets of industrialised countries in return for a commitment by the less developed countries "voluntarily" to restrict their exports. Specifically it is required that importing countries must not reduce their import

JAMAICA'S FISHING COOPERATIVES

by Hebe Spaul.

THE newly independent State of Jamaica is facing probable radical changes in her fishing industry in which fishing cooperatives are destined to play their part. Apart from the Credit Union movement, which is quite strong in Jamaica, fishing cooperatives are the most numerous.

The Fisheries Division of the Ministry of Agriculture which was founded

quotas below the level of the first twelve months of the preceding fifteen months' period, and that after two years quotas must be increased at a rate of at least 5 per cent a year.

Third, the Ministers arranged for a study group to discuss a proposal by the former French Finance Minister Baumgartner, which in turn was based on a notion formulated at the Commonwealth Trade and Economic Conference in Montreal in 1958, for instituting "practical measures" for "regulation" of the world market in specific commodities, including orderly worldwide marketing at prices fixed at an "adequate" level, production controls, and distribution of surpluses to less developed countries. Subsequent discussions in the early spring of 1962 proved abortive primarily because of resistance to the price proposals by the major importing country, the UK. The proposal has since been revived in a new context, that of EEC negotiations concerning British entry into the Common Market. (*To be continued*)

in 1949, has as one of its main purposes "the organisation of the fishing industry and the encouragement of Fishermen's Cooperatives."

With a view to increasing the production of fish through mechanisation and improvement in fishing methods and "to promote the welfare of the fishermen through fishermen's cooperatives", a sum of £8,150 was provided by the Government in 1955. This was to serve as a revolving fund for the establishment of a Credit Facilities scheme for fishermen. The demand for credit for engines developed at such a rate that two years later the fund was increased to £17,545. Special discounts for the purchase of outboard motors are made available to registered Fishermen's Cooperative groups. As a further service to fishermen, gasoline storage tanks and supply pumps have been established on a duty free basis. Customs duty on fishing equipment has also been remitted. The fisherman who wishes to take advantage of the credit scheme in order to buy an outboard motor can do so by making a down payment of one-tenth of the cost of the motor. The balance is payable in eighteen equal monthly instalments. The total cost varies between £86 and £170. Cooperative fishermen's groups are allowed a special bonus of £5 whether they buy motors for cash or on the hire purchase system.

The Jamaica Cooperative Union, an affiliate of the I.C.A., received a grant of £6,000 to enable it to establish a



Fishermen learning to use the nylon net

sales service to fishermen. This has enabled the Union to secure the agency for Caymen rope used extensively in the fishing industry. The Ministry states that in this way the Cooperative Union has made a valuable contribution in stabilising the prices of other fishing materials and in enabling the fishermen to obtain water-proof clothing and machine-made netting.

I called at the headquarters of the Cooperative Union when in Kingston and talked with the Manager. The Union acts as a wholesale buying agent for both fishing and consumer's cooperatives. Indeed, I was told that the business was almost equally divided be-

tween the two. The fishing side of the business is, however, of more significance as the Union handles about 80 per cent of the island's fishing equipment business. The offices and warehouses occupied by the Union were secured in 1961 at a total cost of £23,000, of which £14,000 has already been paid. It is estimated that it will take a few years to repay that remaining £9,000.

One of the fishermen's cooperatives which I visited was at Old Harbour. This particular society had 119 members and a share capital of £119, with total assets of £354. The society operated one of the special duty free petrol pumps and at the time of my visit the fisher-

men were lining up to buy their supplies. They came to the little cooperative office on the shore, paid their money and took the receipt bearing their share number to the operator at the pump. They only had to pay 1/9d. per gallon as against the 3/3d. to the public. Those who were buying motors on hire purchase were charged 1/- per gallon extra and this was credited to their account.

Demand—a Challenge

The total number of members belonging to fishermen's societies, I was informed, was 1,304. Several of the societies, like the one at Old Harbour, were experiencing difficulties and were in course of re-organisation. Some of the societies had already been registered. A number were in course of promotion. The promotion of cooperative societies is the concern, not of the Registrar of Cooperative societies, but of the Jamaican Social Welfare Commission. Only when a society is securely launched and ready for registration does it come under the Registrar's department for supervision. The Commission's chief Cooperative officer told me that at the present moment the country was importing thirty-four million pounds of fish a year and only producing twenty million. Demand was increasing so rapidly that potential supply could be brought up to a hundred million pounds. This provided a challenging opportunity to the fishermen's cooperatives. He had a number of fishermen's societies under promotion that were not yet ready for registration.

It might be as well to mention at this point that another organisation in Jamaica is also concerned with cooperative matters and this is the Jamaica Agricul-

tural Society. One of its educational objectives is that of promoting study clubs and discussion groups among its members "on matters affecting their welfare and particularly the study of the Cooperative movement."

The whole of Jamaica's fishing industry, including that of the cooperatives, is facing the possibility of radical re-organisation. In spite of some modernisation by the provision of outboard motors the fishing craft still consists, for the most part, of primitive canoes. The fishing grounds close to the shore are exhausted and the small craft are unfitted for fishing in waters where fish is plentiful. Fish is very popular with Jamaicans and because of its protein content is greatly needed to add nutritional value to the diet. Yet it is dear and in very short supply.

For this reason the Jamaican Government has sought the aid of the U.N. Food and Agriculture Organisation and they have sent a fishery gear technologist to the island, Mr. Oswald, who has been at work in Jamaica for a year. During this period he has been exploring some of the fishing banks very close to Jamaica. The canoes had very limited range and the fishing grounds within their reach were worked out. The new grounds are quite untouched and are rich not only in quantity but in variety. Mr. Oswald has been doing exploratory work in regard to the type of vessel that would be most suitable. He was experimenting with a prototype vessel, designed by a Rome architect, and also with a certain type of net. Mr. Oswald had been taking out groups of fishermen in order to familiarise them with the new techniques and had found them very much impressed. The cost of the new and larger vessel was about £4,000 to £5,000 as against

about £150 for the small canoe. But because of the much greater radius of the larger vessel and the much more diversified type of fish available, they would very easily recover the additional cost. The large vessel is planned to take about five men as opposed to the one-man canoe. Mr. Oswald has worked out that five men in the forty-three foot prototype vessel could produce 107,000 pounds of fish per annum based on 200 fishing days per year. This was "a fantastic increase" on what the men could do individually in canoes. Mr. Oswald expected that a certain conservatism in regard to sharing a vessel would have to be overcome, but agreed that those fishermen who were accustomed to working through a cooperative society were more likely to see the advantages of adapting themselves to the new enterprise as this would necessitate some form of cooperation. One thing that such greatly increased production of fish would make necessary would be some adequate marketing organisation.

The success of the work done by Mr. Oswald has encouraged a much more

ambitious scheme which the United Nations is undertaking and about which I learned when in Trinidad, the headquarters of the United Nations Technical Assistance Board for the whole of the Caribbean. In this instance it is the United Nations Special Fund which is responsible for the undertaking. A special survey team has been sent to the Caribbean to collect fisheries information, including the type of craft used and the possibilities of cold storage. They intend to have five or six boats in the area which will serve both for training and for research. One of the experts is a Japanese and the Survey team hopes to utilise a number of Japanese fishermen for demonstration purposes. Their report is to go before the Council of the Special Fund when it meets in January.

It would seem from these facts that something like a revolution may very well take place in the fishing industry of Jamaica and perhaps of the entire Caribbean. If the Cooperative Movement seizes the opportunity it may determine the direction which the changes shall take.

BOOK REVIEW

The Maharashtra Cooperative Societies Act, 1960.

By M. D. Vidwans, M.A., L.L.M.

Published by Cooperators' Book Depot., 5/32, Ahmed Sailor Building, Dadar, Bombay-14. 1962. Pp. 373. Price: Rs. 16/.

One of the notable features of Cooperative Movements in the developing countries is their dependence on Governments for practically all financial, technical and educational needs. The

Registrar of Cooperative Societies plays a very decisive role in the Movements of these countries. The Acts governing cooperative societies are very elaborate and rigid and the various agencies of Government have wide powers with regard to the policies and administration of cooperative organisations.

As these Movements bank heavily on Government assistance, it is but natural that Government control could hardly be avoided. However, the very unfor-

tunate part of this process is that few cooperators, including writers on Co-operation, realise that Government assistance should be treated as a temporary phase and ultimately the Movement should attempt to attain economic independence.

In the face of such a discouraging trend, it is refreshing to turn to the present book in which the author, in his introduction, analyses the role of co-operative legislation. Professor Vidmans states: "Law is dynamic. When the character of the cooperative institutions changes, the law has necessarily to reflect that change in its body. In course of time, the character of the present law based on credit structure will have to yield place to new rules meant for the changing order of Cooperation. As new forms of cooperative institutions be-

come fully developed, self-reliant and self-sufficient, they will develop within themselves the kind of set of rules for their self-government, and State laws will provide only the outer husk of laws." No better words could be found to express the true role of cooperative legislation in the Movements of developing countries.

The author combines a rich and varied experience in the cooperative field and a thorough knowledge of the theory of Cooperation and the law governing cooperative organisations. He is Professor of Cooperative Law in the Co-operative College at Poona. The present book in the form of a comparative study of cooperative legislation in the States of Maharashtra and Gujarat and also other States in the country, is the outcome of Professor Vidmans' wide experience.

VALUES IN MODERN SOCIETY

This is the third in the Co-operative Union Education Department's "Tracts for Our Times" series. Written by Leslie Paul, M.A., this booklet is concerned with modern social values, particularly those accepted by young people.

Price 1s. 6d., by post 1s. 9d., or 13s. 6d. per dozen carriage paid, from the

**CO-OPERATIVE UNION LTD.,
Holyoake House,
Hanover Street, Manchester 4.**

Registrar's Powers

The Author has attempted to make the book useful by giving separate commentaries on the powers of the Registrar and on the divergences between the Gujarat Act and the Maharashtra Act. A number of important decisions of the Bombay Cooperative Tribunal have also been given and will be found useful by students of Cooperation and the workers in the Movement.

Each section of the Act is commented upon in a very apt manner and effort has been made to explain the scope and implications of each provision in the legislation. The Rules made under the Act have also been given, along with the standard forms for application for registration and other purposes. A very interesting addition is the chapter on delegation of powers of the Registrar to various officers working under him in the Department.

Need for Protection

There has been some criticism by Co-operators that the Registrar has been armed with vast powers in the Act for his dealings with the societies. Although one would agree with this criticism, it is not always safe to leave the societies unprotected when cases of mismanagement and misfeasance are on the increase in the Movement.

The Government has to take care of the funds of the societies which are public bodies. It is for the co-operators to show the uselessness of such provisions of the Act by their action and justify their removal when the legislation is next revised.

If the co-operators behave well they have nothing to fear. As Professor Vidwans points out in his preface: "They forget that these powers (of the Registrar) will simply rust in his armoury if co-operators run their institutions in an upright way according to cooperative principles and do not give any occasion to the Registrar to bring these powers into play."

This is the right type of book for a student of cooperative law and the most useful book for reference by co-operators who have something to do with cooperative societies. The book is well produced and is reasonably priced.

M. V. Madane.

- IVORY COAST:** Centre National de la Coopération et de la Mutualité Agricoles, B.P. 70, Abidjan.
- JAMAICA:** The Jamaica Cooperative Union, Ltd., 74½ Hanover Street, Kingston, B.W.I.
- JAPAN:** Nippon Seikatsu Kyodokumiai Rengokai, (Japanese Consumers' Cooperative Union), Rokin-Kaikan, 5, 2-chome, Shiba-Tamuracho, Minatoku, Tokyo.
Zenokou Nogyokyodokumiai Chuokai, (Central Union of Agricultural Cooperatives) 11, Yurakuchō, 1-chome, Chiyoda-ku, Tokyo.
Zenkoku Gyogyo Kyodokumiai Rengokai, (National Federation of Fishery Cooperative Associations), Sankaido Building, Akasaka-ta meikomachi, Minato-ku, Tokyo.
- JORDAN:** Jordan Cooperative Central Union Ltd., P.O.B. 1343, Amman.
- MALAYA:** Cooperative Union of Malaya, 8, Holland Road, Kuala Lumpur.
Federation of Cooperative Housing Societies, 8, Holland Road, Kuala Lumpur.
- MALTA:** Farmers' Central Cooperative Society Ltd., New Building, Middleman Street, Marsa, Malta.
- MAURITIUS:** Mauritius Cooperative Union, Dumat Street, Port Louis.
- MEXICO:** Confederación Nacional Cooperativa de la Republica Mexicana, C.C.L., Lic. Verdad 3, Mexico 1, D.F.
- MOROCCO:** Cooperative Study and Action Circle "Georges Fauquet", Rabat.
- NEW ZEALAND:** Hutt Valley Consumers' Cooperative Society, Ltd., P.O.B. 41, Lower Hutt.
- NIGERIA:** Cooperative Union of Eastern Nigeria Ltd., Cooperative Bank Buildings, Milverton Ave, Aba.
Cooperative Union of Western Nigeria, Ltd., c/o Cooperative Buildings, New Court Rd., Ibadan.
- NORWAY:** Norges Kooperative Landsforening, Organisasjonsavdelingen, Kirkegaten 4, Oslo.
Affiliated societies (1961): 1,148; membership: 315,442; turnover of local societies: Kr. 1,442 mill.; of N.K.L.: Kr. 408 mill.
BBL A/L Norske Boligbyggelags Landsforbund, Trondheimsveien 84-86, Oslo.
- PAKISTAN:** East Pakistan Cooperative Union, Ltd., 37, Purana Paltan, Dacca 2.
West Pakistan Co-operative Union, 31, Lower Mall, Lahore.
Punjab Provincial Cooperative Bank Ltd., Lahore. Membership: 10,950; share capital: Rs. 12,85,163; reserve fund: Rs. 33,32,919; loans and deposits Rs. 5,48,65,281.
Karachi Central Cooperative Bank, Ltd., 14, Laxmi Building, Bunder Road, Karachi 2.
Karachi Central Cooperative Consumers' Union, Block No. 53, Pakistan Secretariat, Karachi, 3.
Karachi Cooperative Housing Societies Union, Shaheed-e Millat Road, Karachi 5.
Karachi Cooperative Institute Ltd, Pir Illahi Bux Cooperative Housing Society, Karachi 5.
Karachi Fishermen's Cooperative Purchase and Sales Society Ltd., West Wharf Road, Karachi.
Sind Provincial Cooperative Bank Ltd., Provincial Cooperative Bank Building, Serai Road, P.O. Box 4705, Karachi 2.
- ROUMANIA:** Uniunea Centrale a Cooperativelor de Consum "Centrocoop". Calea Victoriei 29, Bucharest.
- SARAWAK:** Sarawak Co-operative Central Bank Ltd., Kuching.
- SCANDINAVIA:** Nordisk Andelsforbund (Scandinavian Co-operative Wholesale Society), Njalsgade 15, Copenhagen 5.
- SINGAPORE:** Singapore Cooperative Union, Ltd., Post Box 366, Singapore.
- SUDAN:** Sudan Cooperative Union, P. O. Box 834, Kartoum, Sudan.
- SWEDEN:** Kooperativa Förbundet, Stockholm 15.
Affiliated retail societies (1961): 522; membership: 1,206,000; total turnover of distributive societies: Kr. 3,643 mill.; total turnover of K.F.: Kr. 2,565 mill. (Kr. 1,565 mill. sales to affiliated societies); own production: Kr. 1,355 mill.; total capital (shares and reserves) of K.F. and affiliated societies: Kr. 921 million, surplus included.
Kooperativa Kvinnogillesförbundet, Stockholm, 15
Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund (H.S.B.), Fleminggatan, 41, Stockholm 18.
Affiliated Building Societies: 186; with individual members: 160,000; number of flats administered by local societies: 160,000; value of real estate: 5,000 mill. Kr.
Svenska Riksbyggen, Box 14031, Stockholm, 14.
- SWITZERLAND:** Verband schweiz. Konsumvereine (V.S.K.), Thiersteinallee 14, Basle.
Affiliated societies (1961): 540; shops: 3,300; membership: 723,000; retail turnover of affiliated societies: Frs. 1,346; wholesale turnover: Frs. 853 mill.
Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), Schaffhauserstrasse 6, Winterthur.
Schweiz. Verband Sozialer Baubetriebe, SBHV., Postfach Sihlpost, Zürich 1.
- TANGANYIKA:** Cooperative Union of Tanganyika, Ltd., Avalon House, P.O. Box 2567, Dar es Salaam.
- U.S.A.** The Co-operative League of the U.S.A., 59, East Van Buren, Chicago 5, and 1012 14th Street, N.W., Washington 5, D.C.
- U.S.S.R.:** Central Union of Consumers' Cooperative Societies of the U.S.S.R. "Centrosoyuz", Ilyinka Tcherkassy pereulok 15, Moscow.
Consumers' societies (1961): 17,500; members: 43,1 mill.; stores: 321,000.
- YUGOSLAVIA:** Glavni Zadruzni Savez FNJR., Ulica I Maja 15/III, Belgrade.



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THE INTERNATIONAL COOPERATIVE ALLIANCE

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

It comprises 111 organisations in 51 different countries and its total affiliated membership through national organisations exceeds 163,000,000. The Consumers' Movement accounts for the majority of this membership, but agricultural, credit, workers' productive and artisan cooperatives are well represented.

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

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

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

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

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

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

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

AFFILIATED ORGANISATIONS

- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, *Avda. Suarez, 2034, Buenos Aires.*
- AUSTRALIA:** Cooperative Federation of Australia, *45, Mandolong Road, Mosman, Sydney, N.S.W.*
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, *Theobaldgasse 19, Vienna VI.*
 Membership (1961): 409,357; turnover: consumers' societies: Sch. 2,584 mill.; wholesale (G.Ö.C.): Sch. 1,239 mill.; department stores: Sch. 357 mill.; own production: consumer societies: Sch. 317 mill.; G.Ö.C. and subsidiaries: Sch. 389 mill.
 Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, *Bösendorferstrasse 7/11, Vienna I.*
 (1960): Member Societies: 224, Assocs. 107; No. of members: 82,971; Dwellings administered: (socs.) 68,329; Assocs. 93,750; Total Balance: (Socs.) Sch. 5,670,105,800; (Assocs.) Sch. 7,352,955,200.
 Österreichischer Genossenschaftsverband, *Peregringasse, 4, Vienna 9.*
 Österreichischer Raiffeisenverband, *Seilergasse 16, Vienna I.*
- BELGIUM:** Société Générale Coopérative, *17—21 Place Emile Vanderveelde, Brussels*
 Affiliated consumers' societies: 32; membership: 390,000; turnover (1961): Frs. 3,400 mill.; shops: 1,500; Wholesale society turnover (1961): Frs. 827 mill.
 Société Coopérative d'Assurances "La Prévoyance Sociale", *P.S. Building, 151, rue Royale, Brussels.*
 Premiums (1961): Frs. 922 mill.; reserves: Frs. 4,000 mill.; insurance funds, life: Frs. 12,000 mill.; fire: Frs. 155,000 mill.
 Fédération Nationale des Coopératives Chrétiennes, *rue de la Loi, 141, Brussels.*
 Société "Bien-Etre": 1,320 shops; turnover Frs. 1,251 million; dividends: Frs. 60 million; Savings Bank: 1,800 branches; 300,000 members; deposits: Frs. 5,000 mill. Insurance Society: 160,000 policy holders; premiums: Frs. 193 mill.; reserves Frs. 500 mill.
 L'Economie Populaire, *30, rue des Champs, Ciney (Namur).*
 Branches (1961): 445; membership: 74,956; turnover: Frs. 687 mill.; savings deposits: Frs. 404 mill.; capital and reserves: Frs. 77 mill.
 Institut Provincial de Coopération Agricole, *42, rue des Augustins, Liège.*
- OPHACO** (Office des Pharmacies Coopératives de Belgique), *602, chaussée de Mons, Brussels.*
 Union of 25 cooperative societies owning 313 pharmacies, 50 optical departments and counters, 7 drug stores, 15 wholesale depots. Turnover (1960): Frs. 832 mill. Surplus distributed to 400,000 members: Frs. 74 mill.
 Société Coopérative Fédérale de Belgique, *83-85, rue Vanderschrick, Brussels.*
- BRAZIL:** Centro Nacional de Estudos Cooperativos, *Av. Franklin Roosevelt 39, 12º, Sala 1216, Rio de Janeiro.*
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., *21, Croal Street, Georgetown.*
- BULGARIA:** Central Cooperative Union, *21, rue 6 Septemvri, Sofia.*
- BURMA:** National Cooperative Council, *290-300, Lewis Street, (2nd Floor), Rangoon.*
- CANADA:** Co-operative Union of Canada, *202, Queen Street, Ottawa 4, Ont.*
 Affiliated Societies (1961): 793; membership 887,255; turnover: marketing: \$ 570,404,142; merchandising: \$ 222,334,989; assets: \$ 330,337,111.
 Conseil Canadien de la Coopération, *2030, Bd. Hamel, Quebec 8.*
- CEYLON:** The Co-operative Federation of Ceylon, *Co-operative House, 455, Galle Road, Colombo 3.*
- CHILE:** Federación Chilena de Cooperativas de Ahorro, *Ltda., Huerfanos 1639, Clasificador 760, Santiago de Chile.*
- COLOMBIA:** Cooperativa Familiar de Medellin *Ltda., Calle 49, No. 52-49, Medellin.*
- CYPRUS:** Cooperative Central Bank Ltd., *P.O. Box 411, Nicosia.*
 Cyprus Turkish Cooperative Central Bank Ltd., *P.O. Box 791, Nicosia.*
 Vine Products Cooperative Marketing Union Ltd., *P.O. Box 314, Limassol.*
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, *Tesnov 5, Prague II.*
- DENMARK:** De samvirkende danske Andels-selskaber (Andelsudvalget), *H. C. Andersens Boulevard 42, Copenhagen V.*
 Representing 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1961): D.Kr. 11,300 mill.
 Det kooperative Faellesforbund i Danmark, *Gyldenloevesgade 11, Copenhagen V.*
 Affiliated societies (1960): 626; total sales: D.Kr. 1,050 mill.; employees: 11,000; comprises: consumers' workers', artisans', productive and housing societies etc.
- EGYPT:** Société Coopérative des Pétroles, *94, Kasr el Eini Street, Cairo.*
- EIRE:** The National Cooperative Council, *35, Lower Gardiner Street, Dublin.*
- FINLAND:** Suomen Osuuskappojen Keskuskunta (S.O.K.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; wholesale turnover: Fmk. 82,333 million; own production of SOK: Fmk. 20,380 million.
 Yleinen Osuuskappojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; turnover of societies: Fmk. 145,354 million; total production of the affiliated societies: Fmk. 3,251 mill.
 Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki.*
 Affiliated societies (1961): 111; members 514,951; turnover of societies Fmk. 106,131 mill.; production of societies 16,333 million.

- Osustukkukauppa (O.T.K.), Hämeentie 19, Helsinki.**
 Affiliated Societies (1961) 111; turnover Fmk. 68,666 mill.; own production Fmk. 20,697 mill.
- Keskinäinen Vahinkovakuutusyhtiö Kansa, Hämeentie 19, Helsinki.**
 Affiliated societies: 117; Life insurance coverage: Fmk. 43,284 mill., 282,364 insured persons; Fire insurance coverage: Fmk. 284,854 mill., 159,195 policies, Assets (1960): Fmk. 7,444 million.
 Pellervo-Seura, *Simonkatu, 6, Helsinki.*
- FRANCE: Fédération Nationale des Coopératives de Consommation, F.N.C.C., 89, rue de la Boétie, Paris VIII.**
 Affiliated societies (1960): 572; membership: 3,242,567; shops: 9,530; turnover: NF. 2,624,785,132.
Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88, rue de Courcelles, Paris VIII.
 Confédération Générale des Sociétés Coopératives Ouvrières de Production de France et de l'Union Française, *88, rue de Courcelles, Paris VIII.*
Banque Coopérative des Sociétés Ouvrières de Production de France, 88, rue de Courcelles, Paris VIII.
Fédération Nationale de la Coopération, de la Mutualité et du Crédit agricoles, 129, Bd. St. Germain, Paris VIe.
Caisse Nationale de Crédit Agricole, 30, rue Las Cases, Paris VIIe.
Fédération Nationale de la Coopération Agricole, 129, Bd. St. Germain, Paris VIe.
Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, Foyer Coopératif, 17, rue de Richelieu, Paris Ier.
 Confédération des Coopératives de Construction et d'Habitation, *4, Cité de Londres, Paris 9e.*
L'Association BâtiCoop, 6, rue Halévy, Paris 9e.
Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la petite Propriété, 9, rue Mathurin Régnier, Paris 15e.
 Confédération des Organismes de Crédit Maritime Mutuel, *18 bis, Avenue Hoche, Paris VIII.*
- GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., Besenbinderhof 43, (2), Hamburg I.**
 Affiliated societies (1961): 257; membership: 2,586,960; turnover: D.M. 3,377,7 mill.
Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., Besenbinderhof, 52, 2, Hamburg I.
 Total turnover (1961): D.M. 1,726,300,000; own production: D.M. 593,7 mill.
Gesamtverband Gemeinnütziger Wohnungsunternehmen, Breslauer Platz 4 (22a), Cologne.
 „Alte Volksfürsorge“, Gewerkschaftlich-Genossenschaftliche Lebensversicherungs A.G., *An der Alster, Hamburg, 1.*
- GREAT BRITAIN: The Co-operative Union Ltd., Holyoake House, Hanover Street, Manchester 4.,**
 Affiliated Societies (1961): 826. Membership: 13,043,484. Retail Societies' share capital: £ 254,751,695. Retail sales: £ 1,044,798,803.
Co-operative Wholesale Society Ltd., 1, Balloon Street, Manchester 4.
 Affiliated societies (1961): 895; sales: £ 465,170,491; Bank turnover: £ 6,048,004,673; reserve and insurance funds: £ 32,381,925; total assets: £ 291,916,424.
Co-operative Insurance Society, Ltd., Miller Street, Manchester 4.
 Assets exceed £ 187 mill.
Scottish Co-operative Wholesale Society Ltd., 95, Morrison Street, Glasgow C. 5.
 Affiliated societies (1961): 171; sales: £ 88,824,880; reserves and insurance funds: £ 6,877,629; total resources: £ 18,608,126.
The Co-operative Productive Federation, Ltd., 138, Charles Street, Leicester.
 Sales: £ 5,415,067; employees: 4,557; societies: 33.
- GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), 6, Othonos Street, Athens.**
- HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikscoöperaties, "Co-op Nederland", Vierhavensstraat 40, Rotterdam 7.**
- ICELAND: Samband Isl. Samvinnufjelaga, Reykjavik.**
- INDIA: National Cooperative Union of India, 72, Jorbagh Nursery, New Delhi-3.**
 All Bombay Consumers Cooperative Societies Federation, Ltd., *3rd Floor, Military Square Lane, Fort, Bombay 1.*
 National Agricultural Cooperative Marketing Federation, Ltd., *248A Krishna Bhawan, New Delhi.*
- IRAN: Cherkate Taavoni Masrafe Artêche (Army Consumers' Co-operative Society), Avenue Sevvom Esfand, Rue Artêche, Teheran.**
- ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., P.O.B. 303, Tel-Aviv.**
 Affiliated societies (1962): 1,679, including 660 agricultural, 465 producers' and services, 69 consumers', 232 housing, and 253 pension and provident funds.
 Hamashbir Hamerkazi, *P. O. Box 130, Tel-Aviv.*
 "Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, *P. O. Box 75, Tel-Aviv.*
 "Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, *8 Hakiryra Street, P.O.B. 209, Tel-Aviv.*
- ITALY: Lega Nazionale delle Cooperative e Mutue, Via Guattani 9, Rome.**
 Confederazione Cooperativa Italiana, *Borgo Santo Spirito, 78, Rome.*
 Associazione Generale delle Cooperative Italiane, *Via Milano 42, Rome.*

Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

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

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FOR reasons largely geographical a Meeting of the I.C.A. Executive Committee at Helsinki is a somewhat rare event. But rarity adds something to the pleasure experienced by the I.C.A.'s affiliated Organisations in extending, and the Executive in accepting, an invitation to hold a Meeting in so congenial an environment. This pleasure is enhanced by true satisfaction derived from seeing at first hand the most recent achievements of two vigorous groups of Organisations. The whole Executive had opportunities of visiting the two training schools, of which the newer, the S.O.K. School at Jollas, has been at work a bare twelvemonth. Those members who could remain an extra two days in Finland were rewarded by a short tour in the interior of the country. In the course of this they were able to inspect some of the latest and most impressive undertakings of both wings of the Movement in the field of production and retail distribution.

The prestige and standing of the Cooperative Movement in Finland were emphasised on the afternoon of the 11th September when the members of the Executive were received by the Prime Minister of Finland, Dr. Ahti Karjalainen, at the Government banqueting house. Welcoming the I.C.A. representatives, the Prime Minister remarked that in Finland almost every citizen in one way or another takes part in cooperative undertakings, which in that country already had old and strong traditions. Cooperation already has a well-established position in the economic life of many countries. One subject to be especially dealt with at this meeting is the rôle of cooperative undertakings in a world which is changing rapidly indeed. "You obviously believe," said the Prime Minister, "that Cooperation still will have purposes to fulfil in the old world as well as in the new, developing countries. I believe so too. It is pleasant to note that the Cooperative Movement does not hesitate to tackle on a world-wide scale in an unprejudiced way the new tasks brought forth by the present time and that it participates with the United Nations to a considerable degree in organising and

supporting the economic life of the developing countries."

Dr. Mauritz Bonow, the President, thanking the Minister on behalf of the Executive, expressed appreciation of the importance the Finnish Government attaches to ever-increasing world-wide collaboration across national frontiers in the economic, social and cultural fields. Such collaboration was the supreme aim of the I.C.A. and would contribute to lessen political tension and create international understanding sorely needed. Finland has given one of the most convincing examples in the world of what true Cooperative self-help could achieve in promoting economic development and improving standards of living among all classes of society.

South-East Asia

The expanding contacts and activities of the I.C.A. in the newly-developing regions occupied a large place in the Agenda. Reports on the work of the Regional Office for South-East Asia and the Education Centre at Delhi were approved. It was decided to make the appointment of Dr. S. K. Saxena, who had been serving in an acting capacity since March, 1962, as Regional Office substantive. The staff of the Office is to be increased as soon as possible by the appointment of an Agriculture Specialist and a Research Officer. The programme for the Education Centre for 1962-1963, drawn up in collaboration with the Advisory Committee representing Cooperative Organisations of the region, was also approved. This programme includes a seminar on the Rôle of Cooperation in the Emancipation of Women which the I.C.A. is arranging with Unesco support for New Delhi in the last two weeks of November this year. The Centre is rendering valuable service in helping to improve methods of teaching Cooperation employed in 100 universities and rural schools, besides arranging seminars on special branches of Cooperative activity.

The Executive expressed its satisfaction with the work of the Centre in the past year and its confidence in the future.

Messrs. Saxena, Mathsson and Riazudden Ahmed, during the Conference on Agricultural Cooperation in Asia, held at Tokyo last April. As a result, the host Organisation, the Central Union of Agricultural Cooperatives of Japan, will establish in the near future a training school for Agricultural Cooperators from other countries as an adjunct to its own College at Tokyo. The Conference also considered the possibilities of inter-cooperative import and export trade, some of which are already being realised on a small scale, as well as the provision of the credit necessary to finance it.

Latin America

The sub-Committee on Technical Assistance considered the report submitted by Mr. Rafael A. Vicens (Puerto Rico) on the tour he carried out on behalf of the I.C.A. in Latin American republics during April, May and June, 1961. In order that the I.C.A., its policy and action should be better known in this region, the Sub-Committee discussed possibilities of preparing and publishing special material in the Spanish language, and in addition, arranging for a suitable qualified Cooperator to act as its representative and a source of information, pending the establishment of a regional office. Meanwhile, it decided to await the outcome of the efforts now being made to launch a regional confederation, the Cooperative Organisation of America, while rendering immediate practical assistance where possible to Cooperative Organisations in need of it. A trainee selected by the Peruvian Federation of Consumers' Cooperatives is at present taking a course in Cooperative management in Puerto Rico, under the I.C.A. Technical Assistance Programme.

Africa

Projects and request for assistance from African countries were also reported. These included an application from the Cooperative Union of Tanganyika for an adviser; a projected education centre, also for Tanganyika, sponsored by the Scandinavian government and Cooperative Movements; the progress of the Swiss Cooperative Union's action in Dahomey; requests for technical experts and training from Senegal and Tunisia; an appeal for advice from the newly formed Uganda Cooperative Alliance; an appeal for financial assistance for a training course planned by the University College in Basutoland, and equipment for a regional Cooperative Union in Kenya. The decisions taken will result in action on most of these requests, if not directly by the I.C.A., then

through its member organisations or associated institutions.

New Affiliates

The application of the Cooperative Union of Tanganyika for collective membership of the I.C.A., was granted. Collective Membership implies that not merely the Union, but also its constituent societies, are admitted to the privileges of I.C.A. membership, with a considerably higher total financial contribution to the Alliance. This is the first application for collective membership made by a young Organisation in one of the developing countries. Applications from the new Cooperative Union of East Pakistan and a third Italian organisation, the *Associazione Generale delle Cooperative Italiane*, Rome, were also accepted.

Consumers' Interests

A small study group which met at I.C.A. Headquarters in London, in August, prepared recommendations for the constitution and terms of reference of the International Working Party on consumers' protection and information, suggested by the I.C.A. Conference at Paris last January. The recommendations were generally approved by the Executive and will be implemented without delay. The Working Party will consist of 10 members, including one representative of the I.C.A. Executive. They will be recruited by invitation of the Alliance from persons with a wide acquaintance with consumer affairs. The terms of reference of the Working Party include the definition of obligations in regard to the protection and education of consumers incumbent on Cooperative organisation; assistance to the I.C.A. Executive in formulating and making known appropriate policies; the establishment of common lines of action; a continuous study of the field of consumer protection and bringing to the attention of the Executive any need for action; the promotion of a better understanding of the problems at issue through the exchange of experience and information between I.C.A. members and, where necessary, other organisations.

International Action

The report of the Secretariat on the I.C.A.'s consultative relations with the United Nations and Specialised Agencies indicated progress and action in these important fields of interest to the Cooperative Movement. In regard to *housing*, the U.N. Economic and Social Council decided at Geneva in July to set up a new Committee on Housing, Building and Planning, representing

different regions of the world and developing, as well as industrialised, countries. The I.C.A., in a declaration before the Council, supported this proposal. Because of its consultative status the I.C.A., with its Auxiliary Committee on Cooperative Housing will be able to collaborate with the new Committee, which will act as a central coordinating and animating authority.

Proposals formulated by the I.C.A. have been accepted by the Director-General of the Food and Agricultural Organisation for an immediate high-level survey of the financial resources and channels available for *agricultural and cooperative development*. This will be a project within the "Freedom from Hunger" campaign of FAO and the costs will be borne by the Swedish Government and the Cooperative Union, K.F. It is hoped that the enquiry will be completed in time for the results to be presented to the Council of FAO in April next and to the World Food Congress which will meet in New York later in 1963.

The programme for *adult education*, proposed for the approval of the General Conference of Unesco which will meet in November and December this year, fails to satisfy a number of the most important non-governmental organisations, notably workers' education associations, trade union federations and the I.C.A. The follow-up of the Montreal Conference of 1960, in their opinion, lacks energy and decision and the Executive accordingly authorised the I.C.A. Secretariat to join in a concerted effort during the Conference to convince the national delegations that a more ambitious programme for adult education is urgently needed in view of the rapid economic and social changes to-day in both the industrialised and newly-developing nations.

Review of International Cooperation

Continuing its examination of I.C.A. publications and particularly the deficit incurred in producing the *Review of International Cooperation* in three languages, the Executive authorised the publication of the *Review* for 1963 in six issues at two-monthly intervals instead of twelve. Each number will have twice the number of pages of the present monthly issues, and it is considered that this increase in size will permit of a better organisation of the Review's contents and fuller use of available material.

The Secretariat

The Executive approved the recommendations of its Sub-Committee regarding the selection of the new candidatures proposed for the Directorship and names of those who are to be invited to interview the Sub-Committee at I.C.A. Headquarters in October. Consultations are to be arranged with the International Cooperative Women's Guild concerning the possibility of appointing a woman officer in the Secretariat and the establishment of an advisory committee on woman's interests in the Co-operative Movement.

I.C.A. Jubilee Triennial Prize

A sixth award of the I.C.A. Jubilee Triennial Prize is contemplated for the International Congress at Bournemouth in October, 1963. The prize, which may amount to as much as £250, will be awarded to a work on Co-operation which, in the opinion of an international jury, has the greatest merit and corresponds to the spirit in which the Jubilee Prize was conceived. As previously, the affiliated Organisations of the Alliance are to be invited forthwith to submit works, published or unpublished, which in the judgement of their own experts are worthy of consideration by the jury.

W. P. W.

I.C.A. TEA, COFFEE AND COCOA CONFERENCE

THE third commodity conference of consumers' and producers' cooperative organisations engaged in the import and export trade, convened under the auspices of the I.C.A. Committee on Agricultural Cooperation, met on September 24th and 25th at the branch offices of the C.W.S. in London. The English and Scottish Joint Cooperative Wholesale Society was the host organisation, and its chairman, Mr. C. W. Fulker, cordially welcomed the thirty-two delegates from fourteen national organisations, together with the Scandinavian Wholesale Society, who took part. Mr. A. Axelsen Drejer (Denmark), Chairman of the I.C.A. Committee on Agricultural

Cooperation, presided.

The Commodities chosen for this Conference, tea, coffee and cocoa (including chocolate), were considered seriatim. Mr. E. C. T. Holmes, Manager of the Tea Department of E. & S. Joint C.W.S., opened the discussion with a paper on the present international trade in tea and referred especially to the position of the Cooperative Movement in the tea trade of the United Kingdom and various marketing problems, including the implications of the European Economic Community. A lively exchange of opinion on instant tea and its possibilities disclosed a difference of opinion between the British and Con-

tinental experts. The latter insisted that careful watch should be kept on experiments with new processes. They looked to the E. & S. Joint C.W.S., as the largest cooperative organisation in the trade, to take the lead in joint action.

Coffee trade

Coffee was introduced by Mr. M. Efhholm with a paper on the coffee trade from the importers' point of view. He pointed out that the importing countries were still trying to increase trade and consumption, as was the World Coffee Producers' Committee and its national committees, by propaganda and advertising. It was inconsistent however to try to maintain price levels and at the same time to sell at cut prices. The pre-packaging of coffee in air-tight tins was gaining ground, but it was expensive and polythene bags were being adopted for the sake of cheapness. On the other hand, there was a movement in retail trade towards big tins containing one kilogram.

Mr. R. E. Nixon (E. & S. Joint C.W.S.) submitted figures on the coffee trade in the last twenty years in the United Kingdom. These revealed that over one quarter of British housewives never serve coffee, and that while the line of instant coffee is increasing, coffee essence has rapidly declined in importance. Mr. L. A. Chapman, late of the Cooperative Department of the Tanganyikan Government, contributed a paper dealing with the rôle of Cooperation in Marketing the Tanganyika coffee crop, and the relation of the cooperative association to the Coffee Marketing Board on which they held majority representation.

In reply to a question, Mr. Efhholm described how the requirements of the

cooperative organisations of Scandinavia were coordinated through the central office of NAF in Copenhagen, and the system of daily market reports supplied by teleprinter. He emphasised the lively exchanges which were constantly going on between the managers of coffee departments of the various Wholesales. As a result, the Scandinavian Movements were regarded by shoppers as a single buying organisation.

A further point in the discussion was the advantages derived from the Scandinavian and West German Consumers' cooperative organisations employing a single brand name CIRKEL for their coffee. The results were to be seen in Germany in the steady increase in sales without special advertising. Mr. Dicander (Sweden) stated that the CIRKEL brand had been used by K.F. since 1932. It was important to obtain and hold a big volume of business and they hoped to extend the brand name over the whole European Cooperative Movement. They had introduced a variant spelling, "CIRCLE", as a trade mark for tea.

Cocoa and chocolate

Consideration of cocoa and chocolate began with a paper by Mr. O. A. Williams, Manager of the Cooperative Produce Marketing Union of Ilesha, Nigeria, on the cocoa export trade from the standpoint of the producers' marketing associations. The point of view of the importer was stated by Mr. C. Sandweg, Manager of the Cocoa Department of the German Wholesale Society, G.E.G., who emphasised the manner in which changes in consumption and crops reacted upon one another. The present balance of supply and demand was favourable to the consumer, for the stocks in hand would suffice for four

and a half months. He welcomed the efforts made to stabilise new cocoa prices and the strict grading regulations enforced in Nigeria.

Mr. Williams' paper concluded with recommendations to the I.C.A. to explore possibilities of greater financial resources to develop cooperative marketing in producing countries; to encourage consumption of cocoa products among consumers' cooperatives throughout the world; to influence international organisations such as FAO to ensure better returns to producers; to encourage investment in cocoa manufacturing industries in Nigeria. These suggestions were noted for submission to the appropriate I.C.A. Committees.

Purposeful consultation

Reviewing the work of the Conference, Mr. W. P. Watkins, Director, I.C.A., emphasised that the Conference had revealed that there had not been enough consultation in the past and that there must be more systematic and purposeful consultation in the present dynamic situation. This was created by changing habits and tastes of consumers, the formation of larger than national markets with intensified competition, and the upsurge of newly-developing countries striving to produce more, to produce better, and to increase their national income by effective selling abroad. In respect of all three products, there were problems for both consumers' and producers' organisations involved in the increase of consumers' demand, the need to reap the advantages of bulk buying, to secure economies in processing and handling, to sell more effectively through conformity of quality, packing, and brand names, and of working for direct inter-cooperative trade in

the future despite the obstacles now offered by marketing boards and governmental agreements. In order to solve these problems there was work to be done by the national organisations in their daily operations and trading policies, as well as by the Agricultural and other Auxiliary Committees of the I.C.A.

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PRESS COMMITTEE REPORT

THE first meeting of the newly constituted Press Committee of the I.C.A. was held at the headquarters in London, on 20th September. Dr. Hasselmann presided over an attendance of members and substitutes from France, Switzerland, Sweden, Great Britain, Holland and Denmark. The Cooperative League of the U.S.A. was also represented by the Nationwide Editor. In the course of a discussion on the functions and programme of the Committee, it was agreed that it should serve as an organ of consultation and collaboration between the editorial offices of the national organisations and also as a channel of communication between the I.C.A. and the Cooperative Press in general. A four point programme for the Committee was adopted as follows:

1. The promotion of more frequent contact between editors, and practical collaboration between them.
2. The organisation of studies and research into problems of cooperative journalism.
3. Advice and suggestion to the I.C.A. on the development of the press work of the Alliance for assistance to cooperative press organisations in the developing countries.
4. Promotion of the cooperative education and training of cooperative journalists.

A discussion on the international exchange of information and ideas produced suggestions for the improvement of the Review of International Cooperation and various press services provided by the I.C.A. including the exchange of articles and photographs, and the expansion of the I.C.A. news and information service. The Committee agreed to recommend to the I.C.A. Executive Committee that the International Conference of the Cooperative Press which will precede next year's International Congress at Bournemouth, should continue the discussion begun at Lausanne in 1960, on the presentation of cooperative ideas in the world of today.

A proposal from the I.C.A. Secretariat of a short period school for cooperative journalists between next year's meeting of the I.C.A. Central Committee and the Bournemouth Congress, was agreed. The theme of the school would be the I.C.A. and its Activities with special reference to the questions to be submitted to the Congress. J.H.O.

THE IMPACT ON COOPERATIVES

of the Agricultural Problems of Underdeveloped Countries - II

L. Stettner,

ICA Economic Research Dept.

EEC Agricultural Policy

THE implications of the Common Market for the world's "agricultural problem" are not clear-cut. If the Market fulfils expectations and leads to much more rapid economic growth in Western Europe, it could result in significant increases in demand for food and industrial raw materials from less developed countries.

It *could*, but not necessarily *would*. There are many who fear that on the agricultural front the Common Market is more likely to incline towards self-sufficiency and, accordingly, to intensified restrictions on imports from non-member countries. This fear persists despite repeated avowals by EEC officials of "outward-looking" intentions. Indeed, a number of steps in that direction have actually been taken, or are currently being discussed, in connection with negotiations on British entry.

The hard-core problem of temperate foodstuffs (wheat, barley, maize, oats, meat, sugar and dairy products from Canada, Australia and New Zealand) penetrates to the heart of the protectionist issue. The discussion has revolved largely around the Baumgartner proposal (as elaborated by French Agricultural Minister Pisani and now accepted in broad outline by both sides) to negotiate world-wide agreements on individual commodities providing for "orderly",

i.e., regulated, marketing at "realistic" prices. This would replace the present system under which for the bulk of the output of many commodities either domestic prices or farm incomes are artificially rigged, through subsidies and tariffs, at levels so high as to encourage the production of enormous surpluses. These surpluses in turn have depressed "free" world market prices to levels some 10 to 40 per cent below domestic prices. This is a major cause of low export earnings, low productivity and poverty in the less developed countries.

The proposed French solution is to abolish subsidies and other domestic supports, and regulate exports in such a way as to maintain world market prices at the high level considered adequate by the major producing countries, e.g., approximately the American/French level for wheat. This could be accomplished by global targets, market allocations and the variable import levy system which plays a key role in the EEC agricultural policy, that is, imposition of a duty on imports from outside the Common Market just high enough to bring prices to the level prevailing within the Common Market. Resulting surpluses would be purchased, at this same price level, out of the proceeds of import levies, and given away to hungry peoples in less developed countries. Thus at one stroke the foreign exchange problem of

the less developed countries would be solved through higher export prices and guaranteed markets (since whatever could not be sold in industrialised countries would be purchased by the surplus fund); surpluses would be available for alleviating poverty and facilitating development programmes; and the special problems of the Commonwealth attendant upon UK entry into the Common Market would be solved, not through the "comparable outlets" demanded by the British, but through "comparable revenue" as a result of higher prices.

The proposition is based on pragmatic acknowledgement that it is not feasible to eliminate protectionism in agriculture since it is politically unthinkable to ask governments to abandon their efforts to maintain the farmer's living standard at some kind of parity with that of industrial workers. Indeed, protectionism will be reinforced if the Common Market, which is by definition a preferential trading area, is enlarged by entry of the world's largest food importer. In short, since it is not feasible at this stage to eliminate protectionism in order to align domestic prices with "free world" prices, it is proposed to align "free world" prices of internationally-traded commodities with higher protected domestic prices, and let the consumer in "affluent" industrial societies foot the bill—a bill which he would have had to pay anyway in one form or another, for example, as taxes to finance subsidies to domestic agriculture and for development assistance to less developed countries. Those who object that this retrogression to greater protectionism would repudiate the liberal GATT free trade principles are reminded that on the contrary, the new system would replace discriminatory, uncoordinated protection-

ism in various domestic markets by an orderly, multilateral, non-discriminatory system for regulating the world market in such a way as to protect the interests of the less developed countries and to increase food output in a starving world.

The case is cogently presented. Indeed, it typifies the usual French marriage of logic and convenience. The proposal is tailored to meet the particular problems of French agriculture in an expanding Common Market. French farmers have a powerful influence on government policy, related to the fact that they represent about one-fifth of the labour force, a much higher proportion than in other industrial countries. Productivity is low and large surpluses chronic, but the French peasant stubbornly resists rationalisation measures designed to consolidate small holdings and shift redundant farm workers into the urban labour force. Accordingly the French would like to arrange for British entry into the Common Market in such a way as to give French farmers—particularly the producers of wheat of the same kind as produced by Australian competitors—first priority on the lucrative German and British markets. This the Baumgartner-Pisani plan is admirably suited to accomplish. It would keep prices below the prevailing German level, but still high enough to sustain the incomes of French peasants. It would take care of the problem of surpluses without the necessity of imposing crop restrictions on recalcitrant French farmers. It would "solve" the British Commonwealth problem in a way that would bolster Commonwealth export earnings (via higher prices) without allowing their exports to undercut French exports in the UK and the rest of the Common Market. By increasing British food and raw material costs to the French level,

it would remove an "artificial" competitive advantage which French industrialists have long resented. Finally it would not interfere with French plans for subsidising their exports out of a common EEC fund.

In the latest rounds of the negotiations over British entry, however, the French overplayed their hand in pushing the Baumgartner-Pisani proposal. It may be that they overestimated, on the one hand, the tactical compulsions on the British to make concessions, and on the other, the cohesive force of the understanding among the Six that they should maintain a united front vis-a-vis the British in these negotiations. In the event, the Five finally broke ranks with France, and the British temporarily broke off negotiations rather than to give in further to French demands. These developments apparently reflected resistance to the blatantly open way in which the French were demanding prior access in preference to Commonwealth exporters. Couve de Murville stated flatly, "A common market is a preferential system (designed) to stimulate growth of internal trade and reduce imports from the outside".

This was clearly awkward for the Five in their efforts to reassure the UK that an expanding Common Market would be a steadily larger importer, and that "reasonable" prices would be coupled with controls on production and measures to increase agricultural efficiency. The final rupture among the Six was precipitated by the attempt of the French to press the British to agree to an interpretation of a financial regulation which the Five had refused to accept, according to which the Germans, Dutch and British would finance subsidies to French exports.

The net result of the rupture of the

united front of the Six was to force on the French a number of concessions which may make it possible for the British to join, and which will have the effect of easing access for imports into the Common Market from "outsiders". These include commitment to a "reasonable" price policy, "price confrontations", "harmonious development of world trade and progressive abolition of restrictions and lowering of trade barriers", a "satisfactory level" of trade with third countries and "reasonable" opportunity for the exports of temperate food-stuffs, consultation with countries in the event of sudden disruption of trade, and special solutions, not yet worked out, for New Zealand.

Stabilising Export Earnings

Out of the accelerating discussion in various international forums of the problems of less developed countries has come a significant, and surprising, measure of agreement that a basic solution lies in *world-wide commodity agreements*. Surprising in view of (i) the rather dismal record of commodity agreements to-date; (ii) the difficulties that have been encountered in the attempt to work out new agreements, and above all (iii) the fact that the specifics of the proposed agreements have so far been given almost no consideration.

It may be that this deliberately vague panacea has been chosen as the easy tactical way out of an impasse. To quote *The Statist* (July 20), "Mr. Heath's objective in Brussels is not to preserve British links with the Commonwealth intact, so much as to find formulae which will give the appearance of stability behind which the change can take place unnoticed".

It may also reflect new optimism as to the fruitfulness of the commodity

approach. This optimism seems to be based on a positive factor, namely the recent indications of interest by consuming nations, notably the US, in joining commodity schemes; and on a negative push as a result of the growing acuteness of the commodity problem (in terms of deteriorating terms of trade and depletion of foreign exchange reserves) and growing pressure from ever more articulate underdeveloped and newly independent nations.

Optimism can be a constructive force, but only when tempered with realism. Accordingly it is worth stressing that the commodity-agreement approach is not an easy one. Agreements are difficult to achieve, and even more difficult successfully to operate. Moreover, commodity problems differ so greatly that almost each product calls for a unique solution; a world-wide commodity-agreement approach will necessarily turn out to be a complex of diverse approaches. There is no overall formula for dealing with commodities.

In principle there are several basic types of commodity agreement. There are *multilateral contracts* (e.g., for wheat) with exporter countries agreeing to sell given quantities at a specified upper price and importing countries to buy certain quantities at a specified lower price, both regardless of world prices; the agreed quotas of sales and purchases are just adequate to clear the market, so that price is kept within a relatively narrow range. *Quota agreements* (e.g., for sugar and coffee) which allocate exports, imports or output, by quantity or fixed percentages, are designed to prevent competitive price cutting. *Buffer stock agreements* (e.g., for tin) attempt to ensure price stability by purchasing and withholding supplies from the market when prices are weak

and selling stocks when demand exceeds supply.

In practice there are about as many variations in types of agreement as there are internationally-traded commodities. Actual agreements frequently combine two or more of the features of the three types sketched above. In addition there are a number of informal commodity arrangements, including undertakings as to holding of stocks and production and marketing policies, international study groups for collection and dissemination of information, and informal consultative machinery via GATT for example.

This merely reflects the diversity of commodity problems which call for particular solutions—which is another way of saying that when the Brussels negotiators claim to be on the verge of a solution for the Commonwealth and the less developed countries' problem in terms of long-term world-wide commodity agreements, all they have actually done is to agree to try to agree. It is virtually impossible to generalise as to the kind of agreements likely to emerge from such discussions. About all that can be done here is to pinpoint some of the major, and often conflicting, considerations that will have to be taken into account.

A major criterion should certainly be the extent to which commodity agreements interfere with rational allocation of economic resources as determined by the market. Even though it is essentially the failure of the market mechanism which gives rise to the need for agreements, nevertheless efforts should be made to minimise the rigidities introduced by the schemes. Where possible agreements should avoid actual output controls, freezing the geographical pattern of production or restricting free consumer choice and free entry of new

lower-cost producers. Price formulae, which are difficult enough to agree on, particularly when both importing and exporting countries are participating, must nevertheless attempt to balance the interests of producers and consumers. In order to ensure compliance, it is desirable to include as many as possible of the producing countries. Other complications include the fact that some schemes (e.g., multilateral contracts) require a highly organised market subject to government control and a standardised product; the problem of adverse production cycles; the high cost of storage; the unpredictable and unstabilizing influence of Government stockpile releases (as for example in the case of the US); and the pressure of domestic interests for special privileges not available to all members of the agreement (as with US sugar quotas and prices).

Another proposal, which might operate as a supplement to a programme of commodity agreements, is to increase stability in export earnings of primary producing countries through *compensatory financing*, that is, arrangements facilitating a more or less automatic increase in available funds (loans or grants) to offset losses due to wide fluctuations in proceeds from commodity exports. This idea is currently being explored by the FAO and by the UN Commission on International Commodity Trade.

One suggestion is for an international Development Insurance Fund financed from annual contributions of participating nations. The proceeds would be used to compensate countries suffering a severe decline in export earnings either in the form of a cash payment, or, alternatively, in the form of a contingent loan repayable in the event that their export proceeds recovered sufficiently

within a stated period. The arrangement would be of the nature of social insurance in which the more vulnerable participants obtain more, and the more secure participants less, than they contributed.

Coverage of the shortfall by insurance benefits would be only partial. This would discourage any attempt at manipulation of exports and, more important, it would avoid weakening the incentive of participating countries to adapt their economy to commodity problems that have their origin in adverse long-term changes in supply and demand. Accordingly, several alternatives are being suggested for disregarding shortfalls in export earnings smaller than some agreed amount—for example, 2.5 to 10 per cent of average proceeds in the three preceding years—and for paying compensation equal to, say, 50 per cent of the shortfall so calculated.

Such a scheme will not come to fruition unless strong resistance is overcome both from industrialised countries and from primary producing countries. The former are concerned over the heavy financial contributions that would be involved, over the inflationary danger stemming from the automatic feature of the proposal, and the financial irresponsibility which it might encourage on the part of beneficiary countries.

The latter stress that a scheme that is by definition “compensatory” does not tackle the root of the instability in commodity markets; that it might have the effect of diminishing financial contributions to development assistance; that it would not provide the degree of continuity of financial resources required for effective development programming; and that industrial countries which are also primary producers would because of the sheer magnitude of their trade claim

the major portion of the available compensatory funds.

Also some fairly neutral observers comment that such an overall comprehensive approach is inferior to a commodity-by-commodity attack on instability which can take account of the various factors in the very differentiated commodity markets. In addition they point to the difficulty in a compensatory scheme of taking long-term trends into consideration, and the consequent danger that artificial propping of export earnings will impede the correction of chronic situations of oversupply. Hence it appears that compensatory financing can usefully be introduced only as one facet of a broader programme for dealing with the difficulties of less developed countries.

Implications for cooperatives

These are fundamental and difficult questions, and they impinge directly upon the cooperative movement at a number of crucial points. A basic issue involved concerns the contribution which the cooperative, *as a form of economic and social organisation*, can make to the development process in poorer countries of the world. On a different level is a complex of questions relating to how and in what direction the cooperative movement *as a pressure group* should attempt to influence official policy with respect to the major problems discussed above.

Cooperative Role in Development Programmes

Cooperatives throughout the world are contributing to the flow of assistance for developing countries in the form of money. This aid is of considerable help, but the totals to date are nevertheless small in relation to the vast sums re-

quired; clearly the need for funds is beyond the scope of private charity. A much more fruitful channel for the cooperative contribution to the development effort lies in "technical assistance", that is, providing training facilities for potential cooperative leaders both at home and abroad, and sending into the field experts and equipment in the various subjects touching on cooperative activities.

Far more important than gifts and training, however, is the contribution that the cooperative *idea* can make to the development process. There is widespread and growing recognition that the cooperative form of organisation provides the most effective channel for effecting the transformations in economic, social and political relationships which are prerequisite to economic efficiency, higher standards of living and emergence of democratic institutions.

The basic context in which the industrialisation process must evolve is an agricultural, rural economy. Eighty per cent of the people in the less developed countries are farmers, and it is as farmers that they must be helped to help themselves through health and sanitary facilities, "infrastructure" of roads, railroads, harbours, schools, water supplies, warehouses and government buildings, basic training in reading, writing and arithmetic and the fundamentals of a market economy and democratic self-government, experience in working together as teams, in learning to take, and give, instructions, and acquisition of the basic skills essential to simple processing of food and raw materials.

And there is a further point. Much more food will be needed, since townspeople and industrial producers have to be fed, and the steady drift from farms to towns will reduce the number of food

producers. As incomes grow, demands for food will multiply; it is only at a much later stage that demand for food tends to become relatively inelastic.

Moreover agriculture in developing countries requires a specialised kind of credit. Because of poverty and low incomes in rural areas, farm savings are practically non-existent. This is also because a large part of production is for subsistence rather than cash sales; hence cash incomes are low. And in most areas the cost of farm credit is exorbitant. Since commercial banks are not interested in agricultural credit, farmers must resort to landlords, money-lenders and merchants. And because their credit needs are so urgent and their lack of economic sophistication so pronounced, the annual costs of credit are high, frequently 25 per cent, and in some cases 50 or even 100 per cent.

The cooperative form of organisation is ideally suited for tackling this vicious circle of low farm income, low savings, low capital formation, low output, low incomes. Cooperatives increase production and facilities through their agricultural extension services, investments in terracing, drainage, wells, buildings and implements, provision of transport, machinery and other equipment, cheaper seeds, fertilisers and pesticides, containers and packing materials. Cooperative credit strengthens the farmer's market status and bargaining power by relieving him from financial pressures. At this point in the process it then becomes possible, via credit cooperatives, to aggregate small individual savings in order to make them useful for productive investments.

The farm cooperative also has much to contribute to the difficult problem of security for farm loans. For one thing, it provides collective security through

group responsibility for repayment, and for another, members are fairly well known to each other. Also the cooperative is in a position through supervision and advice to reduce the *natural risks* of animal and crop disease, drought and flood, and to reduce *commercial risks* through crop diversification, organisation of market information and enhanced price stability as a result of orderly marketing. Finally, by acting as a channel for state contribution to share capital, the cooperative provides more adequate collateral security for loans.

The cooperative form of organisation can also take into account the many social factors which influence the agricultural problem in less developed countries where farming is a family enterprise, a way of life, not merely a business. It provides not only technical help, organisation of supplies and organisation of finances, but also organisation of people. Village cooperatives are in a position to further social objectives and promote health, housing, village improvement, acquisition of basic skills and broader education. They also serve as centres for training in self-help, democratic procedures, leadership and learning to work together.

In short, the cooperative movement is peculiarly suited to the technological pace required in less advanced societies, namely, small progressive accretions of productive power through investments consistent with existing cultural levels and capacity to absorb improvements, rather than a succession of major technological leaps.

Cooperative Influence on Official Policy

Increasingly, all over the world and at all levels—local, regional, national and international—occasions arise for expres-

sion of "the cooperative view" on the various aspects of the complex issues which have been described here as "the agricultural problem". There is ample opportunity for the cooperative movement to influence the direction of official policy. It is not difficult to find a forum. But to formulate a common viewpoint is exceedingly difficult, because of the technical complexity of the issues involved, and even more because of the inherent conflicts of interest between nations (e.g., between agricultural cooperatives of Common Market countries and those in Asia, Africa and America which are seeking access to European markets), and between producers and consumers (e.g., the clash between the concern of agricultural cooperatives for farm incomes and that of consumer cooperatives for food prices).

These are issues that are not easy to resolve, but resolved they must be if the cooperative movement is to make its influence felt. It is only by facing up to and threshing out potential internal conflicts through an internal process of frank discussion and mutual exchange of experience, information and views that generally accepted common policies can be arrived at and given full support on all occasions where there is a chance to influence governmental and international decisions. The basic idea of cooperation is to equalise and share benefits for the achievement of an overall optimum, and this idea should also be basic to the decisions about to be made on the welfare of both more and less developed countries.

In addition to the issues raised in this article, there are many more on which concrete policies must be formulated. The problems to be faced are legion. But there is no doubt that constructive solutions—where necessary, constructive

compromises—can be found within the broad frame of reference of the international cooperative movement. In this effort the International Cooperative Alliance stands ready to offer all possible research, liaison and coordinating assistance. In defining their position vis-a-vis commodity problems, hunger and aid to developing countries, cooperatives must avoid narrow sectional and functional outlooks and bear in mind their common interest in maximum economic efficiency everywhere at all stages of production and distribution. Accordingly, they should stress the greatest possible degree of free trade, free mobility of economic resources, free consumer choice, a free competitive market, and the highest standards of quality.

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(Published by the I.C.A. in conjunction with F.A.O.)

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Rice Cooperatives in British Guiana

by Hebe Spaul.

BRITISH Guiana is the chief rice producing country in the Caribbean and one of the chief rice exporting countries in the British Commonwealth. In studying the cooperative movement in this South American territory—which is approximately the same size as Great Britain—it is natural that one should turn first of all to the rice cooperatives. They are not the most numerous amongst about six hundred societies, with a combined membership of 35,000, but they are amongst the most interesting. One in particular has a success story to its credit.

This cooperative society is at Verge-

noegen and its success is shown from the fact that the rice mill had previously been run by the Government at a loss. The society was able to acquire it from the Government in September 1959 and has been able to make a financial success of it.

I was able to visit the mill and to meet some of the members of the committee of management, during a visit to British Guiana this summer. Verge-noegen is some miles from Georgetown, between the Demarara and Essequibo rivers. The mill was bought from the Government at a cost of 25,000 British Guiana dollars (4.80 dollars equals £1



Discoloured rice is rejected and the sound grain is sucked into a jar above the sorter's head

sterling) the cost being spread over a seven year period. The original membership of the society was sixty-three but at the time of my visit it had risen to 113. There is a Management Committee of nine, elected by the members, with a paid secretary and manager. Other permanent paid staff comprise two mechanics, seven porters and one watchman. During the season temporary workers are employed. The society has been keeping up its payments to the Government and has a share capital of 11,302 dollars. In 1960, after meeting expenses

it was able to pay a dividend on shares of 403 dollars or 6 per cent dividend. It gave members a milling fees rebate of 3,092 dollars; a transportation rebate of 482 dollars and was able to add to its reserve fund 3,350 dollars. I was told that that season they had already milled 22,571 bags of paddy which produces 11,300 bags of rice. The society has a tractor, a trailer and a three-disc plough, for transporting paddy from the field to the mill and has erected three new soaking tanks. Two of the tanks are of iron and the other of concrete.

Ultra-modern plant

All rice, whether grown by individual farmers or by cooperatives, has to be sold to the Rice Marketing Board and here in Georgetown it is processed in the Board's very up-to-date rice processing plant. The plant is the largest in the Caribbean and was described by the Manager as "ultra-modern". I went over the plant and was shown the electronic plant recently installed for picking out discoloured grain. The Board employs district supervisors who keep a check on the numerous mills for processing paddy.

There is no central cooperative bank but farmers and cooperative credit societies are financed through the Credit Corporation and short term finance is provided through Barclay's Bank DSO.

In June 1962, some weeks before my visit, a fine new agricultural laboratory was opened at the agricultural station at *Mon Repos*, on the east coast. Farmers and cooperative societies are able to receive considerable assistance in regard to rice cultivation through the station. The expert in charge of the rice section told me when I visited the station that various varieties are tried out at the station in experimental patches and those that are successful are distrib-

uted to farmers. In about fifty sub-districts there are experimental officers who check the results and advise farmers on rice cultivation problems.

Rapid expansion

Although Vergenoegen is of special interest it is by no means the only rice cooperative. There has been considerable expansion of rice production in British Guiana and new areas of production are being developed. There has, for instance, been rapid expansion of rice farming in the districts between the Mahaica and the Berbice rivers. Farmers, however, have experienced considerable difficulty in getting their paddy milled. There were already cooperative societies in the area and representatives of these societies met together at the close of 1961 and decided to establish a special cooperative society for the purpose of erecting a mill. It was decided to erect the mill at Cane Grove on the Mahaica River and to build a landing stage at a convenient point for the easier transportation of paddy for the upper reaches of the river. Work on the erection of the mill began this summer. Shares of two hundred dollars each are being offered to farmers in the area to finance the project. With the erection of the mill it will not only be possible to handle all the paddy at present being produced but to accept considerably more. Discussions have, therefore, been proceeding regarding the formation of a Cooperative Land Society to develop a thousand acres of land at Little Blaboo for rice production.

Another cooperative rice mill is to be established at a central point on the west coast of the Berbice river. This project is being supported by all the Cooperative Credit and Land societies in the area. It was stated this summer that

in 1961 farmers had had great difficulty in milling their crops. Since then new lands have been developed and at the time of my visit it was anticipated that the milling situation would be worse. Hence the decision to proceed with the erection of the mill as quickly as possible. A steering committee of nine was appointed early in 1962. The committee has decided to construct a dam from the Arbary river to the public road in order to help farmers transport their paddy. Cooperative officers think that the prospects for these two cooperative mills are bright because the farmers participating in the work of the new societies have already had experience of, and benefit from, other cooperative enterprises. They have taken part in operating Agricultural Thrift and Credit Societies, Land Cooperative Societies and Machinery Cooperative Societies.

Settlement scheme

One of the biggest Government rice development projects in British Guiana in recent years has been that of the Black Bush Polder. Fifteen hundred families were selected for settlement in this area at the beginning of 1961. As it turned out few of the families had had any experience of cooperative enterprises and they were reluctant to work together, with the result that the reaping of the 1961 autumn rice crop was seriously hampered. It had been planned that the whole area should be served by a network of cooperative societies to meet every need of the settlers. Experience proved that without some elementary training of the membership in the principles and operation of cooperative societies, satisfactory results could not be guaranteed. As a result some of the cooperative undertakings have had

40TH INTERNATIONAL COOPERATIVE DAY

RE-DEDICATION to cooperative principles is an intrinsic part of International Cooperative Day; but re-dedication as a purely formal gesture means little or nothing. Its value lies in its interpretation in terms of planning, doing, fulfilling. In that sense, each year this profession of faith should add still more to the Cooperative Movement's efficiency, humanitarianism, and general progress. It should be an intangible expression of the tangible development of the society, union, cooperative group, national organisation, in the course of the year, and of the determination to keep on advancing.

The 40th International Cooperative Day was celebrated on July 7th or during the month by the majority of the fifty one member countries of the International Cooperative Alliance — a few mark the occasion at other times of the year. In greeting the many millions of individual cooperators, the I.C.A., in its declaration, called on them to gear their cooperative organisations to meet the challenge of present day technical progress through reconstruction and in-

to be abandoned, at any rate for the time being.

It is because experiences like this have demonstrated the need for more cooperative education that the Cooperative Union—a Government sponsored body—decided this summer to embark on a new educational programme. It is intended to go out into the rural areas and possibly to make use of films.

tegration, and to be mindful of the obligations incumbent on the well established Cooperative Movements to give generous help to the younger movements in the developing countries.

Already, as shown at national congresses last year, many cooperative organisations have been developing on these lines, and July 7th was an occasion to endorse an already active policy or to set it in motion.

The I.C.A. Declaration was published in the cooperative papers of many countries. In Switzerland it was coupled with a leading article in *Le Coopérateur Suisse* that reviewed cooperative history in relation to world affairs during the last forty years. In Australia, *Wesfarmers News*—the organ of the Cooperative Federation of Western Australia—carried the story of the Rainbow Flag, which flew over Wesfarmers Buildings on International Cooperative Day. In Great Britain, examples of cooperative endeavour in many lands were given in a full page feature in *Reynolds News*, and other British cooperative publications carried accounts of local celebrations at each of which the Declaration was read.

Polish cooperators marked the Day with a big meeting in Warsaw at which representatives of the cooperative movements of Asian, African and Latin American countries, who had taken part in an international seminar, were present. The Peruvian National Centre of Cooperative Studies made the 40th International Cooperative Day an occasion

for reviewing the progress of Peruvian cooperatives over the year, and for setting out the main objectives for 1962. One of these objectives is the first national cooperative congress, which is being planned in conjunction with the meeting of American cooperatives to be held in Lima in December, when delegates will decide on the constitution of the Cooperative Organisation of the Americas.

Cooperative Day in Mexico was celebrated at a public ceremony held at the Monument of Independence. Flags sent as an expression of friendship to the Cooperative Confederation of Mexico by the Cooperative Movements of Argentina, Costa Rica, Chile, Colombia, Bolivia, Peru, the United States of North America, Uruguay, and many others, were presented at the ceremony. In addition there were the banners from the various Mexican cooperatives and the Rainbow Flag of Cooperation.

In his address, Señor A. Salines Puente, an official of the Confederation of Mexico, said that President Kennedy, during a recent visit to Mexico, had said that what was needed was an economic revolution. Political independence and political equality had no significance if not accompanied by economic independence. Cooperation, Señor Puente declared, was the economic revolution of the Americas, and he called for a united Movement, fully aware of its social purpose.

Señor Puente was followed by the Chief of the School Cooperatives organisation, who spoke of the successful promotion of school cooperatives in Mexico. They now number 2,916, with a membership of 350,000 children.

Both Mexico and Peru will have a close interest in the special International Day message from the Secretary

General of the Organisation of American States. In renewing his annual message to cooperators in the Americas, he said:

“The cooperative movement, which is constantly expanding within and beyond this hemisphere, represents a new force. The use of its methods and techniques is an important contribution to the solution of economic and social problems. Common effort is its essence, its spirit the recognition of human values, and its morality the strict observance of the democratic process.

“Thirty five million people grouped in fifty seven thousand cooperatives in the Americas, constitute an eloquent demonstration of confidence in the system, a confidence we share and encourage by contributing towards its consolidation and extension through the technical services of this General Secretariat.”

The Singapore Cooperative Union again celebrated the occasion with a dinner, and devoted the whole of its bulletin to the publication of the Declaration, of I.C.A. statistics, and an article on International Day and its implications. Greetings to the I.C.A. and good wishes for the success of world cooperation came from Western Nigeria, Hungary, Czechoslovakia, Belgium, Bulgaria, Malaya. From the Philippines came a programme of the first celebration of International Cooperative Day. Held in Manila, the gathering was sponsored by the cooperatives' Administration Office and the Central Cooperative Educational Board, and the guest speaker was the Secretary of Commerce and Industry, the Hon. Rufino Hetchanova.

In Greece, members of the Consumers' Cooperative Society of Athens (SYN-KA) held a meeting at which

members of the Society's Board spoke about the history of the international cooperative movement and about SYNKA's development and the encouragement it was receiving from international contacts—the I.C.A., the British Cooperative Union and the C.W.S., the CO-OP of Holland, the German C.W.S. (G.E.G.) the Swedish consumers' cooperative organisation K.F., Denmark's F.D.B. and G.Ö.C. of Austria. The meeting had a good press in six of the daily newspapers.

The Day was celebrated throughout Japan with many local functions, and a big gathering in Tokyo sponsored by the Committee of Cooperative Unions, which represents consumer, agricultural and fishery cooperatives. The Prime Minister of Japan, the British Ambassador, and the UNESCO National Commission all sent greetings.

In Mozambique, three daily papers published the I.C.A. Declaration, and articles on International Cooperative Day put stress on the increasing number of non-European countries affiliated to the I.C.A., the technical assistance programme, and aims of the Alliance. Over 500 cooperators in Barbados attended a celebration meeting which was addressed by the Hon. C. E. Taima, Minister of Agriculture, Lands and Fisheries, who spoke about the Government's policy on cooperative development.

India is doubly reminded of International Cooperative Day. While the country itself celebrates for a week in November, the I.C.A.'s S.E. Asian Regional Office commemorated the occasion on July 7th, and had previously made careful plans in order to publicise the Day as much as possible all over India by means of press, radio and films. Not all of the countries within this S.E.

Asian region marked the occasion in July, either. Exceptions are Burma, which has chosen January, and East and West Pakistan, which hold celebrations in November.

The celebration at the I.C.A. office was attended by some 150 people who were addressed by Mr. S. D. Misra, Deputy Minister for Cooperation, who also unfurled the rainbow flag. Mr. Misra outlined cooperative activity in India and emphasised that the S.E. Asian Regional Office could increasingly become a centre for supplying technical knowledge in the cooperative field to the developing countries of the Region. He looked ahead to the formation of cooperative societies which would operate beyond their national frontiers, helping to expand trade and other cooperative activities between one country and another. The proper agency for this development was the I.C.A., with its members drawn from 51 countries.

Whether in the New World or the Old, Asia or Africa, Australia or Scandinavia, the unspoken hope of all co-operators must surely have been that expressed in the I.C.A. Declaration itself—"the fervent hope that negotiations will be pursued with determination to reach an agreement which will banish the menace of atomic annihilation from the world."

F. W.

A new Aspect



From January, 1963,

THE REVIEW OF INTERNATIONAL COOPERATION

will be published bi-monthly, but each number will be double the present size. This expansion will allow more space for thematic series of articles and fuller illustrations. There will also be a new cover design.

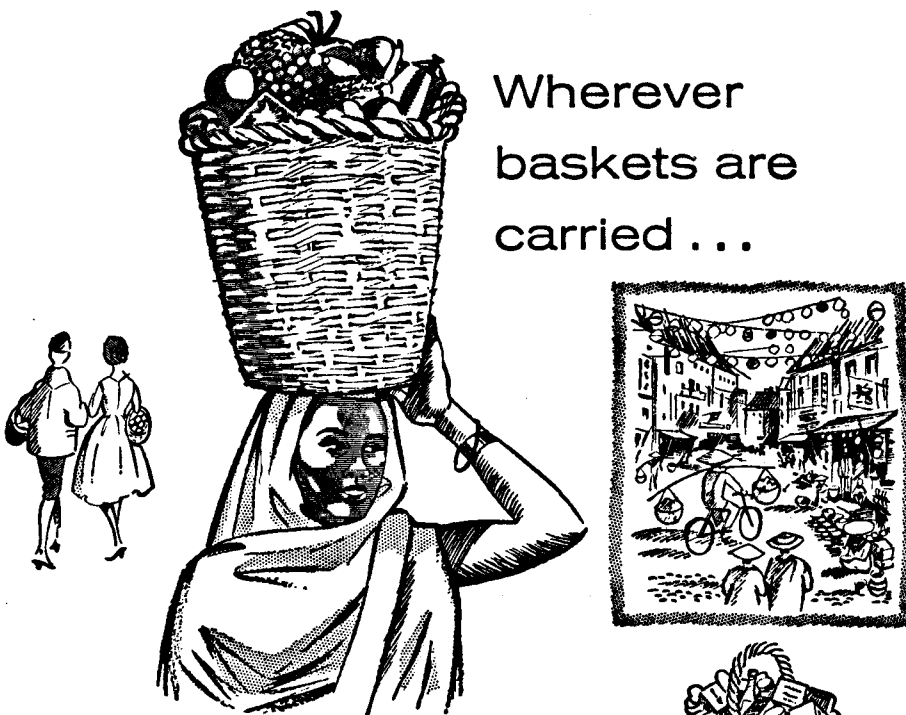


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11 Upper Grosvenor Street, London W 1.**

- IVORY COAST:** Centre National de la Coopération et de la Mutualité Agricoles, B.P. 70, Abidjan.
- JAMAICA:** The Jamaica Cooperative Union, Ltd., 74½ Hanover Street, Kingston, B.W.I.
- JAPAN:** Nippon Seikatsu Kyodokumiai Rengokai, (Japanese Consumers' Cooperative Union), Rokin-Kaikan, 5, 2-chome, Shiba-Tamuracho, Minatoku, Tokyo.
Zenokou Nogyokyodokumiai Chuokai, (Central Union of Agricultural Cooperatives) 11, Yurakucho, 1-chome, Chiyoda-ku, Tokyo.
Zenkoku Gyogyo Kyodokumiai Rengokai, (National Federation of Fishery Cooperative Associations), Sankaido Building, Akasaka-ta meikomachi, Minato-ku, Tokyo.
- JORDAN:** Jordan Cooperative Central Union Ltd., P.O.B. 1343, Amman.
- MALAYA:** Cooperative Union of Malaya, 8, Holland Road, Kuala Lumpur.
Federation of Cooperative Housing Societies, 8, Holland Road, Kuala Lumpur.
- MALTA:** Farmers' Central Cooperative Society Ltd., New Building, Middleman Street, Marsa, Malta.
- MAURITIUS:** Mauritius Cooperative Union, Dumat Street, Port Louis.
- MEXICO:** Confederación Nacional Cooperativa de la Republica Mexicana, C.C.L., Lic. Verdad 3, Mexico I, D.F.
- MOROCCO:** Cooperative Study and Action Circle "Georges Fauquet", Rabat.
- NEW ZEALAND:** Hutt Valley Consumers' Cooperative Society, Ltd., P.O.B. 41, Lower Hutt.
- NIGERIA:** Cooperative Union of Eastern Nigeria Ltd., Cooperative Bank Buildings, Milverton Ave, Aba.
Cooperative Union of Western Nigeria, Ltd., c/o Cooperative Buildings, New Court Rd., Ibadan.
- NORWAY:** Norges Kooperative Landsforening, Organisasjonsavdelingen, Kirkegaten 4, Oslo.
Affiliated societies (1961): 1,148; membership: 315,442; turnover of local societies: Kr. 1,442 mill.; of N.K.L.: Kr. 408 mill.
BBL A/L Norske Boligbyggelags Landsforbund, Trondheimsveien 84-86, Oslo.
- PAKISTAN:** East Pakistan Cooperative Union, Ltd., 37, Purana Paltan, Dacca 2.
West Pakistan Co-operative Union, 31, Lower Mall, Lahore.
Punjab Provincial Cooperative Bank Ltd., Lahore. Membership: 10,950; share capital: Rs. 12,85,163; reserve fund: Rs. 33,32,919; loans and deposits Rs. 5,48,65,281.
Karachi Central Cooperative Bank, Ltd., 14, Laxmi Building, Bunder Road, Karachi 2.
Karachi Central Cooperative Consumers' Union, Block No. 53, Pakistan Secretariat, Karachi, 3.
Karachi Cooperative Housing Societies Union, Shohce-e Millat Road, Karachi 5.
Karachi Cooperative Institute Ltd, Pir Illahi Bux Cooperative Housing Society, Karachi 5.
Karachi Fishermen's Cooperative Purchase and Sales Society Ltd., West Wharf Road, Karachi.
Sind Provincial Cooperative Bank Ltd., Provincial Cooperative Bank Building, Serai Road, P.O. Box 4705, Karachi 2.
- ROUMANIA:** Uniunea Centrale a Cooperativelor de Consum "Centrocoop". Calea Victoriei 29, Bucharest.
- SARAWAK:** Sarawak Co-operative Central Bank Ltd., Kuching.
- SCANDINAVIA:** Nordisk Andelsforbund (Scandinavian Co-operative Wholesale Society), Njalsgade 15, Copenhagen S.
- SINGAPORE:** Singapore Cooperative Union, Ltd., Post Box 366, Singapore.
- SUDAN:** Sudan Cooperative Union, P. O. Box 834, Kartoum, Sudan.
- SWEDEN:** Kooperativa Förbundet, Stockholm 15.
Affiliated retail societies (1961): 522; membership: 1,206,000; total turnover of distributive societies: Kr. 3,643 mill.; total turnover of K.F.: Kr. 2,565 mill. (Kr. 1,565 mill. sales to affiliated societies); own production: Kr. 1,355 mill.; total capital (shares and reserves) of K.F. and affiliated societies: Kr. 921 million, surplus included.
Kooperativa Kvinnogillesförbundet, Stockholm, 15
Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund (H.S.B.), Fleminggatan, 41, Stockholm 18.
Affiliated Building Societies: 186; with individual members: 160,000; number of flats administered by local societies: 160,000; value of real estate: 5,000 mill. Kr.
Svenska Riksbyggen, Box 14031, Stockholm, 14.
- SWITZERLAND:** Verband schweiz. Konsumvereine (V.S.K.), Thiersteinallee 14, Basle.
Affiliated societies (1961): 540; shops: 3,300; membership: 723,000; retail turnover of affiliated societies: Frs. 1,346; wholesale turnover: Frs. 853 mill.
Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), Schaffhauserstrasse 6, Winterthur.
Schweiz. Verband Sozialer Baubetriebe, SBHV., Postfach Sihlpost, Zürich I. ,
- TANGANYIKA:** Cooperative Union of Tanganyika, Ltd., Avalon House, P.O. Box 2567, Dar es Salaam.
- U.S.A.** The Co-operative League of the U.S.A., 59, East Van Buren, Chicago 5, and 1012 14th Street, N.W., Washington 5, D.C.
- U.S.S.R.:** Central Union of Consumers' Cooperative Societies of the U.S.S.R. "Centrosoyus", Ilyinka Tcherkassy pereulok 15, Moscow.
Consumers' societies (1961): 17,500; members: 43,1 mill.; stores: 321,000.
- YUGOSLAVIA:** Glavni Zadruzni Savez FNJR., Ulica I Maja 15/III, Belgrade.



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THE INTERNATIONAL COOPERATIVE ALLIANCE

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

It comprises 109 organisations in 51 different countries and its total affiliated membership through national organisations exceeds 163,000,000. The Consumers' Movement accounts for the majority of this membership, but agricultural, credit, workers' productive and artisan cooperatives are well represented.

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

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

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

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

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

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

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

AFFILIATED ORGANISATIONS

- ARGENTINA:** Federación Argentina de Cooperativas de Consumo, *Avda. Suarez, 2034, Buenos Aires.*
- AUSTRALIA:** Cooperative Federation of Australia, *45, Mandolong Road, Mosman, Sydney, N.S.W.*
- AUSTRIA:** Konsumverband Zentralverband der österreichischen Konsumgenossenschaften, *Theobaldgasse 19, Vienna VI.*
 Membership (1961): 409,357; turnover: consumers' societies: Sch. 2,584 mill.; wholesale (G.Ö.C.): Sch. 1,239 mill.; department stores: Sch. 357 mill.; own production: consumer societies: Sch. 317 mill.; G.Ö.C. and subsidiaries: Sch. 389 mill.
 Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, *Bösendorferstrasse 7/11, Vienna I.*
 (1960): Member Societies: 224, Assocs. 107; No. of members: 82,971; Dwellings administered: (socs.) 68,329; Assocs. 93,750; Total Balance: (Socs.) Sch. 5,670,105,800; (Assocs.) Sch. 7,352,955,200.
 Österreichischer Genossenschaftsverband, *Peregringasse, 4, Vienna 9.*
 Österreichischer Raiffeisenverband, *Seilergasse 16, Vienna I.*
- BELGIUM:** Société Générale Coopérative, *17—21 Place Emile Vandervelde, Brussels*
 Affiliated consumers' societies: 32; membership: 390,000; turnover (1961): Frs. 3,400 mill.; shops: 1,500; Wholesale society turnover (1961): Frs. 827 mill.
 Société Coopérative d'Assurances "La Prévoyance Sociale", *P.S. Building, 151, rue Royale, Brussels.*
 Premiums (1961): Frs. 922 mill.; reserves: Frs. 4,000 mill.; insurance funds, life: Frs. 12,000 mill.; fire: Frs. 155,000 mill.
 Fédération Nationale des Coopératives Chrétiennes, *rue de la Loi, 141, Brussels.*
 Société "Bien-Etre": 1,320 shops; turnover Frs. 1,251 million; dividends: Frs. 60 million; Savings Bank: 1,800 branches; 300,000 members; deposits: Frs. 5,000 mill. Insurance Society: 160,000 policy holders; premiums: Frs. 193 mill.; reserves Frs. 500 mill.
 L'Economie Populaire, *30, rue des Champs, Ciney (Namur).*
 Branches (1961): 445; membership: 74,956; turnover: Frs. 687 mill.; savings deposits: Frs. 404 mill.; capital and reserves: Frs. 77 mill.
 Institut Provincial de Coopération Agricole, *42, rue des Augustins, Liège.*
 OPHACO (Office des Pharmacies Coopératives de Belgique), *602, chaussée de Mons, Brussels.*
 Union of 25 cooperative societies owning 313 pharmacies, 50 optical departments and counters, 7 drug stores, 15 wholesale depots. Turnover (1960): Frs. 832 mill. Surplus distributed to 400,000 members: Frs. 74 mill.
 Société Coopérative Fédérale de Belgique, *83-85, rue Vanderschrick, Brussels.*
- BRAZIL:** Centro Nacional de Estudos Cooperativos, *Av. Franklin Roosevelt 39, 12º, Sala 1216, Rio de Janeiro.*
- BRITISH GUIANA:** British Guiana Cooperative Union Ltd., *21, Croal Street, Georgetown.*
- BULGARIA:** Central Cooperative Union, *21, rue 6 Septemvri, Sofia.*
- BURMA:** National Cooperative Council, *290-300, Lewis Street, (2nd Floor), Rangoon.*
- CANADA:** Co-operative Union of Canada, *202, Queen Street, Ottawa 4, Ont.*
 Affiliated Societies (1961): 793; membership 887,255; turnover: marketing: \$ 570,404,142; merchandising: \$ 222,334,989; assets: \$ 330,337,111.
 Conseil Canadien de la Coopération, *2030, Bd. Hamel, Quebec 8.*
- CEYLON:** The Co-operative Federation of Ceylon, *Co-operative House, 455, Galle Road, Colombo 3.*
- CHILE:** Federación Chilena de Cooperativas de Ahorro, Ltda., *Huerfanos 1639, Clasificador 760, Santiago de Chile.*
- COLOMBIA:** Cooperativa Familiar de Medellin, Ltda., *Calle 49, No. 52-49, Medellin.*
- CYPRUS:** Cooperative Central Bank Ltd., *P.O. Box 411, Nicosia.*
 Cyprus Turkish Cooperative Central Bank Ltd., *P.O. Box 791, Nicosia.*
 Vine Products Cooperative Marketing Union Ltd., *P.O. Box 314, Limassol.*
- CZECHOSLOVAKIA:** Ustredni Rada Druzstev, *Tesnov 5, Prague II.*
- DENMARK:** De samvirkende danske Andelselskaber (Andelsudvalget), *H. C. Andersens Boulevard 42, Copenhagen V.*
 Representing 29 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 525,000 individual members. Turnover (1961): D.Kr. 11,300 mill.
 Det kooperative Faellesforbund i Danmark, *Gyldenloevesgade II, Copenhagen V.*
 Affiliated societies (1960): 626; total sales: D.Kr. 1,050 mill.; employees: 11,000; comprises: consumers' workers', artisans', productive and housing societies etc.
- EGYPT:** Société Coopérative des Pétroles, *94, Kasr el Eini Street, Cairo.*
- EIRE:** The National Cooperative Council, *35, Lower Gardiner Street, Dublin.*
- FINLAND:** Suomen Osuuskappojen Keskuskunta (S.O.K.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; wholesale turnover: Fmk. 82,333 million; own production of SOK: Fmk. 20,380 million.
 Yleinen Osuuskappojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, Helsinki.*
 Affiliated societies (1961): 362; members: 511,812; turnover of societies: Fmk. 145,354 million; total production of the affiliated societies: Fmk. 3,251 mill.
 Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *Mikonkatu 17, Helsinki.*
 Affiliated societies (1961): 111; members 514,951; turnover of societies Fmk. 106,131 mill.; production of societies 16,333 million.

- Osuustukkukauppa (O.T.K.), *Hameentie 19, Helsinki.*
 Affiliated Societies (1961) 111; turnover Fmk. 68,666 mill.; own production Fmk. 20,697 mill.
- Keskinäinen Vahinkovakuutusyhtiö Kansa, *Hämeentie 19, Helsinki.*
 Affiliated societies: 117; Life insurance coverage: Fmk. 43,284 mill., 282,364 insured persons; Fire insurance coverage: Fmk. 284,854 mill., 159,195 policies, Assets (1960): Fmk. 7,444 million.
 Pellervo-Seura, *Simonkatu, 6, Helsinki.*
- FRANCE: Fédération Nationale des Coopératives de Consommation, F.N.C.C., *89, rue de la Boétie, Paris VIII.*
 Affiliated societies (1960): 572; membership: 3,242,567; shops: 9,530; turnover: NF. 2,624,785,132.
 Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, *88, rue de Courcelles, Paris VIII.*
 Confédération Générale des Sociétés Coopératives Ouvrières de Production de France et de l'Union Française, *88, rue de Courcelles, Paris VIII.*
 Banque Coopérative des Sociétés Ouvrières de Production de France, *88, rue de Courcelles, Paris VIII.*
 Fédération Nationale de la Coopération, de la Mutualité et du Crédit agricoles, *129, Bd. St. Germain, Paris VIe.*
 Caisse Nationale de Crédit Agricole, *30, rue Las Cases, Paris VIIe.*
 Fédération Nationale de la Coopération Agricole, *129, Bd. St. Germain, Paris VIe.*
 Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, *Foyer Coopératif, 17, rue de Richelieu, Paris Ier.*
 Confédération des Coopératives de Construction et d'Habitation, *4, Cité de Londres, Paris 9e.*
 L'Association BâtiCoop, *6, rue Halévy, Paris 9e.*
 Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la petite Propriété, *9, rue Mathurin Régnier, Paris 15e.*
 Confédération des Organismes de Crédit Maritime Mutuel, *18 bis, Avenue Hoche, Paris VIII.*
- GERMANY: Zentralverband deutscher Konsumgenossenschaften e.V., *Besenbinderhof 43, (2), Hamburg I.*
 Affiliated societies (1961): 257; membership: 2,586,960; turnover: D.M. 3,377,7 mill.
 Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H., *Besenbinderhof, 52, 2, Hamburg I.*
 Total turnover (1961): D.M. 1,726,300,000; own production: D.M. 593,7 mill.
 Gesamtverband Gemeinnütziger Wohnungsunternehmen, *Breslauer Platz 4 (22a), Cologne.*
 „Alte Volksfürsorge“, Gewerkschaftlich-Genossenschaftliche Lebensversicherungs A.G., *An der Alster, Hamburg, 1.*
- GREAT BRITAIN: The Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester 4.*
 Affiliated Societies (1961): 826. Membership: 13,043,484. Retail Societies' share capital: £ 254,751,695. Retail sales: £ 1,044,798,803.
 Co-operative Wholesale Society Ltd., *1, Balloon Street, Manchester 4.*
 Affiliated societies (1961): 895; sales: £ 465,170,481; Bank turnover: £ 6,048,004,673; reserve and insurance funds: £ 32,381,925; total assets: £ 291,916,424.
 Co-operative Insurance Society, Ltd., *Miller Street, Manchester 4.*
 Assets exceed £ 187 mill.
 Scottish Co-operative Wholesale Society Ltd., *95, Morrison Street, Glasgow C. 5.*
 Affiliated societies (1961): 171; sales: £ 88,824,880; reserves and insurance funds: £ 6,877,629; total resources: £ 18,608,126.
 The Co-operative Productive Federation, Ltd., *138, Charles Street, Leicester.*
 Sales: £ 5,415,067; employees: 4,557; societies: 33.
- GREECE: Pan-Hellenic Confederation of Unions of Agricultural Cooperatives (S.E.S.), *6, Othonos Street, Athens.*
- HOLLAND: Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikcoöperaties, "Co-op Nederland", *Vierhavensstraat 40, Rotterdam 7.*
- ICELAND: Samband Isl. Samvinnufelaga, *Reykjavik.*
- INDIA: National Cooperative Union of India, *72, Jorbagh Nursery, New Delhi-3.*
 All Bombay Consumers Cooperative Societies Federation, Ltd., *3rd Floor, Military Square Lane, Fort, Bombay 1.*
 National Agricultural Cooperative Marketing Federation, Ltd., *248A Krishna Bhawan, New Delhi.*
- IRAN: Cherkate Taavoni Masrafe Artèche (Army Consumers' Co-operative Society), *Avenue Sevvom Esfand, Rue Artèche, Teheran.*
- ISRAEL: General Cooperative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv.*
 Affiliated societies (1962): 1,679, including 660 agricultural, 465 producers' and services, 69 consumers', 232 housing, and 253 pension and provident funds.
 Hamashbir Hamerkazi, *P. O. Box 130, Tel-Aviv.*
 "Merkaz" Audit Union of the Cooperative Societies for Loans and Savings, *P. O. Box 75, Tel-Aviv.*
 "Haikar" Audit Union of the Agricultural Societies of the Farmers Federation of Israel, *8 Hakirya Street, P.O.B. 209, Tel-Aviv.*
- ITALY: Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, Rome.*
 Confederazione Cooperativa Italiana, *Borgo Santo Spirito, 78, Rome.*
 Associazione Generale delle Cooperative Italiane, *Via Milano 42, Rome.*

Review of INTERNATIONAL COOPERATION

The official Organ of the International Cooperative Alliance

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COOPERATIVE COMMENTARY

Power and Prestige **B**YOND a certain point, modesty in social movements ceases to be a virtue. That point was reached by the cooperative movement a long time ago. A generation has now passed since Albert Thomas, first director of the International Labour Office, justly reproached cooperators with being too modest in the claims they made on behalf of their movement.

Albert Thomas would have been delighted had he lived to see the magnificent new buildings which some cooperative financial institutions have had constructed in recent years to house their headquarters' staffs. The Belgian *La Prévoyance Sociale* acquired one of the most commanding sites in Brussels and erected thereon an impressive building which no visitor to the city can miss seeing. In Basle the Cooperative Central Bank, in Stockholm the Insurance Society "Folksam", have done the same. Last but not least, in the same week of October, two British institutions, the Cooperative Insurance Society in Manchester and the Cooperative Permanent Building Society in London have ceremonially opened two buildings which admirably represent their financial power and enhance their prestige.

The building of the C.I.S., the tallest office building in Europe, was described without hesitation by Prince Philip, Duke of Edinburgh, as an architectural wonder. It will hold the 3,000 members of the C.I.S. headquarters staff and the keynotes of its design have been the efficiency of their work and the comfort of their working conditions, as befits a cooperative organisation.

The new headquarters of the C.P.B.S. is a building which does not compare with the C.I.S. in magnitude. It is, however, admirably functional and includes a number of brilliant ideas in its planning and arrangements. Efficiency is not obtruded but tempered by the harmony of its interior fittings and decoration to which much excellent craftsmanship has been devoted.

Finally, it may be said that if the effect of these buildings is to convey to the public an impression of the economic and financial power of the cooperative movement.

that is a by-product rather than a main objective. The buildings represent the best solution of the problems imposed on both societies by their own development. The reputation of both in their respective spheres stands very high and no one dare set limits to their possibilities of growth in the future.

F.N.C.C. Jubilee

The festivities arranged by the French National Federation of Consumers' Cooperative Societies to celebrate its 50th anniversary made a happy occasion in which the officers of the I.C.A. and delegates from more than a dozen European cooperative movements, besides cooperators from other branches of the movement, as well as representatives of affiliated societies from all parts of France, took part. On the morning of the 29th September, many hundreds assembled in the great conference hall of Unesco with president Marcel Brot in the chair, to hear the Minister of Labour, Mr. Gilbert Grandval, describe the National Federation and its affiliated enterprises as one of the great bastions of economic democracy and liberty in our contemporary civilisation. He recalled the great achievements of the federation in the field of education and in the field of national economic policy, where its representatives on various authorities had made contributions of the utmost value from the Government's point of view.

Mr. Brot himself, in a review of the development of the federation, described its establishment as a great turning point from which the movement had gone on to achieve great things. Today the movement had strong regional societies throughout France, so that 1962 also marked a notable turning point. It would not have been an address by Marcel Brot if he had not added a warning to safeguard the democratic character of the societies and an appeal to the cooperators in the different regions to give a new accent to that popular education which is the very foundation of cooperative life. He struck the same note in speaking of the action of the movement in the developing countries, emphasising that while co-operation was a method of raising economic standards, it also served to provide fundamental education for its adherents as citizens.

It was the privilege of the writer, in presenting the greetings of the I.C.A., to recall that among the founders of the federation and signatories of the Pact of Tours

which gave birth to it, were militant leaders of international cooperation, who set their mark on the alliance and its policy nearly half a century ago.

Manager Training in Austria

An opportunity of assessing the results of the system of manager training adopted by the Wholesale Society G.Ö.C. was given recently through the termination of the first one-year course. It will be recalled that the impulse was originally given by a special conference of the Consumers' Cooperative Societies when a remarkable paper was presented by general director, Andreas Korp, who later opened the discussion of management training in the I.C.A. central committee.

One of the objects in view was to ascertain what could be done with candidates chosen from among the movement's own employees. The first move came in August, 1960, when the Consumers' Societies training school at the "Hohe Warte" in Vienna included in its programme a two-month preparatory course for potential managers and followed it in 1961 with a course in business management of about the same duration.

In the autumn of 1961 the G.Ö.C. came into the picture by choosing a small group of employees, mostly store managers, for a course in which theoretical studies alternated with practical training. The participants were chosen on the basis of a number of tests and personal interviews. The first period of the course was spent at the "Hohe Warte" in studying general principles of economics, business management and cooperative organisation. The first practice period, also about two months in duration, was taken in the distributive departments of the G.Ö.C. Then followed a longer period of comprehensive theoretical studies in various aspects of management, much of the work being conducted on the case method. The related practical training was concerned with special problems of retailing.

A third period of theoretical studies was complemented by practical exercises in which the students were set certain problems they had to solve individually. About three weeks in September, 1962, were spent in summing-up and revision through the application of what had previously been learnt to the solution of more difficult problems involved in the re-adjustment of the movement to contemporary conditions. A Unesco study tour enabled the participants to study the organisation and

methods of the Swiss Consumers' Cooperative Movement in comparison with their own. At the conclusion of the course all 9 of the participants were given posts in the movement's distributive system, 5 in the consumers' societies, and the remainder in the G.Ö.C.

Jack Bailey

About the time that these paragraphs appear in print, Mr. Jack Bailey will be retiring from the secretaryship of the Cooperative Party after 20 years' service in that office. The party is a unique institution and in its whole history has had no more than two secretaries. Such continuity is a great advantage for any organisation which occupies so peculiar a position and which is subject to such various influences as the party. Its secretary needs not only a politician's flexibility and a high degree of diplomatic finesse, but also organising ability and a firm grasp of the cooperative movement's true principles and objects.

Mr. Bailey has known how to establish the case for independent political action by the cooperative movement in Great Britain, not only on its claim for representation as a powerful economic interest, but on its mission to promote, in the contemporary world, the acceptance of certain ideals of social organisation to which the national and international political structure should correspond. Beset on the one side by cooperators not reconciled or reconcilable to cooperative political action and on the other by politicians who would brook no kind of rivalry with the Labour Party, Mr. Bailey has nevertheless created opportunities for the Cooperative Party to play a constructive role and to exercise real leadership, particularly in regard to the defence of consumers' interests and the solution of social problems, such as housing, on which even Labour opinion was at one time not very enlightened.

More than that, Mr. Bailey has rendered inestimable service in lifting the views and action of the party out of that insularity to which British politics are prone. Many a representative of a people struggling for self-government and independence in a distant continent during the last 20 years has found a welcome and sympathetic understanding in his office. Perhaps he will find, in the freedom from daily administrative responsibilities which he will enjoy from December 1962 onwards, opportunities to visit the countries to whose liberation he has lent a helping hand, voice and pen.

Australian Fiji Exchange

An indication of the steady progress made by cooperative training for Australian aborigines is the news that a cooperator from the Nambahging Cooperative Society in New South Wales has gone to the Fiji islands to obtain wider experience of the movement at village level. At the same time a Fijian cooperative leader is being selected for work in Australia among the aborigines. He will teach classes in cooperation at Government and mission stations as well as amongst the aborigines in their reserves and communities in Queensland, South Australia and New South Wales.

In order to assist the Nambahging Society to develop the marketing of sugar cane, pineapple and other crops, the Government of New South Wales has guaranteed advances up to £3,000 from the Commonwealth Bank in order that cultivators can be paid subsistence wages until their crops are marketed.

The training at the Tranby School continues to develop, the last course being arranged with the Department of Tutorial Classes of Sydney University. According to the latest information from the Rev. W. A. Clint, the school building is being extended to accommodate an additional 12 students. His society, the A.B.M. Cooperative Ltd., which acts as promoter, adviser and supervisor, will most likely be reorganised in the near future and its name changed to Cooperative for Aborigines Ltd.

A President's Confession

At the first National Cooperative Congress of Tunisia, held in May last, President Bourguiba presided at the opening session and delivered a remarkable inaugural address of which the following was not the least remarkable passage:—

"I should say that before coming to power, I had myself somewhat hastily formed views on the problems of Cooperation. I had in fact discussed them in some of my writings. But when I bore the responsibilities of government, these problems appeared to me in quite a different light and acquired an importance for me that I had not even suspected. For, over and above these purely agricultural, commercial or industrial objects, Cooperatives are inspired by moral and social principles."

The moral and social principles underlying cooperation and the necessity of changing people's attitudes from individualism to self-restraint and loyalty to colleagues and neighbours formed, in fact, the main theme of this address which testifies as much to the statesman-like vision of the President as to his refreshing candour in admitting his earlier misconceptions about cooperation.

W.P.W.

THE UN DEVELOPMENT DECADE AND THE ICA HOUSING COMMITTEE

By Dr. Marcel Boson,

I.C.A. representative on the Economic and Social Council.

THE thirty-fourth session of the UN Economic and Social Council (ECOSOC) was held at Geneva from July 3 to August 3, 1962. The agenda comprised 30 items.

The council studied the annual United Nations survey on the world economic situation, a report on the economic and social consequences of disarmament, measures designed to stabilise international commodity markets, and proposals for the expansion of UN activities in the field of industrial development.

In addition, a number of items on the agenda were concerned with the programmes of the various United Nations organisations in the economic and social fields and in that of the rights of man. The reports drawn up on these items dealt with the progress of technical assistance programmes implemented by the UN and its specialised agencies, the activities of the United Nations Special Fund, the proposals concerning the use of voluntary workers (OPEX), not forgetting the periodical reports of the High Commissioner for Refugees, the regional economic commissions, and the council's technical commissions.

The Development Decade.

However, the item on the agenda which dominated the work of ECOSOC and its committees throughout the sum-

mer session, was item 4: the United Nations Development Decade. The Secretary-General opened the discussion of this item by declaring that he was convinced that this programme was of such importance that, if dealt with resolutely and from a broad point of view, it could make the 34th session of the council a historic meeting.

Proposed by President Kennedy on September 25, 1961, and unanimously approved on December 19, 1961 (Resolution 1710), the Decade is not only an appeal to governments to increase their social and economic investments, but also a development plan intended to guide the activities of the family of United Nations institutions.

The Secretary-General stated that during the Decade the total resources of the United Nations in the field of pre-investments and technical cooperation (including the activities of the Special Fund, but excluding special actions such as the civil operations in the Congo) should increase annually by 25 million dollars, from the level—not yet reached—of 150 million dollars for the year 1962. The training of skilled staff, which is an essential condition of success, should be accelerated; 20 million dwellings had to be built annually during the Decade in the developing regions where an increase of 50 per cent in food resources also would be needed. Expenditure on public health must be

doubled in these countries, and by the end of the Decade expenditure on education should represent 4 per cent of the national income. In order to attain these objectives, progress in the field of international trade was necessary. Furthermore, the object of the United Nations Conference on the application of science and technology which is to be held at the beginning of 1963 in Geneva, is precisely that of determining existing possibilities and of stimulating effort in the direction of development.

ECOSOC noted the proposals contained in the Secretary-General's report, but in its long resolution on the United Nations Development Decade it prudently abstained from recording the objectives in terms of figures, as reported above.

The housing problem.

Of these objectives, that of housing and urban development is of particular interest to the International Cooperative Alliance.

At its 32nd session (July-August 1961, at Geneva), the Economic and Social Council invited the Secretary-General to convene a special group of experts on housing and urban development to study the importance which should be given to housing, collective amenities, and urban development in general, social and economic development and regional planning, and to formulate recommendations in this connection.

At its meeting in February, 1962, at the UN headquarters, this special group of experts drew up a very comprehensive report which formed the basis of the discussion of the Social Affairs Commission during its 14th session, which took place from April 30 to May 11 in New York. During the debate, the commission drew attention to the enormous

social and economic problems emphasised by the experts; problems which arose out of the fact that half the population of the developing countries of Africa, Asia and Latin America were not adequately housed, that the large towns did not have satisfactory water supply and drainage systems and that squatters' districts, shanty towns and other makeshift accommodation were becoming more and more numerous.

Furthermore, it was noted that between approximately 1960 and 1975 the population of these continents would be doubled and that the ensuing situation would demand, from 1965 onwards, the construction of some 24 million dwellings per annum. It would also be necessary to provide the corresponding community services, including public services, roads, transport, while at the same time maintaining productive activities and building at the level required to provide the employment estimated in national development programmes. It was recalled that the experts had stressed the necessity of avoiding uncontrolled, haphazard urban development and that, consequently, physical development plans, both regional and urban, establishing a rational system of land settlement, land utilisation, land evaluation, population settlement, and distribution of economic activity had to be adopted right from the start. The experts also recommended numerous measures for the mobilisation of national resources, including those of a non-monetary nature such as manpower and raw materials, for the use of individual and group savings and for the development of the building and building materials industries.

On the whole, the commission felt that the experts' report constituted a first-class analysis and guide in the es-

sential field of social and economic development. The solutions recommended for dealing with the problems studied were generally considered to be clear and rational.

As regards the creation, within the framework of the United Nations, of a new permanent body to deal with housing problems, construction and planning, the members of the commission expressed divergent views. Finally, the commission approved a draft resolution to be submitted to ECOSOC entitled: *Housing and urban development: the formation of a committee of the Economic and Social Council responsible for housing, construction and planning.*

This draft resolution, as well as the report of the Social Affairs Commission, was discussed during the opening debates by the Economic and Social Council at its last session. Then the council itself voted the proposed resolution by 14 votes to none, with 3 abstentions (Poland, United Kingdom, USSR) to form a Housing, Construction and Planning Committee responsible for housing, the related collective amenities and physical planning, composed of 18 UN member states, elected by the council on the basis of equal geographical distribution, and with balanced representation of developing and industrialised countries. The members of this committee are to be appointed by the governments in agreement with the Secretary-General, in order to obtain, as far as possible, even representation of the necessary technical knowledge in housing, construction and urban development. A third of the members are to be renewed by ballot each year, but their mandate after the initial period will be three years. UN member states are invited to present their candidates before November 1, 1962.

The position of the Alliance.

In making this decision, the Economic and Social Council has taken a step in the direction advocated for many years by the Alliance and other non-governmental organisations, particularly the trade unions. Indeed, the view of the fact that housing is hardly less vital a need than food and health, and prompted by the views of its own housing committee on this subject, the Alliance has continued to advocate the creation of a specialised institute for housing. Although convinced that this was the best solution, the Alliance nevertheless welcomes the proposal to form a Housing, Construction and Planning Committee.

This was also the opinion of the president of the Economic and Social Council, His Excellency, M. Jerzi Michalowski, the Polish Ambassador, when he said during his closing speech that the council had made important decisions concerning the programmes and structure of the United Nations on another very important aspect of economic and social development—that of housing, construction and planning. The urgency of the housing problem, in view of the rapid increase in the world population, should ensure it a place of primary importance in the Development Decade. The main object of the new mechanism created by the council was to strengthen the contribution of the organisations concerned in the United Nations, particularly the regional economic commissions and the competent specialised institutions, to the development of national housing and planning programmes and to facilitate technical and financial assistance to help solve the immense problems presented by housing and urban development in the developing countries.

Obituary

JOHN A. HOUGH. The numberless friends of John Hough in the International Cooperative Movement will find a special poignancy in his sudden death on Monday 29th October. He had planned to retire from his post as Research Officer of the Cooperative Union at the end of this year, but he was destined never to retire. After a day at his office, he was on his way to the train which usually took him home, when he was taken ill and died in the station.

John Hough had served the Cooperative Union for thirty-two years. His first job when he left school at 14 was with a local retail cooperative in Cheshire, but he left it for the chemical industry and in 1926 entered Manchester University to study commerce. He returned to the Cooperative Movement in 1930 as personal assistant to Professor Fred Hall, Adviser of Studies to the Cooperative Union. It was this experience which made him equally conversant with Cooperative economics and Cooperative education, a qualification of which the International Cooperative Alliance was later to take full advantage.

John Hough began to make his greatest contribution to the British Cooperative Movement's knowledge of its own problems and its power to analyse them when he took charge of the Cooperative Union's Statistical Department in 1936. This department which had previously concentrated almost entirely on producing the tables appended to the Annual Congress Report, he developed into an information and research service which was constantly probing into the reality of the business situation only partially revealed by Societies' reports and balance sheets. The high quality of his work was demonstrated by the Economic Survey he made of the Movement and submitted to the Scarborough Congress of 1938. It is scarcely too much to say that, if that report had been studied and heeded as it merited (and as the Movement's situation demanded) other more notorious reports need never have been written. But John Hough's fate was not unlike Cassandra's; to utter true prophecies to deaf ears and closed minds.

Yet as the years passed, his work received increasing recognition and his authority grew. Manchester University granted him a second M. A. degree for economics, as well as his original degree in commerce. His degree thesis on "Cooperative Retailing, 1914-1945" received in 1948 the first award of the I.C.A. Jubilee Prize. The British Government, when it required Cooperative advice and experience on clothes rationing, the purchase tax and the regulation of prices, recruited him for its committees, and in 1955 decorated him with the Order of the British Empire in recognition of his services before and after the second World War. The British Council, whose mission is to make the culture of the United Kingdom more widely known in the world, commissioned John Hough and Edward Topham to write a brochure on the Cooperative Movement in Great Britain, which has been translated into a score of languages.

In John Hough the International Cooperative Alliance mourns one of its best friends in Britain whose help was always forthcoming when needed. During the second World War his knowledge and advice were given freely time and again to the I.C.A. Secretariat in conferences on Co-operative development in the post war era. In the 1940's and 1950's

he directed two International Co-operative Schools for the Alliance and lectured at several others. He played an active and constructive role in the Committee for the Rationalisation of Distribution, set up by the Copenhagen Congress of 1951, which preceded the present Auxiliary Committees on wholesale and retail trade. He was a member of the British productivity mission which studied retailing in the U.S.A. and made a great contribution to its final report.

When the I.C.A. began to bring together in annual meetings the economic information and research officers of the national Cooperative Unions, Hough gladly placed his wisdom and experience at the disposal of his younger colleagues, most of whom were attending international meetings for the first time. His attendance at the economists' meeting at Stockholm last August was deliberately a farewell appearance, but no one there imagined that it would be for ever.

Everywhere Hough's complete intellectual honesty, his insistence on the precise and accurate statement of statistical and other facts, his reluctance to draw any conclusion going beyond what the facts warranted, made him the most reliable of colleagues. But over and above this, everyone enjoyed working with him because of his broad human sympathies, his approachability, friendly disposition and readiness to share his knowledge and help forward the work of the Cooperative Movement on all levels, local, national and international.

OTTO ZELLWEGER. A member for 22 years of the Board of the Swiss Cooperative Union V.S.K. and a Cooperator who gave altogether 50 years' service to the Cooperative Movement, Mr. Otto Zellweger died on the 27th September at Basle at the age of 77. Most of his activity in the V.S.K. was concerned with its central administration of which he was first, secretary and later, director. He was in fact a member of the remarkable team, led by Dr. Bernhard Jaeggi and including Dr. Oskar Schär and Mr. Maurice Maire, which endowed the V.S.K. with the structure and character which it still possesses today. Mr. Zellweger's official position brought him into touch with the International Co-operative Movement in a multitude of ways. He was a familiar figure in V.S.K. delegations at innumerable international and national congresses. He enjoyed a vast international acquaintance, yet was at the same time an active participant in the social and philanthropic institutions created under the aegis of the V.S.K., notably the Freidorf settlement where he continued to reside after his retirement in 1962.

HANS-JÜRGEN SERAPHIM. One of the best-known among the group of German economists passionately devoted to Cooperation, Professor H. J. Seraphim met his death in a road accident on the 11th September. He was 63 years of age. He will be chiefly remembered among a wide circle of students of Cooperation, which include many more countries than Germany, for the leading role he played in the foundation of the Institute of Cooperative Studies at the University of Münster, Westphalia, in 1947. Supported by enthusiastic colleagues and assistants, he developed the work of the Institute not so much on academic and theoretical lines, as in the direction of the solution of practical problems of Cooperative extension, especially in relation to agriculture. The close collaboration between the Institute and the German Raiffeisen Union was especially fruitful and mutually advantageous.

Professor Seraphim travelled widely on both sides of the Atlantic and brought the results of his first-hand observation into his lectures which were always stimulating, often brilliant, if less often absolutely convincing. The reality of his belief in Cooperation however, is demonstrated by his influence on his students. The large proportion of those

who studied under his direction who have found their way into leading positions, administrative, commercial, educational, in the Cooperative Movement, gives the assurance that his influence was powerful and good and will endure.

OLOF ENG. The late Secretary of the I.C.A. Committee on Retail Distribution died suddenly last September at the early age of 49. His first employment as a young man had been with the great Stockholm department store PUB. After doing market research in Australia he joined the staff of K.F. From 1952 he was appointed commercial secretary at the Swedish Consulate in Chicago, but returned to K.F. in 1956. He was appointed secretary to the newly formed Committee on Retail Distribution in 1959 and worked with energy and great enthusiasm to develop its system of working parties and special conferences for the exchange of ideas and experience on different branches of trade, winning the respect and friendship of all who collaborated with him. W.P.W.

A new Aspect

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THE REVIEW OF INTERNATIONAL COOPERATION

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COOPERATIVES HELP EASE HOUSING SHORTAGE IN JAMAICA

By Hebe Spaul

ONE hears a good deal in Jamaica about the housing shortage and the high rents charged for accommodation. It is this shortage that accounts for the growth of the shanty town near Kingston's dockside, in which large numbers of families live in terrible squalor. It was, therefore, encouraging, during a visit just before the island became independent, to discover that there were two cooperative housing societies which were tackling the problem in a serious way.

In Kingston the Waltham Land Purchase and Housing Cooperative Society Ltd. has about 1,500 members, grouped into ten different areas. The society came into existence about three years ago as the result of an eviction order which a number of tenants had to face. The case was a somewhat notorious one and it was alleged that the tenants had been seriously exploited by the landlord. The matter was taken to Court and the tenants banded themselves together to defend their rights. Having worked together in this way they decided to take matters a step further and to form a cooperative housing society. Their first venture was to purchase 121 houses. At the time of my visit families were already settled in them. The great majority of the houses—107 altogether—were two bedroom units, each costing £1,500. The remainder were three bedroom houses, costing £2,580 each.

I was invited to attend an area meet-

ing of the society at which important decisions in regard to further developments were taken. The meeting was held at night and the members, both men and women, were summoned by drum beat. The place of meeting was a shed-like hall, the property of the society, and which was close to its offices.

Self-help Technique

The secretary reported in some detail on negotiations he had been carrying on in regard to two properties. These consisted of two building plots, each of approximately four acres, on which it was proposed that the society should erect its own houses. One of these plots was valued at £11,000 and the other at £4,800. On one it was proposed to build thirty-two main dwellings and on the other eighteen. After a certain amount of discussion the members approved the purchase. When on another occasion I talked of this proposal with the Chief Cooperative Officer, he told me that it was quite likely that the houses would be erected by the use of self-help technique.

In regard to their first purchase the members were faced with the problem that the houses were more than a mile from the nearest shops. They, therefore, decided to convert one of the houses into a shop and open it as a consumer society. This was done in December 1961, the share capital being £900. One of the cooperative officers expressed the opin-



In a Jamaican shanty-town

ion that the members had rather rushed things and, because insufficient consideration had been given to a study of cooperative principles as laid down in the cooperative law, the society might find itself in difficulties. The members, however, from what they told me, are satisfied that the store is meeting a real need. They informed me that £1,500 worth of goods are sold every month. These goods are purchased through the Cooperative Union in Kingston. Their ambition is to build a cooperative super-market and to this end to purchase one of the plots in an adjoining business area. The society had been responsible for the establishment of the first telephone booth in the area. A credit union has already been formed. The society has its own cooperative choir with forty singers and hopes one day to have its own cooperative theatre. A class in plumbing is being formed because there is a shortage of skilled plumbers. Moreover, if the society can call upon its own members for such technical help they foresee it will be to their financial advantage.

It is worth noting that the members of this society, like the majority of Jamaicans, are deeply religious and the meeting that I attended, as was customary, began and ended with prayer and the singing of the hymn, "From Greenland's icy mountains."

Water and roads needed.

The other Jamaican housing society is in Montego Bay, in the north of the island and is of more recent development. It is the Montego Bay Cooperative Housing Society Ltd. and has about 130 members. The share capital is £4,000. Their purpose is to develop twenty acres of land. The society has

had it surveyed and a scheme has been drawn up which has been submitted to the Government for approval. A number of difficulties will have to be overcome before building operations can be begun. The main problem arises out of the water supply. It will be necessary to put a reservoir on top of a hill above the estate. A road will have to be constructed but the Society believes it will be possible to use the stones from the hill where the reservoir is to be built as ballast for the road and so to cut down expenses. America has made a grant for an all-island water supply and the society hopes that it will be able to get help for the construction of the reservoir from this source. As to the piping of the water to the houses it is proposed to build, the Society anticipates receiving Government aid for this.

In regard to the development of the site, which is a little outside the town, the intention is to build seventy houses. Most of these will be either two or three bedroom houses but there will also be a few bigger ones. The members of the society will purchase on a mortgage basis spread over a period of twenty years.

Although these are the only two housing societies in actual operation, there are, I was told by the chief cooperative officer, several others under development. One had the impression that these members of housing cooperatives were not lacking in determination or enterprise. They may, in fact, be tempted to do too much too quickly. As more than one cooperative officer told me, one of the great needs of the movement is more cooperative education, not only at the top but at all levels. This would be the most effective way to ensure that the foundations of any of these enterprises are well and truly laid.

THE CONSUMER AND THE COOPERATIVE IMAGE

by L. Stettner.

Cooperation in Need of an Image

THE consumer cooperative movement is searching for an appeal, a banner, motivation or impetus to attract new members, something to differentiate co-ops from other retailers. The strength of the movement depends on membership, and the key to expanding membership is a sharp, distinctive image. The old appeals are faded and have lost their effectiveness. In a changed and still changing economy they have lost their validity and their drawing power, and so far no successful replacement has been found.

Ideological fervour has largely disappeared from the cooperative movement. In the past many militant members were motivated by a vision of transforming society through a process of extending cooperative production and distribution as a form of social ownership. A more modest variant of this dream was for cooperation to achieve such a dominant position in the economy as to exercise a "countervailing power" that would automatically check many of the more serious economic abuses. With their eyes on this goal, many members were capable of a marked degree of loyalty and current sacrifice, in the hope of reward in the more distant future. By now, however, the vision is largely dissipated, or replaced by contemporary pragmatism. Expansion of the movement has been too slow and the obstacles in its path too stubborn to sustain faith in the

feasibility of altering the structure of society in this way. Moreover, economic affluence has made many question the need for such basic reform. Economic "isms" are no longer popular; most people are too busy being prosperous to be concerned.

To some extent the *dividend* used to provide the impetus. Cooperatives are owned by consumer members, and profits go to them in the form of dividend rather than to shareholders as in non-cooperative firms. Thus the dividend provided concrete evidence of material benefit, as well as a symbol of the fundamental distinction between cooperatives and other distributive outlets. But the symbol has tarnished and has lost its magnetism. This is partly because in most cases dividends are so low, that they no longer make much of a difference to the consumer's budget. Even more it is because of the prevalence of competitive price-cutting among the newer forms of retailing—chains, supermarkets, discount houses—and the resulting growth of price-consciousness among consumers. In many cases these prices have not been matched by the cooperatives, even taking dividends into account; in any case, a daily refund in the form of cut prices seems to have a greater appeal than an annual or semi-annual dividend. Theoretically it should be possible for cooperatives to match competitive prices and still pay a dividend representing the profits which

multiples and supermarkets pay to shareholders. But to do this they must be equally efficient, modern, large-scale and convenient. This requires large investment programmes, which may necessitate keeping dividends low, at least temporarily, in order to finance expansion and modernisation.

The whole answer cannot be found in a shift of emphasis from ideology to distributive efficiency, i.e., growing efforts to make cooperative stores just as efficient as competitive retail outlets. This is imperative for the survival of the movement, but it will not provide the extra lure necessary to attract new members. There is nothing about the image of an up-to-date, cut-price self-service supermarket cooperative to differentiate it from any of the other streamlined supermarkets which are springing up daily. By this standard—which in many cases is far from being achieved—the co-op is just another store, and the co-op member just another customer.

Consumer-Oriented; the Original Concept in Modern Garb

There is a growing core of opinion within the movement that the key to membership appeal lies in stress on service to the consumer—on constant reiteration and implementation of the formula that cooperatives offer “consumer-orientation instead of profit-orientation in everything we do and say”. 1) This general idea has been expressed in a

1) *Cooperative Communications and Cooperative Growth*, report of the Cooperative Communications Committee representing the Canadian Federative Co-operatives Ltd., Interprovincial Co-operatives, Western Co-operative College, and the Co-operative Unions of Manitoba and Saskatchewan.

number of recent discussions. 2) But it is not a new idea; the same words might well be used to describe the underlying theme of the original Rochdale principles.

Before discussing the modern implications of such an appeal, it should be noted that there are many, both within and outside cooperatives, who reject the movement's special claim to represent the consumer. It is pointed out that the majority of consumers are not now, and are not likely to become, cooperative members. The motivation of cooperative officials is identical with that of non-cooperative distributors—to provide efficient distribution at minimum cost, and their interest in pleasing customers is no greater and no less than that of their competitors. Indeed, the argument continues, the commercial interest of co-operators in producing and selling at a profit independently of how the profit is distributed may well conflict with their interest in consumer welfare, precisely as in the case of other commercial concerns; hence the need for disinterested consumer representations, that is, for consumer organisations not directly involved in production and distribution.

To counter this kind of defeatist thinking, cooperative spokesmen ought to emphasise—loudly, clearly and repeatedly—that they have every reason to pose as champions of the consumer. Their record entitles them to this role; for example, their contributions in comparative goods testing, in pioneering with supermarkets, in channelling profits to consumers, in combatting monopoly pricing, and in effective lobbying for consumer protection legislation on

2) See for example various issues of *Co-operative News*, *Der Verbraucher*, and Jean Lacroix and François Custot: *Le Consommateur face au Progrès Technique*.

pure foods and drugs, labelling, packaging, and weights and measures. Also, they bring to the task certain natural advantages not available to other consumer organisations, for example, their long and intensive experience in consumer affairs and in goods testing, and their unparalleled opportunities for close contact with consumers in the shop, in cooperative meetings and social activities and through the cooperative press. Not only is the "conflict of interest" suggested above fallacious, but it should actually be turned around; it is precisely because cooperatives are in the distributive business that they are more likely to appreciate the needs of consumers, indeed their purpose in going into this business was to ensure that consumers—themselves—would be better served. For non-cooperative distributors it may be good business to mislead the consumer or to skimp on service or quality in order to maximise profits, but for the cooperative the most successful operation is that which maximises value received for money. And because the cooperative is actively engaged in assessing and meeting consumer wants, it is in a better position to represent the consumer. "Because we are in the train, shall we be denied the right to discuss the timetable, comfort, etc.? Is this right reserved to those who do not travel or who go by car?"³⁾ Finally, there is no room in the field of consumer representation for jurisdictional conflict; the more representation there is, the more effective it is likely to be. The need for consumer protection and information is so urgent and the scope and variety of the required action so vast that all available efforts should be welcomed. Consumer cooperatives and non-cooperative

consumer organisations can complement and help each other, through exchange of information, mutual dissemination of results of product tests and of special surveys and investigations, coordination of lobbying efforts in support of consumer legislation, and joint representation on higher-level consumer and economic organs or government bodies.

An Action Programme

What does "consumer-orientation" imply in terms of concrete activities? In general, there are two levels of activity on which the cooperatives can stress the consumer motif.

a. Auxiliary Consumer Services

One of these embraces the kind of auxiliary group programme that can be undertaken by dynamic consumer-conscious cooperative members. These include local surveys of shopping facilities and services, comparative prices, and availability of tested and highly-rated brands; investigations and warning publicity on local or national situations disadvantageous to consumers, such as high interest charges, unduly low trade-in values, unscrupulous door-to-door selling, and the high cost of drugs; internal consumer education programmes, including informal discussions, lectures, seminars, demonstrations, "shoppers' schools" and consumer articles and news items in the cooperative press and, finally, cooperation and exchange of information with other local, regional and national consumer groups, for example by disseminating the results of comparative goods tests and by joining forces for effective consumer representation at all levels of government and effective lobbying on legislative issues of importance

³⁾ Jean Lacroix, *op. cit.*, p. 36.

to consumers. This kind of grass roots pressure is vitally important in view of the many areas in which consumer protection must be provided through legislation, for example, food and drug controls, deceptive packaging, labelling and advertising, weights and measures, air and water pollution, resale price maintenance, hire purchase regulation and monopoly legislation.

All these areas of activity presuppose membership participation, and organisational structure for channelling these efforts. One obvious nucleus for such participation are the women's guilds associated with local cooperative societies. It has been suggested that consumer groups should be formed in each cooperative society, and should enlist the help of the women's guilds, but that these groups should be distinct from the guilds with clearly enunciated objectives and structures of their own, enabling them to cooperate, from the local level up, with consumer groups organised on a broader scale. "One could imagine the functions of a cooperative consumers' group as being those of an avenue of information from the society's organisation to members and vice versa . . . Once a group of this kind was established it would probably develop into one of the most important tools of good member relations".⁴⁾

In the United Kingdom several local consumer groups have recently been established. The work of the Bristol Co-operative Society was described in Consumer Affairs Bulletin No. 3. Non-cooperative local consumer groups and "consumer protection brains trusts" have been sponsored or assisted by the Consumer Advisory Council and Consumers' Association in a large number

of communities; their activities include discussion groups, publication of newsletters, complaints exchanges, protests to Public Health inspectors, listing of shops carrying items recommended by *Shoppers Guide* and *Which?*, surveys of comparative prices, prices of packed versus loose goods, and of various services such as dry cleaning and laundries, taxis, car repairs, window cleaning, fitting of children's shoes, appliance repairs and motoring schools.

These auxiliary consumer services have significant potentialities. At the same time, however, it must be recognised that they are subject to a very definite limitation in the form of member apathy. These activities require volunteer service by members, but in cooperative societies, as in any voluntary organisation, there is only a minority, who are willing and able to participate in meetings, study courses and surveys or who are sufficiently motivated even to inform themselves through reading. This is perhaps particularly true with respect to consumer problems; precisely because everyone is a consumer, it is more difficult to appeal to the consumer through special or class interests, or to stimulate militancy by setting him off in opposition to some other group. The modern consumer is too busy, too sophisticated and too pragmatic to respond to appeals to his loyalty, sense of duty or anything that hints of interference, crusading or additional claims on his time.

b. Serving the Consumer on the spot

Hence a more fruitful approach to genuine member interest is to identify cooperative objectives with real consumer needs, i.e., to appeal to the shoppers' preoccupations as a consumer by

⁴⁾ David Lazell, *Cooperative News*, June 9.

offering him tangible extras in the way of price, quality, service, information, convenience and protection. This is the kind of approach that can best be made on the premises in the course of the shopping situation.

The possibilities have been clearly visualised and aptly stated in the report on *Cooperative Communications and Cooperative Growth* prepared for the Canadian cooperative movement as a contribution to the problem of determining "how consumer cooperatives might do a better job of bringing the message of cooperation to co-op members and to the consuming public . . . What we are looking for is a way of communicating the meaning of cooperation day in and day out, so that the difference between cooperatives and profit enterprise business is clearly understood. In short, we are looking for a daily image of cooperatives . . . But we are not merely interested in creating a distinctive image just for the sake of appearing different. The co-op image should also be one which serves the genuine needs of consumers, for the most effective way for cooperatives to communicate with the public is to demonstrate that they are filling real needs."

Concrete measures for implementing such a programme are legion. Many are services that cooperatives already are offering; the point is to make the customer aware, through publicity and appropriate presentation, that these are "extras" which non-cooperative distributors do not find it profitable to offer. They include competitive prices, quality (via testing programmes, purchasing controls, product guarantees and complaints procedures), service (friendliness, personal attention, variety of choice, convenience, and extra services like cre-

dit and delivery for those who want it), integrity (accurate weights and measures, labelling, goods descriptions, ethical pricing practices, no gimmicks, no discrimination between customers, genuine trade-in allowances and adequate complaints procedures), social activities (special exhibitions, clubs, teas, teenage dances and other programmes designed to enlist active and spontaneous member participation) and information.

It is probably in this last category of information—that is, guiding the besieged shopper through the modern "merchandise jungle"—that the consumer cooperative can make its most valuable contribution to consumer interests. This can be done in a variety of ways—through informative labelling, grading, descriptive bulletins, flyers and news items on current bargains in the cooperative press, demonstrations and fashion shows, "best-buy" displays, in-store advisory services, special shopping services (for Christmas, weddings, etc.), information on comparative prices per unit of competitive brands, advice on preparation of cheaper meat cuts, choosing appliances and interior decoration, and customer surveys designed to ascertain consumer demands.

These are only some of the many possibilities for meeting the genuine needs of consumers through daily store operations. But they serve to illustrate how "the co-op can provide the member with a daily refund, not in cash necessarily, but in extra service, extra concern for his needs, extra integrity and consumer protection, and the extra information he needs to make intelligent choices as a consumer".

NATIONAL CONGRESSES OF 1962

MORE technical training, the need for rationalisation, modernisation, a steady and increasing interest in the whole question of consumer education and protection, a continuing awareness of the evils of monopoly and the need to combat it, the question of entry into the European Common Market—these are among the salient points discussed, the problems to which national congresses this year have sought the answer.

Five French congresses covered a wide and diverse cooperative field. The National Confederation of Mutuality, Cooperation and Agricultural Credit (*Fédération Nationale de la Coopération, de la Mutualité et du Crédit agricole*) which held its 44th annual assembly in May, was particularly concerned with problems arising from the Common Market. The importance of the meeting could be judged by the fact that Mr. Pisani, the French Minister of Agriculture, himself presided over the closing session. Mutualists and cooperators traced the broad lines of an agricultural policy, and the General Report dealt with agriculture in relation to the Fourth Plan and the Common Market.

The plan was criticised for speaking "timidly" of cooperation, and the feeling was expressed that no real solution to agricultural living conditions had been found. There was much discussion on the economic and social factors involved in the implementation of a Common Market policy. Professional organisations were called on to take the ini-

tiative in defining a common agricultural policy and laying the foundations for its development. Group agriculture, said Congress, should be developed, and cooperatives needed to regroup at departmental, regional, and national level, to strengthen and rationalise their system of operating.

Confédération Générale des Sociétés Coopératives Ouvrières de Production

The 20th Congress of Workers' Productive Cooperative Societies, meeting in June, discussed the report of the committee set up to study legal and statutory reforms in the societies. The proposed changes were accepted, and Congress ruled that they be made effective. Another step to be welcomed and discussed was the establishment of a Development Society of Workers' Productive Societies. The importance of recruitment and training of cooperators was emphasised, particularly occupational training and further training in new techniques. Regional unions were asked to give effective assistance, and public authorities were urged to support the scheme.

The possibility of finding cooperative solutions to the problems of economically under-privileged regions, was noted by delegates, and a direction given to exploit all openings in this field. Congress expressed the hope that collaboration between French cooperatives and those in other countries would become closer, and that conditions of future technical and commercial cooperation between cooperative organi-

sations of the Common Market countries would be closely studied. It was stressed that the cooperative formula offered exceptional opportunities of finding positive solutions to some of the major problems of the day, and the workers' productive movement was urged to take every possible step to spread the knowledge, principles and methods of its organisation, not only in France, but also abroad.

Fédération Nationale des Sociétés Coopérative HLM.

The 23rd Congress of the National Federation of HLM Societies (Low Cost Cooperative Housing Societies) was held in June, and reviewed the work of HLM organisations during the year, and discussed in detail the main problems requiring a solution. They included ceiling prices, insufficiency of loans for home ownership, the housing of repatriates, and property tax. Several practical resolutions were adopted. With regard to land policy and town planning, it was proposed that the traditional regulations concerning property rights should be adapted to the common need, in order to curtail speculation. A special fund was suggested, through which HLM organisations could acquire reserves of land. Congress also asked that HLM societies should be fully represented on all bodies and institutions concerned with creating public utility zones; that the ceiling on individual deposits should be raised and assistance given by savings banks to the development of HLM building projects, be continued and increased.

Fédération Nationale des Sociétés Coopératives Ouvrières de Production

Concern at the deterioration in the

economic situation of the building industry was expressed at the 6th Congress of the National Federation of Workers' Productive Cooperative Societies for building, public works, and building materials, held in June. Though wages, the price of materials, and the size of dwellings had all increased, said Mr. Richard, the president, building prices had remained virtually the same. This had resulted in an increased productivity effort, but at the same time had produced a precarious economic and financial situation. Financial difficulties hampered research and the use of new techniques.

Resolutions passed by Congress embodied these points:—

That ceiling prices and the revision of building and public works markets were such that, for several years, employees in the building trades had been deserting the profession for more lucrative industries. The cooperatives could not survive unless staff wages were in harmony with those in other industries, and the only effective way of doing this was by a revaluation of costs and conditions;

That productive cooperatives should have normal representation on signatory bodies concerned with the collective agreements of building and public works enterprises.

Fédération Nationale des Coopératives de Consommation

The Congress of the French Consumers' Cooperative Movement, held in June, dwelt more on the broader questions affecting consumers, rather than on the immediate economic problems of societies. "The Consumer Faces Technical Progress" was the theme of a special report presented to Congress by Mr. J. Lacroix and Mr. F. Custot. It pointed out that the technical progress which contributed to man's happiness also had disadvantages and even dangers. The aim was to seek a way of achieving human progress through technical pro-

gress, to the benefit of all consumers. Mr. Lacroix dealt with the responsibilities of cooperators in a time of technical change, and Mr. Custot with the effects of technical progress on the health of the consumer.

The use of new techniques to meet consumer needs was recommended at the 1961 Congress, and the General Secretary, Mr. Degond, reported to this year's Congress on the remarkable increase in the number of self-service shops.

Two important resolutions were passed. The first reminded cooperative societies that consumer protection was the fundamental aim of their activity, and priority should be given to information and propaganda activities. More women's associations should be formed, and wider publicity given to the documentation of the Cooperative Laboratory, and to its activities. At commercial level, societies were urged to observe precise and clear labelling of goods.

The second resolution was addressed to public authorities, urging the stronger repression of abusive practices, stricter regulation of air and water pollution, and control of advertising, particularly in food products and the labelling of goods.

Swedish Congress.

The most important items on the agenda of the 1962 Congress of *Kooperativa Förbundet*, held in June, were the reports of the Administrative Council and the Board of Directors. These reports for 1961 show that the total membership of the Swedish Consumer Cooperative Movement is now 1,206,000 families. K.F.'s share of the total retail trade of the country is 15 per cent, and it accounts for 26 per cent of the food trade.

The year showed rising sales but a

decrease in the number of societies, due to amalgamations (522 societies in 1961 as against 592 in 1960). The number of shops decreased too, from 651 to 620, as a result of concentration into larger store units. Sweden's Consumers' Cooperative Movement owns over half the country's self-service shops and supermarkets—and this, in spite of great efforts on the part of private trade to rationalise their organisation by the adoption of such trading methods.

Both K.F. and the local societies had a good increase in turnover. Retail societies' sales reached Kr.3,643 million, of which 80 per cent was for foodstuffs. The largest of the societies—the Cooperative Society of Stockholm, with 206,000 members—had a turnover of Kr.786 million. The society embraces 853 shops and departmental stores; of the latter, the largest is PUB, with a turnover of Kr.121.5 million in 1961. Turnover for *Kooperativa Förbundet* reached Kr.2,564 million, and capital and reserves, including surplus, increased from Kr.419 million to Kr.441 million.

Both K.F. and the affiliated societies showed a marked improvement in their economic position; and membership, which went up by 28,708, had its largest increase since 1952. The movement has also made progress in the dry goods trade, much of which is concentrated in a national department store organisation which has 40 department stores all over Sweden. The stores belonging to the cooperative department stores organisation had a total turnover of Kr.203 million, and it was expected that this figure would be greatly increased during 1962. The movement's total dry goods trade in 1961 reached Kr.651 million—an increase of 28 per cent over the previous year.

In the educational field, the report showed that much attention is being given to the recruitment and training of people who will eventually fill important executive posts in the movement. A new idea has been the so-called evening schools—special study courses covering two years and based on material worked out by K.F.'s study group department. First tried in 1960, there are now 25 of these schools, and 20 of them have continued into their second year. They cater for two groups; those people wanting to become elected officials in a cooperative society, and those already elected to such posts.

FDB—Denmark

The Danish Cooperative Wholesale Society (*Faellesforeningen for Danmarks Brugsforeningen*) at its Congress in June, discussed the whole question of the future structure of the Danish Consumers' Cooperative Movement in the light of what will happen to it if Denmark enters the Common Market. The movement at present has nearly 2,000 societies with an average membership of only 250. It is obvious that a concentration of societies must take place, in order to meet the competition from strong European trusts. But how? Are the small societies to associate with a number of greater urban societies? Or should they accept a more centralised management within the FDB? Congress debated these points without arriving at any unanimous recommendation, and there will probably be a hard struggle before the idea of amalgamation is accepted.

Norges Kooperative Landsforening

The 29th Congress of the Norwegian Cooperative Movement, held in August, was an occasion for satisfaction. There

were no great controversial issues, no outstanding problems, but a record of continuing and increased activity on the part of the affiliated societies. The report gave news of up-to-date development of a chain of departmental stores, the establishment of a security fund for local cooperatives, and the entry of the cooperative movement into the Norwegian oil market. A survey of the year indicated that NKL is, if anything, better equipped than ever to meet consumer demands and tackle the fierce competition and the "unsentimental" economic climate of today.

The most important Congress decision was to change the basis for electing delegates to Congress. Previously, the ruling was one point for each society, and one point for every 1000 members. The new rule cuts out membership and stipulates that only the societies' purchases—one point for every Kr.250,000—shall be the basis for election of delegates.

Le Conseil Canadien de la Coopération

An increased budget, an observer at the Federal Government, and the completion of the organisation of the Secretariat, were the main points agreed at the 16th annual congress of the French Canadian Cooperative Movement (Canadian Cooperative Council) held in July. A mandate was given to increase the budget to meet the movement's expanding needs, and to tackle problems calling for cooperative help in wider fields. This includes a project to help the Eskimos, a campaign to raise \$50,000 to aid French minorities in Canada and other countries, and the intention to see each provincial Cooperative Council represented at the 1963 I.C.A. Congress.

Cooperative Union of Canada

Income tax and volume discounts for farmers were the chief topics at the 53rd Congress of the Cooperative Union of Canada, held in April. The question of volume discounts for members was the subject of a majority report brought in by a panel studying the purchasing of farm supplies. The report, which said the practice of offering volume discounts was acceptable, was unanimously approved by Congress. This was a sharp rebuff to the Saskatchewan Farmers' Union, which had been campaigning to prevent cooperatives offering volume discounts to their members.

Congress informed the four major political parties about the main needs for cooperatives, pressing for legislation on the following points: repeal of that section of the Income Tax Act which imposes a floor on the amount by which cooperatives and other businesses may reduce their surpluses by the refunding of patronage funds; federal legislation under which cooperatives may incorporate; study of government financing of cooperatives; and more aid to less fortunate countries and a broad programme of community development for Canada's Eskimos, Metis and treaty Indians.

British Cooperative Union

In Great Britain, the 93rd Congress of the Cooperative Union, held in June, was notable for its decision to reconstitute the Central Executive of the Union and work through three committees, thus making the executive responsible for coordinating all the trade advisory departments and giving affiliated societies a comprehensive trade advisory service covering merchandise, techniques, finance management, consumer trends, and development.

Mr. P. M. Williams, Congress president, stressed, in his inaugural address, the need for consumer service and protection, and congress itself discussed consumer needs and passed a resolution asking for high priority for legislation designed to safeguard the consumer. Another resolution expressing opposition to Britain entering the Common Market, was heavily defeated after a lively debate. Congress approved an amended resolution calling for the establishment of a committee to examine and report on the creation of a single federal organisation amalgamating the functions of the C.W.S., the Scottish C.W.S. the Cooperative Productive Federation, and the Cooperative Union,

Cooperative League of the U.S.A. Congress

Cooperators in the United States will have held their 23rd biennial congress by the time this article appears, but at the moment of going to press it is only possible to give a preliminary notice of this meeting of the Cooperative League of the U.S.A. The fact that the number of delegates exceeded the original estimate, so that a larger meeting place had to be chosen, is a good augury of the interest that representatives of affiliated cooperative organisations are showing in their congress, whose theme "Cooperatives in a World of Rapid Change" offers scope for plenty of realistic discussion. Among the speakers is Dr. W. W. Heller, chairman of the Council of Economic Advisers to the President, who will talk on current economic trends.

Brazilian Congress

The Brazilian Cooperative Congress held in March, was concerned with the study and revision of cooperative aims,

and the development of cooperative organisations in all sectors. Congress consisted of the meetings of six specialised committees, each of which discussed a specific branch of cooperation, passing on its recommendations to the assembly. The committees were concerned with education, rural electrification, cooperative credit, production, fisheries, and industrialisation, consumer cooperatives and cooperative and fiscal legislation. Some of their recommendations were the installation of a Government pilot scheme for intensive fruit production, the integration of producers' and consumers' cooperatives, the creation of a national cooperative bank, formation of rural school cooperatives, and substantial financial Government aid for rural electric cooperatives over a period of ten years.

Lega Nazionale delle Cooperative e delle Mutue

The main theme of the 26th congress of the Lega delle Cooperative e delle Mutue, held in February, was the necessity for strengthening and reforming the movement to make it a fitting instrument to oppose monopolies. Mr. Cerreti, the Lega's president, gave a comprehensive report covering every aspect of the movement's activities. He stressed the need for modernisation, and to attract the younger generation into membership. The important problem of Southern Italy he described as a most significant pointer to the fallacy of European prosperity and the "affluent society." Mr. Cerreti stressed the part that must be played by the movement at political level by pressing for funds to be channelled into cooperation in these areas; and at economic level providing technicians and training, in order to promote new cooperatives within the

next few years; and on the part of the Government, the stabilising of the trade programme and processing of agricultural products, and a policy of incentives to cooperatives in the south.

Associazione Generale delle Cooperative Italiane

Another, and fairly recent member of the I.C.A., the Associazione Generale delle Cooperative Italiane, held its first annual assembly in April, with delegates representing 1,050 out of 1,227 cooperative societies. Though the Associazione was formed in 1935, it was only officially recognised as the third national representative cooperative organisation by a ministerial decree of December, 1961. At the meeting, there was general agreement in favour of close collaboration between the three bodies, Lega, Associazione, and Confederazione. Among the proposals put forward by delegates were the creation of a cooperative credit institute, and of permanent schools for the training of cooperative leaders, and the introduction of cooperation into school syllabuses.

Swiss Cooperative Union

One of the major points discussed at the 73rd congress of the Swiss Union of Consumer Cooperatives, V.S.K., in June, was the new system of highly rationalised distribution which the movement is developing. The distribution centre at Wangen, opened in May, was the first big step in this direction. It will be some time before the central warehouse for foodstuffs and the chain of regional warehouses is completed. These warehouses, in collaboration with V.S.K., will create an effective instrument for the supply of goods to cooperatives.

Cartels were under fire, and the pre-

sent Federal draft law on cartels was discussed by congress. V.S.K. feels that the law is neither severe enough nor precise enough.

The problem of European integration and the cooperative movement has been discussed many times by the various bodies of V.S.K. As a member of EFTA (European Free Trade Association) Switzerland is obliged to face the problems of joining the Common Market. In view of her traditional neutrality and the fact that the Common Market represents a political as well as an economic union, the negotiations envisaged by V.S.K. are likely to present many difficulties.

The need for cooperatives to adapt themselves to present day needs was stressed by Dr. K ng, congress president. He spoke of the federative nature of Switzerland and its tendency to strong autonomy in village communities. It was not the intention of the movement to stifle these tendencies; what was required was the collaboration of people both as citizens and cooperators. The independence of societies would be respected, but obviously cooperatives could not remain "Rochdale museum pieces."

Mr. E. Herzog, president of the Union's Board, spoke in detail to the annual report and balance sheet. But he not only gave a good accounting of the work achieved by the 533 affiliated societies. He presented to congress his concept of cooperation, saying that it was the spirit of the famous Swiss compromise—a real spirit of concord and a genuine will for conciliation and agreement—that animated their cooperative movement. He had challenging criticisms to make, and made them "not in a defeatist spirit" but to show the reason why certain cooperative projects

had not always had the success for which members had a right to hope. Were these defeats not due partly to a lack of cohesion?

A cooperative that could only count on the active participation of members animated solely by a democratic spirit was not a Swiss-inspired cooperative, declared Mr. Herzog, even though it was registered as such. By looking round, one was aware of all that the Swiss Co-operative Movement could still do to ameliorate man's condition and add to his well being. "A little more good will would suffice! If we are honest with ourselves we must acknowledge that we could do more to serve our fellow men better, if we worked better and more systematically in the spirit of our movement—in the spirit which is its *raison d' tre*."

F.W.

BOOK LIST

NEW EDITION



The Co-operative Union—the biggest distributor of books on co-operative and allied subjects in the world—has published a new edition of its Book List, which contains nearly 200 titles. The list will be sent free on application to the

CO-OPERATIVE UNION LTD.,

Holyoake House,

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RESEARCH INDICATOR

WHEN the research officers of member organisations meet together, they discuss methodological problems concerned with their work, thereby improving their own expertise. In addition, their meetings serve as a very useful indicator of the kind of problems with which cooperative organisations are currently contending. Looking back over the research officers' meetings which have been held annually since 1959, it is possible to trace the awakening of interest in a problem, the beginning of research work dealing with it, and the final emergence of a research report and recommendations. The cooperative image, which was first mentioned at the research officers' meeting in 1960, has since been the subject of full-scale studies in Sweden, Germany and the Netherlands and research work is still being carried out in this field.

At the fourth research officers' meeting, which was held in Stockholm at the end of August this year, Walter Timm, from Z.D.K., described some preliminary motivational studies on cooperative consciousness which had been undertaken in Germany. The work on the cooperative image, which was reported at the research officers' meeting in Rotterdam, has been carried further, and interesting new techniques are being devised by the psychologists who undertake these inquiries to discover why people do or do not become members of cooperative societies.

While the research officers' meeting serves as a means of establishing those

problems which continually occupy cooperative organisations, it also serves as an indicator of new problems with which the movements are grappling. The titles of the papers given at the Stockholm meeting do not at first reveal the fact that a number of common underlying problems were also discussed. The paper given by M. Semler-Collety, of *Fédération Nationale des Coopératives de Consommation*, concerned with an attempt to establish a method for development planning in the cooperative movement and the contribution by Mr. Moback (*Kooperativa Förbundet*) on current research work on cooperative democracy do not at first appear related. However, since both of these papers approached the problems involved from a cybernetic viewpoint, there were bound to be some similarities. There were other common features, too; the Swedish inquiry on democracy and organisation was triggered off by the amalgamation process which is going on in that country, the pressure of competition, and the search for more efficient methods of operation. The attempt to formulate a more scientific scheme for decision-making in the French movement is also a response to changes in the economic climate and the desire to formulate a national development plan.

The research officers were hesitant to talk about cooperative planning at Stockholm, preferring to speak in terms of development programmes, forward estimation or forecasts. But whatever

term was used it was clear from the Stockholm meeting that the research officers saw the need to trace and anticipate trends in the economy on as broad a basis as possible and for as far ahead as the information allowed. They were doubtful, however, about the value for decision-making of such "peering into the future", except for the assistance it gave in the setting of short-term goals. Where estimates have been made of the further development of the national economy, as for example in Finland, the cooperative movement has not been slow to make use of these calculations to estimate what its own retail sales, labour force and investment are likely to be in the future.

It is not only on a national scale that there is currently a preoccupation with questions of development and forecasting. A number of movements is concerned with local levels of retail trade, that is with establishing what the potential market is for cooperative stores in a particular area. At the Stockholm meeting there were interesting papers

from the market research department of C.W.S. and the research department of K.F. on this topic.

Research officers in the nature of their work have to deal with a wide range of cooperative problems and hence cannot be restricted on occasion from discussing questions of more general cooperative interest. The discussion on the papers dealing with the place of research departments in the management structure, which took place in Stockholm, developed into a wider discussion of organisation structures, the need for clear demarkation of functions and the necessity for a "single decision centre" within any organisation.

The Stockholm research officers' meeting thus enabled an exchange of experience and methods employed by research workers to take place, and also highlighted two of the underlying questions which seem to be occupying co-operators at present: development programming and organisational structure.

F.D.B.

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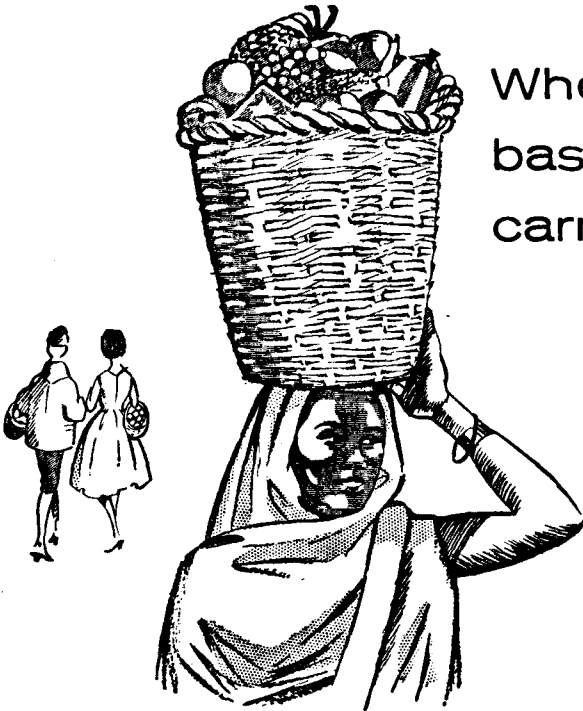
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- SINGAPORE:** Singapore Cooperative Union, Ltd., Post Box 366, Singapore.
- SUDAN:** Sudan Cooperative Union, P. O. Box 834, Kartoum, Sudan.
- SWEDEN:** Kooperativa Förbundet, Stockholm 15.
Affiliated retail societies (1961): 522; membership: 1,206,000; total turnover of distributive societies: Kr. 3,643 mill.; total turnover of K.F.: Kr. 2,565 mill. (Kr. 1,565 mill. sales to affiliated societies); own production: Kr. 1,355 mill.; total capital (shares and reserves) of K.F. and affiliated societies: Kr. 921 million, surplus included.
Kooperativa Kvinnogillesförbundet, Stockholm, 15
Hyresgästernas Sparkasse- och Byggnadsförenings Riksförbund (H.S.B.), Fleminggatan, 41, Stockholm 18.
Affiliated Building Societies: 186; with individual members: 160,000; number of flats administered by local societies: 160,000; value of real estate: 5,000 mill. Kr.
Svenska Riksbyggen, Box 14031, Stockholm, 14.
- SWITZERLAND:** Verband schweiz. Konsumvereine (V.S.K.), Thiersteinallee 14, Basle.
Affiliated societies (1961): 540; shops: 3,300; membership: 723,000; retail turnover of affiliated societies: Frs. 1,346; wholesale turnover: Frs. 853 mill.
Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), Schaffhauserstrasse 6, Winterthur.
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- TANGANYIKA:** Cooperative Union of Tanganyika, Ltd., Avalon House, P.O. Box 2567, Dar es Salaam.
- U.S.A.** The Co-operative League of the U.S.A., 59, East Van Buren, Chicago 5, and 1012 14th Street, N.W., Washington 5, D.C.
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Consumers' societies (1961): 17,500; members: 43,1 mill.; stores: 321,000.
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