INTERNATIONAL LABOUR OFFICE

CO-OPERATIVE ORGANISATIONS AND
POST-WAR RELIEF

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INTRODUCTION

FOREMOST among the problems to be faced at the war's end are those which will have been created by the war itself, and which may even temporarily be aggravated by its cessation. There will be the problem of famine, bodily wretchedness and epidemic disease, and the crying need for their relief. Next will be the immense and hardly less urgent task of restoring economic life, rebuilding what has been destroyed, and setting free the latent forces of democracy and culture.

Then there are the relatively long-term problems, directly or indirectly due to the war, or made more imperative by the world upheaval. Among these will be the problems created by the progress of industrialisation in all corners of the planet, the revolution in industrial techniques, and the profound and lasting modifications in the great world currents of trade. Subjectively, the long psychological tension, coupled with impatience to find compensation for the miseries and privations of the past few years, will have combined with these and other factors to revive a powerful aspiration for a reorganisation or reorientation of the whole of economic and social life—for the building of "a new and better world".

Such aspirations are themselves complex: the longing for the order and security of which the "planned" and "organised" economy gives promise is tempered by the reflection that "economic security could conceivably exist with a high degree of material prosperity in the slave State but at the price of slavery".1 Authoritarian nostrums and the methods of regimentation have shown the dangers of a mechanical centralisation. There is the desire to preserve freedom lest individual life be deprived of its dignity, and collective life of the enrichment which the free exercise of initiative and invention confers. Freedom, then, must not be sacrificed to security, nor order to freedom.

The search for institutions capable of immediate adaptation, with a minimum of administrative apparatus, to urgent needs of the moment, and, at the same time, able to reconcile the claims of both order and liberty in any lasting organisation of social life, has led many minds towards the co-operative

movement. Though this movement's silent and steady growth through a century of economic and political crises has gone almost unnoticed by sociologists, there is an increasing, though as yet unformed, body of opinion which looks to co-operative institutions to play a decisive, or at least a very important, part in the solution of post-war social and economic problems. Such a view is not only held by co-operative leaders and, in many countries, by leaders of workers' and farmers' organisations, but has also found repeated expression in other quarters — among prominent representatives of Governments, churches and educational organisations and is reported by newspaper correspondents in various European countries. Still more significantly, it has appeared in the post-war plans of the underground organisations in some of the occupied countries.

It is, of course, for co-operative organisations themselves to take the lead in defining the place and functions of the co-operative movement among the institutions of the post-war world. While the present study indirectly gives an idea of the potentialities of the co-operative movement in this respect, it is more particularly concerned with the immediate problems of the post-war period.

It may, however, be observed that immediate and long-term post-war problems are indissolubly linked in a continuous process, which in turn has its roots in the war period. As the Prime Minister of Canada, the Right Honourable W. L. Mackenzie King, has remarked: "If that new order is not already on its way before the war is over, we may look for it in vain. A new world order cannot be worked out at some given moment and reduced to writing at a conference table. It is born, not made." Its institutions are indeed likely to grow up with a family resemblance to those which have proved their worth and adaptability under war conditions and in the work of post-war relief and rehabilitation. Conversely, it would seem desirable that a solution for immediate problems should be sought along lines and through the medium of institutions that conform with the demands of the more distant future. This idea has been expressed by the Belgian Commission for the Study of Post-War Problems: "It is, however, evident that both [permanent and immediate problems] react upon each other; even in the elaboration of solutions to be applied to the immediate problem, it will be wise to remain within the line of the permanent organisation which it is desired to promote, so as not to impede, but, on the contrary, to aid and prepare for the lasting organisation of the peace."¹

¹ Rapport liminaire sur les travaux de la commission belge pour l'étude des problèmes d'après-guerre, July 1941.
This purely documentary study does not purport to provide a detailed plan of action, but is made to satisfy the need for information which the present widespread interest in the co-operative movement has called forth. It attempts no more than an objective assessment of the possibilities offered by the movement for the solution of the more immediate post-war problems.

Wartime difficulties have made it impossible to present complete and up-to-date information on all phases of co-operation. Efforts made to supplement the available facts by means of a special questionnaire sent to co-operative organisations in all parts of the world were only partially successful, as a large number of countries, including some of the most important, have been wholly or almost inaccessible. The thanks of the International Labour Office are, however, due to those organisations that were able to prepare and send replies. These have been of considerable assistance.

To make good these deficiencies, it has been thought necessary to begin by giving a general picture of the co-operative movement as it existed in the years immediately preceding the present war. This general survey is contained in Parts I and II. The first part deals with the nature of co-operative association and examines the structure of the co-operative movement and certain organisational tendencies within it; the second provides a rapid survey of the manifold types of co-operative organisation and gives the necessary information on their number, size, geographical distribution, and other features.

Part III considers the possible role of the co-operative movement in the immediate post-war problem of relief. After a brief introductory chapter, it deals in turn with the co-operative distributive network in Europe, the co-operative sources of supply outside Europe, and the overseas connections of the European consumers' co-operative organisations.

The fourth part, to be published later, will be devoted to the role of co-operative organisations in post-war rehabilitation. Among the problems it will consider in their co-operative aspects are: the restoration of food production, readjustment and reorientation of agricultural production, standard of living, better nutrition, health; also the restoration of industrial production in certain spheres (workers' productive co-operative societies, small-scale industries, handicrafts, etc.), unemployment (land settlement, public works, repairs and rebuilding). It will also include a section on rehabilitation problems in Asiatic and other under-industrialised countries and a section on colonial territories.
PART I

CHARACTERISTICS OF THE CO-OPERATIVE MOVEMENT

I. The Nature of Co-operative Association

ALBERT THOMAS, the first Director of the International Labour Office, in the last report which he submitted, shortly before his death, to the International Labour Conference¹, observed that the co-operative movement "is too little known" and that its value "seems to be under-estimated". More recently, Professor Paul H. Douglas of the University of Chicago has referred to the co-operative movement as "one of the relatively unnoticed marvels of the last eighty years". It is therefore proposed to preface this study of the part that co-operative organisations can play in post-war relief and rehabilitation with a brief account of the principles and practical rules that govern their activity and distinguish them from economic undertakings run for private profit or set up and conducted by public bodies. This account will be followed in Part II by a short description of their various forms and functions, their number, size and geographical distribution.

For the purposes of this study, the essential and distinctive features of co-operative societies may best be conveyed by the reproduction of part of an analysis, broad enough to cover all their forms, made by Albert Thomas²:

... In agreement with most writers on this subject, and in order to emphasise in turn the social and economic aspect of a co-operative society, a distinction will first be made between (1) the association of persons which constitutes the society, and (2) the undertaking in common by which it carries out its objects.

(1) The association of persons. (a) Persons associate of their own free will in order to satisfy needs of a similar character by means of an undertaking carried out in common. (b) The association is open without restriction to all persons on whom it can confer a benefit. (c) Its constitution is democratic. (The general meeting is sovereign; members have equal votes.) (d) The needs which can be most effectively met by a common undertaking are those arising from the weakness of the economic position of the majority of the members of the association. (e) The association thus constituted, while endeavouring to strengthen

² The Relation Between the Different Forms of Co-operation, Report submitted to the Eleventh Congress of the International Co-operative Alliance, 1924.
the economic independence of its members, also endeavours to establish bonds of moral solidarity between all the members and to create a common social life based on development of personality (self-help) and mutual aid.

(2) The undertaking in common. The conditions of its working and management are not determined with a view to making the highest profit, but to affording the best service.

In consequence, (a) a co-operative undertaking will endeavour to obtain the capital necessary from its members to ensure its working (either in equal shares or in proportion to the services to be rendered to each member); while endeavouring to encourage saving and having recourse to such saving, such an undertaking will only pay on individual capital a limited interest¹, independent of the financial results of the undertaking; (b) the annual profits, if such exist, and in so far as they are not allotted to the reserve fund or to capital expenditure of a general interest, will be distributed among members in proportion to their dealings with the undertaking; that is, according to a practical rule which aims at making up the difference between the payments effected by members in the course of the financial year for services rendered and the cost of rendering these services.

Such a definition may suffice for the present to characterise the co-operative society as an institution of the people run for and by the people. From a purely economic standpoint, it obviously differs from capitalistic enterprise in that it is a democratically managed, non-profit undertaking; it differs from other "service" undertakings, such as philanthropic institutions and some state or municipal enterprises, in that it is owned and controlled by its users associated of their own free will for a specific common purpose. It is therefore to be expected that co-operative organisations will react to post-war problems of relief and rehabilitation with interests, methods and a philosophy widely different from those of profit-seeking concerns and partially different from those of other non-profit undertakings.

II. Vertical Development: Federal Structure

The co-operative movement is, however, nationally and internationally, a coherent and organic entity. It is impossible to obtain a complete idea of it through a mere definition of a co-operative society. In particular, a well-based judgment on its fitness to deal with some of the post-war problems cannot be formed without some consideration of the peculiar nature of the relations of its component units with each other and with the whole.

The co-operative movement in its totality exhibits a carefully fashioned federal structure. This is one of its essential features, as it is of the trade union movement and, indeed, of most of the people's movements.

As an economic movement co-operation could not escape the tendency towards concentration. But the type of concentration

¹ A number of co-operative societies pay no interest on share capital.—Ed.
embodied in its federal structure is widely different from that which characterises capitalistic development.

Co-operative societies composed of individual members represent only the first stage of co-operative association. These primary associations, established to satisfy the common needs of their members, tend to build higher associations between themselves for the purpose of meeting their common needs in turn. One such need is that of an agency for propaganda, education, organisation, publication, bookkeeping, auditing, legal advice, statistics, and other similar purposes, while, in the economic field, there is need for an organisation for wholesale supply or marketing, for production, for insurance or re-insurance, or for credit and banking business. Accordingly, federal bodies, on a regional or national scale, are brought into being.

It may happen that certain common needs will concern definite activities of only some of the societies. In such a case, the federal body will have a specialised functional character. (Membership in such a body does not, of course, preclude affiliation to a more general type of federal body as well.) Just as agricultural marketing co-operatives tend to form federal bodies specialised according to the commodity dealt in, as in Denmark, the United States and elsewhere, so a number of consumers' co-operative societies, though they may belong to a wider federation, may establish a federal flourmill if, among other functions, they operate their own bakeries, or may set up a shoe or furniture factory when they deal in shoes or furniture (e.g., Switzerland). Similar in character are the co-operative trade associations (milk, coal, meat, laundry, drug) which have developed in Great Britain "for the sake of defending the interests of the consumers, promoting a better co-ordination of co-operative activity and improving, by research and planning, the technique of co-operative production and distribution" in certain specialised spheres of trade.

Both the general territorial type and the restricted specialised type of federal organisations are intended to establish the closest possible correspondence between their function and the needs of their members. The latest issue of the International Directory of Co-operative Organisations, published by the International Labour Office in 1939, lists more than four hundred such federal co-operative bodies of one type or the other, spread over sixty-one countries.

Federalisation in its various forms proceeds steadily upwards. In many countries several different categories of society have been moved to establish among themselves confederative bodies—in a kind of super-federation—for the study and solution of common problems. This process even reaches into the international field.
INTERNATIONAL FEDERAL BODIES

These may be of either the territorial or the specialised type. Not long after the last war—in 1921—farmers’ co-operative organisations in Australia, New Zealand and the Union of South Africa established in London the "Overseas Farmers’ Co-operative Federations Limited" for the purpose of solving some of their common marketing and supply problems. The organisation now comprises co-operative associations and federations of Kenya and Rhodesia as well as of the Dominions mentioned. Similarly, in 1929 agricultural co-operative organisations of Belgium, Bulgaria, Czechoslovakia, Estonia, the Netherlands and Sweden set up, with a head office in Rotterdam, a joint organisation, whose name, "International Co-operative Agricultural Purchasing Society" (Intercoop), indicates its function. In the same year a Special Committee for Agricultural Co-operation, comprising twenty-five agricultural co-operative organisations in nineteen European countries as well as Intercoop, was formed within the International Confederation of Agriculture. This Committee organised joint action by its component units in matters of legislation, statistics, representation, collaboration with other international bodies, and kindred matters, rather than directly in the economic field.

In 1918 five consumers’ co-operative wholesale societies in Denmark, Finland, Norway and Sweden pooled some of their supply requirements and part of their purchasing power in the "Scandinavian Co-operative Wholesale Society" (Nordisk Andelsforbund), with headquarters in Copenhagen. Since 1931 the same national organisations have been operating near Stockholm an international co-operative electric bulb factory, Kooperativa Lumaförbundet. In 1937 a similar factory was erected in Glasgow, as a joint venture of the Scottish and Swedish co-operative wholesale societies. The Co-operative Rubber Factory in Sofia was financed by the Swedish Co-operative Wholesale Society and the Bulgarian Central Co-operative Society (Napred).

The International Co-operative Alliance

By far the largest international co-operative organisation is the International Co-operative Alliance, which was founded in 1895.1 At the outbreak of the present war it comprised 171,300 societies with 71,588,000 members, in 35 countries. These figures do not include those of the important co-operative movements of Germany and Italy, as these two countries had left the Alliance some time earlier. Besides spreading information on co-operative ideals,

1 See Appendix I.
methods and achievements through publications, congresses, participation in conferences of international bodies, and so forth, the Alliance also aims at promoting international co-operative banking and trading and other international co-operative activities. In 1922 an International Co-operative Banking Committee was established in Paris as an auxiliary of the Alliance, for the purpose of studying banking questions of interest to co-operative organisations, of developing collaboration between national co-operative banks, and, when possible, of creating an international co-operative bank. Also in 1922, an Insurance Committee was set up, with a permanent secretariat in Brussels, to facilitate reinsurance contracts between national co-operative insurance societies and to prepare for the establishment of an international reinsurance co-operative society. The efforts of the Alliance went furthest, however, in the field of international co-operative trading. In 1924 a special committee appointed in 1919 adopted the rules of the International Co-operative Wholesale Society. This Society, which has its headquarters at Manchester, has as its objects "to collect and distribute information, to foster, develop and promote trade and trading relations and interests between co-operative societies in all parts of the world". It does not, however, do business on its own account. Later, therefore—in 1938—an International Co-operative Trading Agency was established "to act as selling agents and representatives of overseas shippers for co-operative trade, to act as brokers and/or general purchasing agents, to act as selling agents of member societies". Despite the unfavourable economic conditions prevailing since its inception, this Agency is still functioning in London to a limited extent.¹

SPECIAL FEATURES OF CO-OPERATIVE VERTICAL DEVELOPMENT

The purpose and effect of this federal structure, rising gradually from local societies to national and international organisations, is to place at the disposal of its smallest component units all the benefits normally conferred by large-scale financial, administrative and technical concentration.

With this federal structure and the advantages of this concentration in mind, it is easier to gauge the real significance of a small co-operative dairy, of a tiny credit co-operative encountered in some village, or of a small co-operative store in a working-people's district of a large town. This does not mean, however, that the concentration process of co-operative undertakings coincides in its general

¹Cf. p. 143, and Appendix II.
design or in terms of human and social values with the apparently similar process which develops among capitalistic concerns. On the contrary, it is necessary to draw clear distinctions between these two fundamentally different processes, if there is to be a correct evaluation of the contribution that co-operative organisation can make to economic order in general and to the post-war economy in particular.

The first, and perhaps the determining difference lies in the nature, size and number of the component units involved in the two contrasted processes. It is characteristic of the co-operative structure that it is built upon the most numerous and smallest economic units. These units are the individual households (places of ultimate consumption and also of various productive activities, such as preparing, transforming, repairing, making up, etc.), the peasant farms, the small family workshops of rural industries and of the multiple forms of home industry, the little undertakings of artisans, small shopkeepers, and fishermen. Sometimes the units are based on individual activities, such as those of the workers in co-operative societies for joint cultivation, in workers' productive societies, or in labour-co-operative societies. The co-operative structure, resting as it does on the broadest basis and on the deepest foundation that can be found in the whole economic and social complex, consequently remains in close touch with the practical conditions of man's everyday life and labour.

The very nature of the component units of the co-operative structure tends to explain the kind of relations which they establish among themselves. And these relations sharply distinguish co-operative from other forms of economic concentration. Each co-operative society, large or small, is a free federation of primary economic units, which have united for some definite common purpose, but are not merged into a new organism. The units retain their full identity and autonomy. By virtue of their mutual association they have to observe certain rules, but these have been laid down or freely accepted by themselves, as conforming to their own idea of their needs. Apart from these rules, they continue to govern and administer themselves in complete independence. Indeed, the co-operative society which unites them not only respects, but even tends to strengthen, their independence and sense of their own responsibilities.

When co-operative societies in turn associate, they do not surrender their principles of responsible autonomy and freely accepted responsibilities.

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discipline to the higher organisations established by and over themselves. A collective undertaking or service created by a number of co-operative societies to serve a common purpose is collective in the sense that it belongs to its member-societies as a whole, has been paid for by them and is under their management. It is not, however, an impersonal and irresponsible collectivity, but one established at the risk and for the advantage and protection of private and independent economic units. In like manner, throughout the ascending scale of the federal structure, each higher organisation is created and administered by and for those below it. In final analysis, it is not the top organisation but the small basic units that are sovereign.

This characteristic of the co-operative structure has been aptly summarised by Dr. Fauquet: "By establishing the sovereignty of these little units, co-operation locates the origin and the exercise of power at the very origin of needs; man then remains his own master, and the organisation is his servant."

A further characteristic of this federal system is that...

... based as it is on a very large number of small economic units which are like antennae through which it can sense the requirements and possibilities of everyday life, [it] has a sort of sensory apparatus comparable to that of a living body. That apparatus does not simply transmit information step by step up to the central organs which translate it into reasoned actions; it even, up to a certain point, permits of automatic reactions, defensive or compensatory reflexes which prevent maladjustment and avoid dangerous errors.

The democratic nature of the bonds uniting the co-operative structure is also related to another difference between capitalistic and co-operative integration—a difference in the aims pursued. The purpose and result of co-operative integration are not to bring wealth or power to a few, but welfare to the many, and this not as a by-product of profit-seeking, but as an end in itself. The English Co-operative Wholesale Society, for instance, with its some 200 factories and workshops and 60,000 employees (1939), undoubtedly represents a large economic concentration, but it cannot be an instrument of economic domination. It can only justify its existence and achieve its purposes by being the faithful servant of its component units and providing these with their expressed needs.

Another example is provided by a recently established international co-operative organisation of the American continent, the National Farm and Machinery Cooperative Incorporated. Despite...
its name, it is owned and controlled by large regional co-operative organisations of the United States and by a Canadian organisation, Canadian Co-operative Implements Limited. Its purpose, however, and that of its component units, is not to create or maintain high profits by withholding manufacturing secrets or by division of the market among the member organisations, but to solve the problem of high prices for farm implements—a problem for which corporate enterprise has declared itself unable to find a solution.¹

Moreover, there appears to be an inherent counterpoise to the natural tendency of co-operative organisations towards concentration, whereby the latter does not operate to take economic power further away from the people but to bring it ever closer to them. The almost automatic action of this counterpoise can be seen in the history of individual co-operative organisations. Though some co-operatives must be and remain small on account of the nature of their functions, while others will preferably have a fairly large membership or cover a fair-sized territory from the start, there are many others which begin on a small scale and grow by a natural process to very large dimensions. When a co-operative organisation undergoes excessive expansion and becomes too complex, it may tend to shed its democratic features and suffer a loss of internal cohesion and efficiency. It is then time for the counterpoise to begin to operate. The devices used to restore equilibrium vary from country to country. Overgrown societies or societies which are unavoidably large by reason of their functions will organise their members in sections or groups by districts or otherwise, and the sections will be invested with particular responsibilities. The usual general meeting of members will perhaps be broken up into several fractions or be converted into an assembly of delegates of the sections. In some cases, as, for instance, with the Danish co-operative bacon factories, the joint liability of members will be limited to their district's share of the financial obligations of the whole society.

In the same way, a federation that has become over-centralised will divide itself into district federations, where the views and needs of the affiliated societies and of their members can be more easily voiced.² Whatever the methods used, the goal will everywhere and always be the same: recovery, within the divisions created, of the

¹ Select Special Committee on Farm Implement Prices and Distribution: Report (Legislature of the Province of Saskatchewan, Session 1939, King's Printer, Regina, 1939): "The Committee is forced to conclude that the companies cannot, or will not, provide any solution of the problem of present farm implement prices" (p. 25).

² It is an observable fact that district federations are often established after, rather than before, national federations.
human contacts, cohesion and genuine democracy of the smaller groups.

It is, of course, possible that at some particular moment and in some particular branch of the co-operative movement the tendency towards concentration may appear to outweigh (perhaps excessively) the tendency towards democratic decentralisation, or *vice versa*. But over a sufficient range of years and countries the general picture will be one of unceasing readjustments designed to restore the equilibrium which is the distinctive mark of genuine federalism.

### III. Horizontal Development: Inter-Co-operative Relations

The foregoing brief description of the federal co-operative structure has touched only on the vertical relations connecting co-operative organisations of various sizes but of the same category. There are also many different types of horizontal relations—locally, nationally and internationally—between co-operatives of the most diverse kinds and functions. These relations tend progressively to mould the co-operative movement into a single co-ordinated system. A tendency as vital and deep-rooted as this should not be entirely overlooked in any attempt to characterise the co-operative movement.

Notwithstanding the movement's diversity and the occasional divisions within it in certain countries (usually brought about by outside influences), it looks on itself and holds itself out to the world as a single entity. The fundamental unity of the co-operative movement under all its forms has been proclaimed on many occasions by congresses, conferences and authorised writers, and, in a particularly definite manner, by the Twelfth Congress of the International Co-operative Alliance, which was held at Stockholm in 1927.

**GENERAL CO-OPERATIVE CONFEDERATIONS**

The same convergent tendencies also operate in the practical activities of co-operative organisations. They not only increasingly recognise, beyond the extreme variety of their types, the identity of their principles, methods, and economic and human philosophy, but actually strive, sometimes instinctively, sometimes very consciously, to approach each other with a view to some co-ordinated action. As already mentioned, in a number of countries different national federations each comprising a single type of co-operative society are bound together by organic confederative ties. Such is or was the case in China, Denmark, Estonia, Finland, Guadeloupe
CHARACTERISTICS OF THE CO-OPERATIVE MOVEMENT

(France), Hungary, India, the Netherlands Indies, Italy, Latvia, Lithuania, Rumania and Yugoslavia, in all of which countries all or nearly all the various co-operative federations and societies were included in some kind of all-inclusive confederation. The same was true of Japan, for all categories of co-operative society except credit societies. In Canada, the Co-operative Union of Canada has affiliated to it co-operative societies of different types, though not all of them. The Co-operative Union of Great Britain, though predominantly a consumers' co-operative organisation, also comprises workers' productive societies, fishermen's co-operatives and agricultural co-operatives, which are themselves in each case first organised in special federations.

INTER-CO-OPERATIVE RELATIONS IN THE ECONOMIC FIELD

Even where such confederative bodies giving technical or moral assistance have not been instituted, local or national co-operative organisations of varying types have established all kinds of mutualities. Such collaboration assumes two main forms: (1) one-sided aid to a young or weak organisation by an older or stronger one, and (2) mutual exchange of services in pursuance of the same or complementary aims.

An example of the first form is the help given to housing co-operative societies in many countries out of funds accumulated by consumer, insurance, or credit co-operative societies; another instance is the help afforded by consumers' co-operative societies when they act through their wide network as agents of co-operative insurance societies carrying on life, fire or other types of insurance. Again, in nearly all European and Asiatic countries, rural credit co-operative societies, being the first type of co-operative organisation to have appeared in the countryside, have provided the nuclei for the development of the richly varied forms of the agricultural co-operative movement. They are still a strong support to many of its activities. Similarly, urban credit co-operative societies have attended to the needs of the non-agricultural occupational co-operative societies (co-operatives of artisans, small industrialists and tradesmen, etc.). In like manner, too, the remarkable health co-operative movement of Yugoslavia was able to avail itself of the traditions, experience and practical assistance of the Yugoslav agricultural co-operative movement; in Iceland the agricultural movement supported the fishermen's co-operatives in their early days. Instances could be cited of support given by consumers' co-operative organisations to the establishment and operation of farmers' co-operative organisations. In Sweden, for instance, the
Co-operative Wholesale Society (Kooperativa Förbundet) has in recent years set up co-operative dairies which have gradually been transferred to the suppliers of milk; it has leased a super-phosphate factory to the Farmers' Union; it has even gone so far as to establish undertakings exclusively designed to serve the needs of agricultural societies, though financed and managed jointly by the Farmers' Union and itself.

Cases of combined action for the solution of common or complementary economic problems are not less numerous. For instance, workers' productive societies in search of an assured market for their goods or services and consumers' or housing co-operative societies in need of such goods or services may enter into mutual business relations. Such relations can even assume an organic form, as in Great Britain. There, many of the workers' productive societies have as members not only the workers engaged in the productive process, but also the consumers' co-operative societies to which they deliver the greater part of their production. In Sweden, collaboration between fishermen's and consumers' co-operative organisations has led to the creation of the Swedish Co-operative Fish Marketing Society, which is jointly financed and managed by the Swedish Co-operative Wholesale Society and the Association of West Coast Fishermen. In Poland, Sweden, Switzerland and elsewhere, consumers' co-operative societies active in rural areas and rural supply co-operatives which also happen to deal in consumer goods have entered into agreements for mutual aid in the economic field. In many countries, rural supply co-operative societies purchase by-products used in the manufacture of fertilisers or feeding-stuffs from flour or oil mills operated by consumers' co-operative organisations.

**Relations Between Consumers' and Agricultural Co-operatives**

Far the most important development of mutual aid relations has, however, been that between consumers' and farmers' marketing co-operative organisations. This has resulted from the dual process of integration, which on the one side drives the consumers' co-operative organisations towards the source of primary produce, while on the other side it leads the farmers' marketing co-operative organisations downwards in the direction of markets and the ultimate consumer.

There are instances where the final goals have been attained; consumers' co-operative organisations have gained access to the sources of raw materials and farmers' marketing organisations have reached down to retail distribution. In Great Britain and Switzer-
land, for example, a number of agricultural estates are owned and managed by retail or wholesale consumers' co-operative societies. The English Co-operative Wholesale Society is the owner of coal mines, while the English and Scottish Joint Co-operative Wholesale Society has tea plantations in India and Ceylon.¹

Farmers' marketing co-operative societies may likewise extend their organisation to the sources of raw materials, to meet their own supply needs. This has happened in the United States, where the Californian fruit growers' co-operative associations have acquired sawmills and forests, and in New Zealand, where the New Zealand Co-operative Dairies operate a coal mine, as well as in other countries.² But this integration moves chiefly in the downward direction, as when co-operative dairies or co-operative organisations of fruit and vegetable growers organise their own distributive system or when bacon factories retail their own production.

**Economic Arrangements**

Such cases of complete upward or downward integration, however, remain exceptions. Usually neither the consumers' co-operative organisations nor the agricultural marketing co-operative organisations are able to cover the whole economic process from top to bottom. Moving from opposite ends, the two meet at some intermediate point. There new problems arise and these are more and more often solved by arrangements between the parties. The various forms these arrangements may take are roughly classifiable as follows:

(a) **Ordinary commercial transactions.** Ordinary commercial contacts between consumers' co-operative organisations and agricultural marketing co-operative organisations may bring considerable advantages to both parties; the contacts, if repeated, may lead as time goes on to closer and more permanent relations. Such contacts embody no new principles, but are often a necessary stage in the development of inter-co-operative relations.

(b) **Ad hoc contracts or agreements.** Two organisations that have decided to deal with each other, not casually, but with a clear conception of their joint co-operative interests and a determination to utilise this factor to the utmost, may enter into long-term specific contracts in pursuance of this decision. Contracts of this kind sometimes contain provisions as to the quantities to be delivered and purchased; they may lay down the exact procedure for determining prices or may merely specify the mode of determining the market

¹ Cf. p. 137.
² G. Faquet: *op. cit.* See also Margaret Digby: *Producers and Consumers: A Study in Co-operative Relations* (London, 1938).
price. In any case their purpose is to set up standards and provide a stable basis for business transactions over a given period, so that these transactions may develop regularly according to plan instead of being spasmodic and haphazard.

c) Joint undertakings. Joint undertakings represent the most elaborate form of inter-co-operative relations. They are ventures established and managed jointly by one or more agricultural co-operative societies and one or more distributive co-operative societies, for the purpose of meeting their joint needs or their complementary marketing or supply requirements, when such mutual requirements can be covered by a single undertaking. These jointly managed enterprises do more than reconcile the interests of the parties concerned; they make them identical within the sphere of the common undertaking.

In one or other of these forms economic relations between consumers' co-operative organisations and agricultural marketing organisations have been established in almost every country where the two types of organisation are sufficiently developed. There has been a rapid extension of such relations during the last twenty years.

Relations often exist between agricultural marketing organisations in one country and consumers' co-operative organisations in another and these have even led to the creation of international joint undertakings. Examples of the latter are the New Zealand Produce Association, between the English Co-operative Wholesale Society and the New Zealand Producers Co-operative Marketing Association, and the Danish Co-operative Bacon Trading Company, in which the English and Scottish co-operative wholesale societies were related to the Danish bacon factories that were the main shareholders. At one time, too, there were the Russo-British Grain Export Company, in which the English Co-operative Wholesale Society was in partnership with several Russian co-operative and state organisations, and Ratao, an Austro-Russian import-export agency in which there were the Austrian Co-operative Wholesale Society and a private firm on the Austrian side, and the central organisation of consumers' co-operatives and the State representing the U.S.S.R.

National Committees for Inter-Co-operative Action

The problem of relations between consumers' co-operative organisations and agricultural marketing co-operative organisations was very much to the fore in the co-operative press and congresses throughout the inter-war period. From 1921 onwards, it appeared in one or other of its aspects on the agenda of nearly every congress

1 See pp. 141-142, and Appendix IV.
of the International Co-operative Alliance. The fact that special joint committees for inter-co-operative action were instituted in countries where all categories of the co-operative movement were not united in a confederative body (and even in some exhibiting this type of comprehensive organisation) shows that the discussions of the problem were not merely academic. The first countries to establish such committees were Germany (1916 and another in 1923), France (1922), Bulgaria (1925), and Czechoslovakia (1928). Others were established in quick succession in Hungary (1931), Palestine (1932), Austria, the Netherlands and Switzerland (1934), Catalonia (Spain) and Sweden (1937), and Great Britain (1939). In the meanwhile a second committee with a more limited objective than the first was established in France in 1937 and led to the creation in the same year of a joint co-operative society for the distribution and exchange of agricultural products. On the American continent a committee of this kind has been established in the State of São Paulo in Brazil, and, more recently (1941), in Argentina.

These national joint committees vary considerably in their composition, in their methods of work, and even in their immediate objects. In some cases the work has been of a general character: establishment and definition of the respective tasks and spheres of activity of the organisations concerned; prevention and settlement of disputes; joint study of questions affecting the movement as a whole (teaching of co-operative principles, co-operative education, legislation, taxation system, etc.); co-ordination of measures taken or to be taken on behalf of the whole movement. In other cases the work of the committees has been purely economic: exchange of commodities, joint action on the market (in connection, for instance, with imports), efforts to evolve a common economic policy, and so forth. Other committees, again, have carried on several of these activities of both a general and an economic character. In all cases, however, these committees undoubtedly expressed the fundamental unity of the co-operative movement and succeeded in bringing about a more rational distribution of duties and a greater spirit of cohesion and collaboration among the various branches of the movement in their respective countries.

Before the outbreak of the present war, this network of national committees was showing a tendency to expand downwards in the form of "branch" and "provincial" committees attached to the national organisation. Branch committees, for instance, had developed in Bulgaria, and provincial committees in France.

The trend towards joint organisation also found expression on the international plane. In 1939 a Yugoslav-Bulgarian Co-operative Institute was set up between the central co-operative institutions
of Bulgaria and Yugoslavia with the lofty aim of "establishing, by a common effort, a system of permanent collaboration for the promotion of the co-operative movement and of mutual economic assistance in the two countries, which shall contribute to the strengthening of their friendly relations and to the co-ordination of their economic and political interests".

**The International Committee for Inter-Co-operative Relations**

Previously, on 9 February 1931, an International Committee for Inter-co-operative Relations had been set up, in pursuance of decisions taken at an inter-co-operative conference which met on three occasions in 1929-31 and was a product of the International Economic Conference of 1927. According to the Committee's statutory rules (see Appendix III), its purpose is "to promote the development of moral and economic relationships between agricultural co-operative societies and distributive societies" and "to act as a liaison body between the co-operative movement as a whole and international institutions, in particular, the Economic Organisation of the League of Nations, the International Labour Office and the International Institute of Agriculture". The Committee consisted of an equal number of representatives of the International Co-operative Alliance and of the International Confederation of Agriculture. It also included an independent chairman chosen outside their own number by the representatives of the two founding organisations. The position of chairman has been successively filled by three Directors of the International Labour Office: Mr. Albert Thomas, Mr. Harold Butler and Mr. John G. Winant. A representative of the International Co-operative Wholesale Society and, later, a representative of the Horace Plunkett Foundation were also regularly invited to attend the meetings of the Committee. One of its tasks, of course, was to promote the establishment of national committees for inter-co-operative action and to co-ordinate their activities and its own.

In its study and furtherance of national and international inter-co-operative relations, the International Committee, *inter alia*, has enquired into the complementary supply and marketing requirements of agricultural and distributive co-operative organisations in the egg, butter and fruit trades; has investigated problems connected with the wheat, flour and bread trades; and has considered questions relating to the organic forms of inter-co-operative relations. It has also studied the various forms of intervention by public authorities in the organisation of the marketing and distribution of agricultural products; the possible effects of such intervention on the development of co-operative organisations and on inter-
characteristics of the co-operative movement

co-operative relations; and the possible influence of joint action by agricultural and distributive co-operative societies in determining the nature and effects of such intervention.

The International Committee has also joined the Health and Economic Organisations of the League of Nations, the International Labour Office and the International Institute of Agriculture in an enquiry on problems of nutrition.

The activities of the International Committee for Inter-co-operative Relations have been interrupted by the present war. But judged from any standpoint, there can be no doubt of the Committee's utility and, as Mr. R. A. Palmer, the Vice-President of the International Co-operative Alliance has said, "the experience and knowledge gained and the mutual relations established will be of great value in solving the problem of closer collaboration between the co-operative producer and consumer in the post-war reconstruction period".¹ A similar opinion has been expressed by a leader of the Czechoslovak co-operative movement, Mr. Rudolf Kreisky:

The time for wholehearted collaboration between the co-operative organisations of consumers and agricultural producers is drawing near, and one of the most obvious and practical steps which the agricultural producers can take towards its realisation is to resume the contact which they had with the International Co-operative Alliance through the International Committee for Inter-co-operative Relations.²

It is necessary to observe, however, that the International Committee, if it is to be fully equipped for such a task, needs somehow or other to obtain the active collaboration of the principal non-European co-operative organisations.

IV. The Co-operative Movement and Education

The Inseparability of Co-operation and Education

Since it is unnecessary for the purposes of this study, no attempt is here made to portray all the characteristics of the co-operative movement. It has, however, one distinguishing feature which must be mentioned, because a full understanding of the co-operative movement as a fragment of democratically planned economy is impossible without it. This feature is the paramount importance the movement attaches to education of the people and the unusually large place given within it to specifically educational work.

² Review of International Co-operation, June 1942.
Common people with the ambition to try to provide for their own needs, and become their own merchants, bankers and creditors, their own employers (as Charles Gide said) and their own insurers, would indeed be imprudent if they did not first equip themselves with the knowledge and faith necessary for the task. Their frail undertakings would soon meet with disaster without the loyal and enlightened support of their owner-users and owner-operators. Teaching and training must extend not only to the administrative, managerial and clerical staffs, but also to as many as possible of the owning and controlling membership. Since every member has the right and duty to participate in all the policy-making decisions of the association to which he belongs, he must prepare himself for his responsibilities. Without the intelligent participation of its co-owners, a co-operative society loses much of its democratic nature and efficiency.

Education of the members, managers and staff of a co-operative society is all the more necessary as the society itself grows in size and complexity and as the movement as a whole extends its area of economic activity. Co-operative education is therefore not only a prerequisite but a permanent condition of co-operative action; it is also one of the results of action. No sharp line of demarcation is either necessary or possible between co-operative education in the narrow sense and education or the desire for education at large. The one leads naturally to the other.

History seems to teach that education stands in closer relation to the co-operative movement than as a mere means to an end. When the famous Equitable Pioneers of Rochdale started their venture in 1844, they had already spent over a year in study and discussion of their problems and in preparation for the coming test, as well as in the collection of their meagre capital of £28. Their society’s constitution (later to be regarded as the programme of co-operation) included education among the objects, declaring proudly that “as soon as possible this society shall proceed to arrange the powers of production, distribution, education and government”. After the first difficulties were overcome, the society maintained, from 1850 to 1855, a school for young persons “at the charge of 2d. a month”. As early as 1852 it devoted 2½ per cent. of its trading surplus to education. “Since 1855”, wrote

1 "The strength of the original impetus may grow less if, in the very profusion of growth, consciousness of purpose is diminished or lost." A. M. CARR-SAUNDERS, P. S. FLORENCE and R. PEERS: Consumers’ Co-operation in Great Britain (London, 1938), p. 517.

Holyoake, “a room was granted by the Board for the use of from 20 to 30 persons from the ages of 14 to 40, for mutual instruction on Sundays and Thursdays”. Later, between 1872 and 1894, the Rochdale Society organised science and arts classes in the evenings at a time when night schools were little known.

This early co-operative attitude towards education is shown in the memorable decision of the second All-Russian Co-operative Congress held in 1908. In a lengthy discussion on the general education of the masses, the question arose whether co-operators should maintain their own schools, subsidise existing elementary schools or merely confine their educational work to co-operative propaganda and education. The Congress adopted a resolution to foster whatever educational enterprises were in need of assistance, to build new schools, to publish literature dealing with co-operation and related subjects, and in general, not to confine the efforts of the co-operative movement to co-operative education alone.

The same close connection between co-operation and education can be seen in one form or another in a great variety of countries. In Switzerland, for instance, modern co-operative thought is imbued with the intellectual and moral influence of the great pedagogue, Henri Pestalozzi. In India there are co-operative societies in which the members are pledged to send their children to school, and societies which even maintain a school or provide a teacher’s salary. In Nigeria, according to a recent report of the Registrar of Co-operative Societies, village schools have been built by native co-operators.

Indeed, historically and in essence, co-operation and education (both co-operative and general) are so closely interwoven as to be inseparable. So intimate is their relation that it is difficult to say which of them is the end and which the means. “It has been said”, wrote an eminent British co-operator, “that co-operation is an economic movement employing educational action. Yet the statement would be no less true if it were reversed: co-operation is an educational movement employing economic action.” The Reverend Dr. M. M. Coady, Director of the Extension Department of St. Francis Xavier University, Antigonish, Nova Scotia, has gone even further: “We resort to economic co-operation as an instrument of education more than an economic instrument . . .”

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1 “Each member gives labour to build and maintain buildings and subscribes one penny per month to the funds.” *Report on the Progress of Co-operation in Nigeria*, 1940-41.


3 Special Committee on Reconstruction and Re-establishment, *Minutes of Proceedings and Evidence*, No. 12, May 13, 1943 (Ottawa, 1943).
This intermingling of co-operation and education and the fact of their simultaneous appearance would suggest that the need for both of them proceeds from a common source: belief in and desire or progress—progress by self-help.

So great is the importance attached to education by co-operative organisations that they are never satisfied with their activities in this field. They are constantly supplementing their means of education and seeking to readjust their educational agencies and improve their methods. At the outbreak of the present war, the International Committee for Inter-co-operative Relations, acting on behalf of the International Co-operative Alliance and the International Confederation of Agriculture, was engaged on an international enquiry into the educational work of co-operative organisations in order "to compare the measures taken and the results achieved and to facilitate in each country the establishment of a system of co-operative education best adapted to requirements and possibilities".¹

Though education is primarily the responsibility of the national co-operative federations, a considerable initiative in this field is also enjoyed by local co-operative societies wherever the co-operative movement has reached a high level of development. Central economic organisations (co-operative wholesale societies of consumers' co-operatives and central purchasing or marketing associations of agricultural co-operatives) also take a hand in the technical training of staffs.

With regard to general education, mention should be made of the Folk High Schools of Denmark, Finland, Norway and Sweden for the part they have played in preparing the background required for a sound understanding and application of co-operative principles.²

Co-operative education has followed two main lines of development: (1) teaching and co-operative training of members and (2) technical training and instruction in co-operative principles and practice of managerial, auditing and executive staffs. There have also been efforts which do not appear to have taken any very satisfactory form, to give co-operative information to the general public or certain sections of it, while special attention has been paid, with excellent results in many countries, to the co-operative education of women and youth.

¹ With the collaboration of the International Institute of Intellectual Co-operation, the enquiry was extended to the teaching of co-operation in educational establishments supervised by public authorities.

Among the very varied means of co-operative education an important part is played by the co-operative press. The latest edition of the *International Directory of Co-operative Organisations* contains a list of some 350 co-operative organs in 46 countries, and this does not include those of purely regional or local circulation. Even in countries with a relatively small population, e.g., Australia, Bulgaria, Finland, the Netherlands, Switzerland and Yugoslavia, one often finds from ten to twenty different co-operative periodicals. Most of the co-operative periodicals appear weekly, some monthly, and a few are quarterly reviews. Some of them aim at the co-operative formation and information of the membership at large, while others of a more technical kind are designed for managers, directors, auditors, and inspectors, or, particularly in the case of the organs of producers' co-operative organisations, are intended to give the members the technical and economic knowledge required for the proper exercise of their vocations. Other, more popular, papers are particularly directed to the members' homes and some of these enjoyed a very wide circulation before the war (1,450,000 in Germany in 1938; 400,000 in Finland for two papers; 1,000,000 in Great Britain; 1,400,000 in Japan; 370,000 in Switzerland; 768,000 in Czechoslovakia, etc.). A recent enquiry showed that the family paper *Vi* (Ourselves) of the Swedish consumers' co-operative movement, with a circulation of 635,000 copies, was being read by 1,800,000 people, i.e., 40 per cent. of the adult population of Sweden. The family paper of the Swedish agricultural co-operative societies, with a circulation of 285,000 copies in 1938, reached from 80 to 90 per cent. of all the farmers in the country.

Among international organs, mention should be made of the monthly *Review of International Co-operation*, which the International Co-operative Alliance published before the war in English, French and German, and which it still publishes in English; of the classical *Year Book of Agricultural Co-operation*, published in London by the Horace Plunkett Foundation; and of the *Annales de la Confédération internationale d’Agriculture*.

With the exception of Sweden, where 70 newspapers subscribe to the agricultural press service of the agricultural co-operative organisation, and of certain countries on the American continent, there does not seem to be sufficient liaison between the co-operative movement and the general press. Since the latter rarely supplies information on co-operative institutions, co-operatives have sought
to remedy matters by gaining control of general press organs for themselves. They have acquired a weekly paper in Great Britain, and are on the way to establishing one in Switzerland. Similar action is contemplated in some circles in the United States.

Books, Meetings, Broadcasts, Films

From the beginning co-operative organisations endeavoured to provide their members with reference libraries for reading. In many countries, as, for instance, Austria, Canada, Czechoslovakia, Finland, France, Great Britain, Latvia and Sweden, they have reached the stage of providing circulating libraries and other libraries of a more popular kind. The large co-operative federations have also developed very active publishing departments; the Swedish Co-operative Union (K.F.) for instance, can claim to be the leading Swedish publisher of literature on economic, social and co-operative questions.¹ In some countries, e.g., in Belgium, Bulgaria, France, Germany, Great Britain, Latvia and Lithuania, special societies for publishing and bookselling have been set up under the control of the co-operative organisations. Notwithstanding the war, a new Co-operative Publishing Society was established in Denmark as late as March 1941. Shortly before the war the Swiss Co-operative Union, a publishing society controlled by the Belgian consumers' co-operative movement, and another controlled by the French movement, pooled their resources and efforts to promote co-operative literature in the French language.²

Besides periodicals and books, co-operative education has used lectures and meetings on a wide scale; radio broadcasting, whenever it has been able to secure access to it; and, to a fairly large extent, motion pictures. Films explaining the co-operative philosophy or describing co-operative achievements are being produced in growing numbers.³ Co-operative organisations have even tried—without much success, because of customs and similar difficulties—to buy or borrow films from one another across national boundaries.

Classes and Schools

One of the most frequent means of co-operative education has been the organisation of regular classes. The Education Department of the British Co-operative Union, for instance, held in 1939 some 1,200 classes for juniors and adolescents, attended by 25,000

¹ Axel Jgöres: Co-operation in Sweden (The Co-operative Union, Manchester, 1937).
² See note 1, p. 9.
³ In 1942, 266 of the consumers' co-operative societies affiliated to Kooperativa Förbundet in Sweden organised 659 motion picture shows, which were attended by more than 100,000 people.
students; 335 adult courses in social subjects, with 6,757 students registered; and 1,338 technical courses for 23,871 employees. In addition, week-end classes and summer schools were arranged for all these categories of students. Educational policy was discussed at annual Educational Conventions attended by the educational representatives of retail societies and auxiliary organisations. Similar arrangements could be mentioned for classes in many other countries, though they are generally on a smaller scale.

Recently, special colleges or schools have been set up by co-operative organisations in several countries for the purpose of giving higher education in co-operative theory and history and in related subjects. The oldest of these institutions, the Co-operative College in Great Britain, was founded in 1919 and is thus not quite 25 years old.¹ In 1939 it had seventeen full-time teachers. It normally had a nine months' session, which was as a rule attended by students who had been awarded scholarships by local co-operative societies, the co-operative wholesale societies or the Co-operative Union. There was also generally a group of students from foreign countries present each year. Despite the war, it was planned to bring Indian, Jamaican and Polish students to the 1942-43 session of the College. In much the same way, arrangements were made in 1943 for ten Polish soldiers interned in Switzerland to attend a special course at the Co-operative College opened at Freidorf in 1936. This institution corresponds in the main to the Co-operative College in Great Britain. In 1942 it had 12 teachers, and the twenty courses it offered were attended by 1,335 students. Another well-known co-operative school is Vår Gård (Our House), established in 1924 by the Swedish Co-operative Union. In 1942, 678 students attended the school (667 in 1941), and 312 of these held office in the co-operative movement. Similar schools have been created either by consumers' or by agricultural co-operative organisations in Bulgaria, Czechoslovakia, Finland, France, Germany, Iceland, Japan, Poland, Rumania, Spain, the U.S.S.R., and, more recently, in Austria (1936), the United States (Rochdale Institute, 1937), Argentina (1937-1938), Greece, Norway (1939), and the Netherlands (1938 and 1942).

Postal courses have been successfully organised, particularly in Great Britain, Finland, the Netherlands, Sweden and, later, Czechoslovakia. Before the war the Co-operative College in Great Britain was giving tuition through the post to some 3,000 students a year in about fifty social and technical subjects. In Sweden

¹ A second co-operative college is to be built and equipped at a cost of £250,000. The scheme will be financed by a fund to which co-operative societies will contribute at the rate of one penny per member.
206,000 students enrolled for courses with the correspondence school between 1919 and the end of 1938; there were 60,446 students in 1942 alone.¹

Co-operative Research

Along with these developments in higher education, there has been progress in co-operative research work in recent years. Some of the large national co-operative organisations, as, for instance, those of Finland, Great Britain, Sweden and Switzerland, have devoted considerable attention to the study and discussion of national and international co-operative problems. In 1925 the American Institute of Co-operation was founded in the United States "to teach the science of co-operation with particular reference to the economic, sociological and legal phases thereof". In the same year the Museo Social Argentino, which was founded in 1911, established a Co-operative Research Department. More recently, similar institutes have been set up in Colombia, Mexico, Peru, Uruguay and Venezuela. Despite the difficult wartime situation, a Centre of Co-operative Studies was founded in 1942 in France; the Centre has opened a co-operative school and intends to set up district centres of co-operative studies wherever and whenever possible. Research and teaching are naturally linked together, and either of them may lead to the other. In the last instance research has led to teaching, but the reverse may equally well happen, as was the case with the Co-operative Research Institute in Poland, which, beginning as a training centre for co-operative employees, in the course of time extended its activities into the spheres of research and publication.

International co-operative research has received particular attention from such bodies as the Horace Plunkett Foundation and its Reference Library, the International Confederation of Agriculture, the International Institute of Co-operative Studies (founded on the initiative of Charles Gide), and the International Co-operative Alliance and its auxiliary bodies. The Alliance has done much to develop the standard of research and educational work, by means of international summer schools, international conferences on education, and similar methods. Before war broke out, it was planning to establish at its headquarters in London a permanent international institution for co-operative education and an international centre for co-operative studies.

¹ At the request of and in collaboration with military and civil authorities, this school has organised correspondence courses in air-raid precautions and military training, in which 150,000 persons took part from the beginning of the war until the end of 1940.
The co-operative movement has evolved special techniques for the education of youth and women and has also utilised and developed certain new methods in adult education.

**Youth Education**

Co-operators, in their efforts to prepare for the future, have not neglected to enlist the "creative enthusiasm of youth", without which, in the words of Miss Margaret Digby, "co-operation may remain as a system; it will not go forward as a movement". A type of organisation to meet this need has been developed in Great Britain, where the National Educational Council of the Co-operative Union has encouraged the development of recreational and educational activities among young co-operators, in addition to its classes for juniors and adolescents mentioned above. Youth groups and activities are mostly organised under three bodies: the Youth Section of the Co-operative Union, the British Federation of Co-operative Youth, and the Woodcraft Folk. From time to time scholarships are awarded to members of these organisations, enabling and entitling the holders to attend a summer school. For the summer of 1941, the Education Committee of the Royal Arsenal Society (Woolwich) gave six such scholarships to members of the British Federation of Co-operative Youth and six to members of the Woodcraft Folk, who wrote the best essays on "The Reconstruction of Europe after the War, with Special Reference to the Co-operative Movement". Similar co-operative youth associations are to be found in a number of other countries. In Sweden, for instance, there are the Rural Study Association and the Rural Youth Association. There are youth organisations of various kinds in Yugoslavia. In the United States, the Co-operative Youth League (of Minnesota, Wisconsin and Michigan) and the Youth Councils (of Ohio) organise courses of instruction on co-operative economics, discussion groups, group recreation, and so forth.

A particularly interesting development in the field of co-operative youth education is that of school co-operative societies. These are miniature economic undertakings carried on by school children to satisfy certain needs of their own or of their school, or even of the district in which they live. They are of various kinds: little co-operative stores for the supply of school requisites; co-operative printing societies, co-operative restaurants, and co-operative

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1 Secretary of the Horace Plunkett Foundation.
2 Other scholarships offered by the same committee were for writing essays on "The Place of Co-operation in the New World Order". See Review of International Co-operation, Oct. 1940.
workshops for the manufacture of wooden, metal or pottery articles or for embroidery, knitting or weaving; co-operative gardening and even (as in France) afforestation societies; co-operative libraries and school museums. Co-operatives of this type have developed mainly, though not exclusively, in European countries. Less definitely co-operative in their organisation, but similar in their influence, are the "young farmers' clubs", "young stockbreeders' clubs", "4 H clubs", and other similar organisations, which are found chiefly in Anglo-Saxon countries and also in some of the countries of South America. According to educationists with experience of their working, juvenile institutions of both these types do far more than impart co-operative knowledge through practice of co-operation. They are looked upon as instruments of intellectual and moral training; they bring out and exercise qualities of character: initiative, decision, self-control, self-respect and respect for others; they awaken a sense of responsibility and are an apprenticeship in freedom.

School co-operative societies proper are found in varying numbers in at least fifteen countries: Argentina, Belgium, Brazil, Bulgaria, Canada, Czechoslovakia, France (also French West Africa and French Cameroons), Hungary, India, Latvia, Lithuania, Mexico, Poland, Spain and the U.S.S.R. "Young farmers' clubs" and similar organisations have been developed in Canada, Cuba, Denmark, Great Britain, Puerto Rico, Sweden, Union of South Africa, United States of America, Venezuela and Yugoslavia.

Remarkable progress has already been made in some of these countries by the school co-operatives or young farmers' organisations: 50,000 societies in the U.S.S.R.; 10,575 in France; over 5,000 in the United States; 4,700 in Poland; 600 in the Union of South Africa; 270 in India; 240 in Latvia, and so forth. The total estimated number is between 75,000 and 80,000.

Women's Co-operative Guilds

In its early days co-operative adult education was chiefly directed at men and consisted, for the most part, of tutorial classes which can only reach a limited audience. But since it is "women with the basket" and not men who do most of the daily shopping for the home, it was a matter of importance to the consumers' co-operative movement that women "should understand the principles and purposes of co-operation and have the opportunity of helping to mould it to meet the needs of the great mass of purchasers whom it serves".¹

Characteristics of the Co-operative Movement

This necessity was first felt by the women themselves. One of them, writing in the "Women's Corner" of Co-operative News (Great Britain) in the early eighteen-eighties, asked, "Why should we not hold our co-operative mothers' meetings?" At the same time she outlined a technique: "... we may bring our work and sit together, one of us reading some co-operative work aloud, which may afterwards be discussed". The Women's Co-operative Guild was founded in 1883. Shortly before the present war it comprised 1,773 local branches, with 83,120 members.

Through the machinery of the Guild "gradually a form of education was evolved suited to the lives of busy housewives who could never spare the time for regular classes". From the beginning this education, based on lectures or reading and discussion, was directed towards action; it "centres around some definite object to be attained and the facts and theories on which the demand is based". The topics discussed range from purely co-operative subjects to such questions as housing, maternity and child welfare, public education, factory legislation, local government, international peace, and so forth. The Guild has also instituted a number of enquiries, notably on the conditions of work of women co-operative employees and on co-operation and the poor. One of the undisputed merits of the Guild has indeed been its persevering efforts to extend the co-operative technique to the poorest section of the community.

The important contribution of the Women's Co-operative Guild to co-operative democracy has received due recognition. According to Honora Enfield, this contribution has consisted "in helping to maintain an intelligent rank and file, capable of the constructive criticism which every democratic movement needs, but with the sense of responsibility born of self-government".

It is undoubtedly due to the Guild and its educational influence that women play such an important part not only in the English co-operative movement, but also in administrative and other offices of local government.

Women's Co-operative Guilds on the English model were formed in other countries: first in Scotland and Ireland, and, later, in

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2 A. Honora Enfield: op. cit., p. 42.
3 Ibid.
4 Ibid., p. 43.
5 Women have been chosen to sit on the Central Board and, recently, on the Executive Committee of the British Co-operative Union and on the Board of Directors of the English Co-operative Wholesale Society. The biggest English co-operative society (it is also the world's biggest) and the biggest Scottish co-operative society both have women presidents.
6 There is also a National Guild of Co-operators in Great Britain. Though it has contributed to the education of the rank and file, it has not exerted an influence comparable to that of the Women's Guild, probably because the needs of its members are less obvious. In agricultural areas, "Women's Institutes" and "Cercles des Fermières", etc., more closely connected with the co-operative movement in some countries than in others, have much the same role as the Women's Co-operative Guilds in urban districts.
Australia, Belgium, Bulgaria, Canada, Czechoslovakia, Finland, France, New Zealand, Norway, Poland, Rumania, Sweden, Switzerland and the U.S.S.R. An International Co-operative Women's Guild was founded in 1921.

Co-operative Study Circles

The discussion or study group technique of acquiring "knowledge through collective self-help", which appears to be particularly well suited to the purposes of co-operative education, has developed into a new method of adult education in recent years. Sweden was the first to adopt the method and has developed it furthest. The earliest Swedish co-operative study circle, which seems to have been inspired by the lively co-operative guild movement in Great Britain, was formed in 1921. It is no mere accident that today the study circle department of the Swedish Co-operative Union works in close association with the Swedish Women's Co-operative Guild.

The idea behind the co-operative study circle is quite different from that of the evening or tutorial class. The former is and has to be quite small (not more than 20 members), as it depends for its success on the active collaboration of the members. Its basis is discussion among equals who pool their knowledge and exchange their experiences, unhampered by any feeling of self-consciousness or inferiority.

In 1929, as the result of the experience of the past few years, it was decided to provide the discussion groups with printed outline material, prepared by the Swedish Co-operative Union. These 'guides' and other similar literature enabled each member of the study circle to study the subject for discussion beforehand and thus to take a more active part in the group activity. A further step in the system's evolution was the combination of study circle activity with postal tuition. When study circles meet with problems they cannot solve themselves, they are able to turn to an information centre which will assist them. This centre may be the correspondence school¹ or the appropriate department of the Co-operative Union, to either of which the written answers to questions included in the printed 'guides' may be sent. It is the business of the examiner, not to 'correct' the answers as in an ordinary correspondence course, but to try and draw attention, through suitable supplementary questions, to points that may have been overlooked.

In 1938 there were 3,580 such co-operative study circles in Sweden, with 42,236 persons participating. By the end of 1940 the number of participants had reached about 50,000. Similar study circles are also formed by other popular movements in Sweden,

¹ Cf. p. 25.
such as the Workers' Educational Association, the Temperance Movement, and youth associations. Between these and the co-operative movement there is close and permanent collaboration in the educational field. It is generally recognised that these study circle activities have contributed greatly to the political and economic education of the Swedish population. Besides giving people a broad understanding of economic questions, they have helped to form the constructive and universally respected policy of the trade unions, and it is largely due to them that such a large proportion of the electorate—70 per cent. in a recent municipal election—exercises its vote. Finally, to these study circles is due in no small measure the remarkable success of the co-operative movement itself.

This new and efficient technique of adult education, capable of reaching an almost unlimited number of people, has spread to other countries. In Europe, the Swiss consumers' co-operative movement was the first to follow the example of Sweden: a few co-operative study circles were formed in the winter of 1934-35 and there were 162 by 1942-43. In Denmark the study circle movement began about 1936 and appears still to be progressing despite the occupation of the country. In 1937 the movement spread over Belgium, France, Poland, and the Netherlands, and, particularly among co-operative employees, in Great Britain. In 1940 a beginning was made in the Province of Madras in India. The same technique has recently been used in Western Australia, as a preliminary step to the formation of co-operative societies. It is also growing steadily in some of the countries of South America.

Outside Europe, however, it is in North America that co-operative study circles have become most firmly and rapidly established. In Canada they have been the mainspring of the co-operative movement, and through the latter, of the rehabilitation of the impoverished population of Nova Scotia. In 1939, under the guidance and sponsorship of the remarkable Extension Department of St. Francis Xavier University at Antigonish, Nova Scotia, 1,300 study clubs, or "poor man's universities" as they are often called, were set up in that province alone. This movement, now generally known as the "Antigonish Movement", spread quickly to the other provinces of Canada, and also to Newfoundland, where it met the same needs of rehabilitation as in Nova Scotia. The 1,100 "advisory councils" in Ohio, and the "neighbourhood councils", "kitchen clubs" and "study action groups" of Wisconsin, Missouri, Indiana and other States of the United States of America, also stem from the Antigonish movement.
This variety of names would point to a number of different forms and purposes. The study circle technique is indeed used to various ends. Some circles aim at increasing the knowledge of their members and may be of rather an academic type. Others have an immediate practical object and are the means whereby people can study their common problems and discover ways of dealing with them. For instance, they may prepare the way to the foundation of a new co-operative society, or, where a society already exists, may serve to focus attention on some special development or new venture requiring the interest and collaboration of all the members. Thus, in Sweden they have been used in thrift campaigns, and in a campaign of information on Sweden's wartime economic problems. In the United States, the Ohio advisory councils were similarly active in 1942 when the Ohio Farm Bureau Cooperative Association was considering a group hospitalisation project, the purchase of an oil refinery, and other schemes.1

Study circles may also be of service to the centre (whether this is a federal body or a local society) by carrying out various kinds of nation-wide or local investigations (such as on family consumption, conditions of work of housewives, instalment trading, etc.) and, in a more general way, by providing what has been called "a barometric reading" of the members' attitude. The study circles are among the "antennae" available to boards of management for keeping themselves informed of the members' requirements as well as of their readiness for common action.

THE AIMS OF CO-OPERATIVE EDUCATION

One feature of the educational activities of the co-operative movement, though it appears by implication in the foregoing pages, deserves a little stronger emphasis. This is their encyclopaedic nature, in content as well as in method. The range of subjects offered to members, potential members, managers and staff, is extremely wide, whether it is in tutorial classes, colleges, youth groups, women's guilds or study circles. Co-operation, of course, occupies a large place. This covers not only theory and history, but also practical aspects of the subject, such as organisation problems, business methods, management, bookkeeping, co-operative finances, knowledge of commodities, and the like. Problems of the home are also included: domestic economy, housing, furniture, interior decoration, health, dietetics, even sometimes the physiology of nutrition and biochemistry. Studies spread beyond the home

sphere to wide economic, social and civic problems: economics and economic history, international trade, public finance, sociology, social legislation, public education, citizenship, democracy, and other similar questions. General knowledge is mostly represented by the study of languages, geography, mathematics, physical and chemical sciences, and public speaking.

What is the real aim of co-operative education? This list of various activities and interests may help to provide the answer. A further indication is contained in the Students' Guide of 64 pages, in which the Education Department of the London Co-operative Society describes the classes, conferences and other cultural facilities offered to the 792,000 members of the Society.

The Guide declares:

The objects of co-operative education are primarily the formation of co-operative character and opinion by the teaching of the history, theory and principles of the movement, with economics and industrial and constitutional history in so far as they have bearing on co-operation. Secondly, though not necessarily of less importance, the training of men and women to take part in industrial and social reforms and civic life generally.

It is also to be observed that the educational activities of the co-operative movement are very often associated with or supplemented by recreational schemes of various kinds designed to promote fellowship.

Co-operative education is thus seen to be both broadly and deeply conceived. Within and beyond the boundaries of education in co-operation itself, it is an education in responsibility and in human relations. "We are concerned", states a recent Report of the Acting Registrar of Co-operative Societies in Newfoundland, "with developing a people, rather than trading societies." And at the beginning of the co-operation movement in Newfoundland, the Commissioner for Natural Resources, Sir John Hope Simpson, speaking in 1936 before the Rotary Club in St. John's, declared:

Societies truly co-operative cannot exist until the people of whom they are composed are not only educated in co-operative principles and methods, but converted to co-operation as a means, not only of self-help, but of help to the community.

In their public utterances as well as in their educational activities, co-operators affirm that the most important thing is not the co-operative achievement in the economic field, but the co-operative philosophy and ethics which comprise a faith in the perfectibility of human behaviour and a new conception of human relationships. Many co-operators would subscribe to these inspiring words of Sir Thomas Allen: "In all human endeavour nothing is worth making unless in the process it contributes to the making of man
In our co-operative practice we see humanity in the process of civilising itself.¹

A Planned Economy with a Social Content

To sum up this Part, it may be said the co-operative movement, as presented by its leading philosophers, appears to satisfy a number of contemporary economic and social aspirations. It is, says Dr. Warbasse, "an economic system based on democracy, and making for democracy".² It is pointed out that the co-operative system caters to the needs of low and middle income groups and helps to free them from the domination of economic powers; that it may be regarded as a form of machinery for the redistribution of the national income; that within its own realm it turns directors of business into true public servants. Its principal democratic achievement, however, is held to be in the fact that it provides the means of a direct and intelligent "people's participation in the vital processes of society".³

The economic efficiency of co-operative institutions is explained by a novel conception of economic organisation and by a reversal of economic objectives and practices; the machinery of co-operation is owned and controlled by those whom it serves and is kept in as close correspondence as possible with the known and measured needs it is designed to satisfy. Structurally, this machinery rests on "decentralised control in the interest of democracy and centralised administration in the interest of efficiency".⁴

It is claimed for co-operative institutions that they are not only efficient in and for themselves, but that they make for economic order. Co-operative economy, based on the autonomous activities of the primary economic units, is planned by and for these small units, i.e., for and by the people. This means that there is experimental planning and building from the bottom upwards, under the guidance of clear, broad principles. The co-operative economy achieves order, not through rigid regimentation, but by consent. While it imposes enough self-discipline to ensure co-ordination, it retains sufficient freedom to release creative powers. Unlike the classic liberalism, it seeks order and harmony, not through competition, but by concert.

Co-operation thus has higher objectives than increase of economic advantages, which are what most people probably seek when they join a co-operative society. It evidently also implies a conception of economic organisation quite different from that prevailing at present. In the minds of the most thoughtful co-operators it implies even more. While they have no wish to belittle the co-operative system as an instrument of economic progress, they are not prepared to regard it merely as an economic mechanism, devoid of any social content. As already pointed out, co-operative leaders—and not only the philosophers but the practitioners of the movement—place social and moral purposes above those of economics. They hold that it is urgently necessary to reintroduce ethical motives and practices into the economy and that their reintroduction is the intent and most fundamental and far-reaching endeavour of the co-operative movement. It is claimed that the co-operative movement, through its machinery and through co-operative education, the guardian of its social content¹, is a successful attempt to ensure in economic life freedom from obsession with profit, the abolition of exploitation of man by man, and the dignity of self-help combined with mutual aid—a revaluation of man himself. Few of the maxims coined by Dr. Fauquet have met with a more general response among co-operators than this:

The primary aim of the co-operative institution is to improve the economic situation of its members, but by virtue of its methods and of the qualities which it demands of and develops in the members, it achieves a higher aim. The goal, then, of co-operation is to develop men—men imbued with the spirit of self-help and mutual aid, in order that individually they may rise to a full personal life and, collectively, to a full social life.²

Another feature of the co-operative movement has appeared in the foregoing pages and may be brought out in stronger relief in those that follow. This is the extreme adaptability of co-operative principles and methods to the utmost variety of geographical, historical, and, to a large extent, political environments, as well as to a multitude of economic and social needs. This property has led many to regard the co-operative movement as a possible link—a sort of common denominator—between countries with different habits and ways of life, different laws and economic conceptions and even with apparently conflicting economic interests.

Co-operative philosophy and practice are not, of course, universally accepted and their diffusion is felt in some quarters as a threat to established economic interests. This is not surprising. Far more remarkable are the sympathy and devotion shown to the co-opera-

² Le Secteur Coopératif, p. 44.
tive movement, in deeds as well as in words, by important representa­tives of the business world. The name of the late Edward A. Filene, the great Boston merchant, is revered by co-operators in the United States, who recall his generous sponsorship and devoted support of the American credit union and consumers' co-operative movements. More recently, Mr. Thomas F. Woodlock, one of the editors of the Wall Street Journal and a former member of the Inter-State Commerce Commission, bore witness to the co-operative movement in the following words:

It seems to this writer that it exemplifies the possession of qualities that must be present for "democracy" to work with full success. It has a hierarchy which is accepted by its members and it has a single purpose in which all believe. That is all that "democracy" in politics needs—but it is a great deal. The very word "co-operation" implies those two things. But best of all the things about it is that it seeks to "compel" no one to anything. "Power" is not among its objectives. It governs only itself, and only so far as is necessary for order; there is no "opposition" within it, for there are no "parties" in any sense of the word. It is an outstanding example of order in a world with chaos all around it; it is a real "planned economy". As such it is the very exemplar of the proper way to "plan"...  

Though such tributes to co-operative principles are not frequent, it is significant that they occur at all.

The existence of good principles, however, does not suffice of itself. As Pascal said: "All good maxims have been written. It only remains to put them into practice". How far, then, has co-operative idealism been served by practical common sense? In what measure have co-operative principles been tested and proved? To what extent have co-operative organisations succeeded in establishing themselves? And in which countries and with what results? Some of the facts may be fairly well known, but they are seldom presented comprehensively. The following general survey may therefore serve to bring some precision to what in part may be common knowledge.

1 Wall Street Journal, 2 Sept. 1942.
PART II

CO-OPERATIVE ORGANISATIONS
THROUGHOUT THE WORLD

A FIRST GLANCE at the co-operative movement will show that there are co-operative organisations in nearly every part of the world: in all the continents and in almost all climates. It will also reveal that the movement is of great size and that its organisations present a wide diversity of types, owing to the variety of human needs for which it caters in many widely different historical, economic and social surroundings.

This general descriptive and statistical survey of the numerous forms of co-operative organisation is an indispensable preliminary to any attempt to assess the potentialities of the co-operative movement for the solution of post-war problems. Such an initial survey will serve to avoid a good deal of repetition, since reference can be made back to it when particular types of co-operative come to be mentioned in later chapters, in connection with the problems under discussion.

The principles of organisation and operation that are applicable, with minor exceptions, to all forms of co-operative institution were considered in Part I. The present part, therefore, will deal only with the scope and functions of the various types of co-operative society. In this survey no attempt will be made to proportion the length of the description to the importance of the type under discussion. It may even be that types relatively unimportant from a numerical standpoint will be given unusually detailed treatment, for the reason that they are less known but happen to offer special possibilities in the tasks of relief and rehabilitation.

Mention has already been made of the difficulties of gathering recent and reliable data. The most up-to-date figures will be given (whenever possible) in later chapters which consider the main types of co-operative society in relation to particular problems of the post-war period. But the principal aim at the present stage has been comprehensiveness rather than a high degree of precision and recentness, since the purpose of this part is to ascertain the extent to which co-operative principles have been applied in practice. In order to cover the largest possible number of co-operative forms in the greatest number of countries, it is necessary to look back a
few years; figures in the present part are based on the international
statistics compiled by the International Labour Office just before
the outbreak of war in 1939.  

In a few instances there may be discrepancies between the
present study and that just mentioned, due to the transfer of certain
hybrid types of co-operative from one table to another. But the
same general principles of classification have been used in both cases.

The wide diversity of co-operative forms is brought about by
the many different ways of living of the members of the societies
and consequent dissimilarity of the members' common needs. This
consideration leads to a first broad division of the movement into
urban or industrial co-operative societies and rural or agricultural
co-operative societies. This distribution is not, of course, absolute,
as there are a number of partly urban and partly rural co-operative
societies which might well be placed in either group.

The urban or industrial category is in turn divisible into three
main groups: (1) co-operatives which meet a general need for food,
clothing, fuel and so forth (consumers' co-operative societies);
(2) co-operatives which meet the need for shelter (housing co-opera­
tive societies); and (3) co-operatives which meet occupational needs.
The rural or agricultural category, on the other hand, is too complex
for any attempt at sub-division at this stage. A third category,
with the heading "various", contains societies which in national
statistics are ineligible for inclusion in the two former groups.

The following table shows the number and membership of
societies of these three categories, and of the three groups of the
urban category. About 1937 there were over 810,000 co-operative
societies throughout the world, with over 143 million members.

<table>
<thead>
<tr>
<th>Categories and groups</th>
<th>Number of societies</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban or industrial co-operative societies:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumers' co-operative societies</td>
<td>50,279</td>
<td>59,514,157</td>
</tr>
<tr>
<td>Housing co-operative societies</td>
<td>21,474</td>
<td>8,408,354</td>
</tr>
<tr>
<td>Non-agricultural occupational co-operative societies</td>
<td>56,942</td>
<td>10,879,632</td>
</tr>
<tr>
<td>Rural or agricultural co-operative societies</td>
<td>672,184</td>
<td>63,935,295</td>
</tr>
<tr>
<td>Various</td>
<td>9,633</td>
<td>523,515</td>
</tr>
<tr>
<td>Total</td>
<td>810,512</td>
<td>143,260,953</td>
</tr>
</tbody>
</table>

1 INTERNATIONAL LABOUR OFFICE: Co-operative Societies Throughout the World:
Numerical Data (Geneva, 1939). Reprinted from the International Labour Review,

2 As a rule, except where otherwise mentioned, the information provided in
this section (and in Co-operative Societies Throughout the World) applies to the
position of co-operative societies in 1937. In exceptional cases use has been
made of data either slightly older or slightly more recent.
It will be noticed at once, in regard to the number of societies, that the category of rural or agricultural societies is by far the largest; 83 per cent. of the total number of societies belong to it. Within the urban or industrial category, it will be noticed that the group of occupational co-operatives is the most numerous.

As regards membership it is the category of urban or industrial co-operatives which takes first place (54.5 per cent. of all members of co-operatives), and within this category the group of consumers' co-operative societies leads (representing 75 per cent. of the total membership of the group). The category of rural or agricultural societies is not far behind with 45 per cent. of the total.

Numerically, i.e., in terms of number of societies and membership, the two most important sections of the movement are the consumers' co-operative societies and the rural or agricultural co-operative societies. Together they represent over 89 per cent. of the total number of co-operative societies in the world and 86 per cent. of the total membership.

The following table shows the geographical distribution of co-operative societies throughout the world:

### Table II. Geographical Distribution

<table>
<thead>
<tr>
<th>Geographical division</th>
<th>Number of societies</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>3,598</td>
<td>331,911</td>
</tr>
<tr>
<td>America</td>
<td>51,251</td>
<td>14,674,426</td>
</tr>
<tr>
<td>Asia (excluding U.S.S.R.)</td>
<td>167,554</td>
<td>14,860,476</td>
</tr>
<tr>
<td>U.S.S.R.</td>
<td>286,595</td>
<td>60,389,271</td>
</tr>
<tr>
<td>Europe (excluding U.S.S.R.)</td>
<td>300,323</td>
<td>52,470,589</td>
</tr>
<tr>
<td>Oceania</td>
<td>1,191</td>
<td>534,280</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>810,512</strong></td>
<td><strong>143,260,953</strong></td>
</tr>
</tbody>
</table>

Europe (excluding the U.S.S.R.) thus accounts for 37 per cent. of the total number of societies, followed by the U.S.S.R. with 35 per cent., and Asia (excluding the U.S.S.R.) with 20 per cent. These three areas together comprise 754,472 co-operative societies of all types, representing over 93 per cent. of the total number of societies in the world. America, with 51,251 societies, accounts for about 6 per cent.

In regard to membership, the U.S.S.R. accounts for 42 per cent. of the total and Europe (excluding the U.S.S.R.) for over 36 per cent. Asia (excluding the U.S.S.R.) and America are about evenly matched, with a little over 10 per cent. each. The U.S.S.R., Europe and Asia together cover nearly 90 per cent. of the total world membership. On an average, societies are smallest in Asia (88 members to a society), while in Europe the average membership is about
The average size of societies in the U.S.S.R. is between those of Europe and America. Societies are largest in Oceania. Owing to its vast size and the special conditions of its development, the co-operative movement in the U.S.S.R. is generally treated separately and will be so treated in this study. For this reason the two foregoing tables show both Europe and Asia without the U.S.S.R., as well as the U.S.S.R. alone.

It should be borne in mind that these tables (and other tables to be given in this part) do not include developments which have taken place since 1937. There has been progress in many countries, more especially on the American continent. Though the chapter is principally concerned with the pre-war situation, reference is occasionally made to more recent co-operative developments.

The various categories and groups of co-operative societies will now be examined in greater detail.

I. Urban Co-operative Organisations

1. Consumers' Co-operative Societies

The consumers' co-operative movement has been, from the beginning, a distinctly working-class organisation and it has developed principally in the industrialised countries. As might be expected, therefore, it is most strongly entrenched on the European continent, both as regards age and present state of development. As Professor Fay says: "Great Britain took the lead in the store movement because she was the first to possess, as the result of her Industrial Revolution, a distinctive working-class, which proceeded to organise itself as wage earners in a trade union and as wage spenders in a co-operative store".¹

The table given below therefore comprises mainly urban consumers' co-operative societies, together with a number of rural consumers' co-operative societies. Moreover, other distributive co-operative societies active in rural areas which could be classified among rural supply societies² are sometimes listed as consumers' co-operative societies in the statistics prepared by co-operative federations or by public departments. Some of these supply societies are also included in the table.

According to the most recent world statistics, there were consumers' co-operative societies in 45 countries and 9 dependencies, colonies and mandated territories. They were distributed as follows:

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² Cf. pp. 68-69.
CO-OPERATIVE ORGANISATIONS THROUGHOUT THE WORLD

TABLE III. GEOGRAPHICAL DISTRIBUTION OF CONSUMERS' SOCIETIES

<table>
<thead>
<tr>
<th>Geographical division</th>
<th>Number of countries</th>
<th>Number of co-operative societies</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>4</td>
<td>46</td>
<td>16,397</td>
</tr>
<tr>
<td>America</td>
<td>12</td>
<td>4,061</td>
<td>585,308</td>
</tr>
<tr>
<td>Asia (except U.S.S.R.)</td>
<td>9</td>
<td>983</td>
<td>330,155</td>
</tr>
<tr>
<td>U.S.S.R.</td>
<td>1</td>
<td>24,113</td>
<td>39,200,000</td>
</tr>
<tr>
<td>Europe (except U.S.S.R.)</td>
<td>25</td>
<td>20,907</td>
<td>19,251,130</td>
</tr>
<tr>
<td>Oceania</td>
<td>3</td>
<td>169</td>
<td>131,167</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54</strong></td>
<td><strong>50,279</strong></td>
<td><strong>59,514,157</strong></td>
</tr>
</tbody>
</table>

In 1937, the Co-operative Union in Great Britain reported 1,020 affiliated consumers' co-operatives, with 7,920,756 members. With the industrialisation of other countries, the consumers' co-operative movement progressively developed in all or practically all the countries of the European continent. In 1937, Germany had 1,500 co-operatives with 2 million members; France 1,176 co-operatives with 1.7 million members; Austria 222 co-operatives, 263,000 members; Belgium 400 co-operatives, 510,000 members; Sweden 811 co-operatives, 600,000 members; Switzerland 1,300 co-operatives, 420,000 members; the Netherlands 424 co-operatives, 260,000 members; Czechoslovakia 816 co-operatives, 805,000 members. In Russia there were the beginnings of a consumers' co-operative movement before the first world war. After the Revolution the development followed a particular trend as the consumers' co-operatives took over almost the entire distribution of consumers' goods. From 1935 the urban consumers' co-operatives were taken over by the State trading organisation, while co-operatives remained the only distributive agency in rural districts. Almost the entire rural population, therefore, belongs to these co-operatives.

**Social Strata Served by Consumers' Co-operatives**

However, consumers' co-operatives in other countries did not remain confined either to urban areas or to a working class membership. In the cities other groups of the population (salaried employees, professional people, municipal and government officials, etc.) joined the consumers' co-operatives. In Germany, for instance, the percentage of industrial workers among members of consumers' co-operatives decreased from 78 per cent. to 69 per cent., between the years 1910 and 1929. At the same time, the urban consumers' co-operatives tended progressively to extend their service to the surrounding rural population, either through truck (van) delivery or through branch stores opened in villages and small towns. In predominantly agricultural countries or in those where agriculture
plays an important part in the national economy, consumers' co-operatives were established in rural areas from the very start. In the mainly agricultural countries, such as Finland, Hungary, Yugoslavia and the three Baltic States (Estonia, Latvia, Lithuania), it is exceedingly difficult to draw a line between the consumers' co-operatives and the rural supply co-operatives. Owing to these historical and developmental circumstances, the members of consumers' co-operatives in each country are drawn from a wide range of occupations and social strata. In Sweden, for instance, 18.9 per cent. of the members derived their income from agriculture, 42.7 per cent. were workers, 8.9 per cent. were artisans and small traders, 11.6 per cent. clerical workers and officials, 17.9 per cent. had other or unstated occupations. In Czechoslovakia, 62.5 per cent. of the members of the Czech consumers' co-operative societies were industrial workers, 23 per cent. clerical workers, 5 per cent. artisans, and 7.5 per cent. farmers. In Poland, farmers constituted 44 per cent. of the membership, industrial workers 31 per cent., clerical workers 10 per cent. In Norway, 49 per cent. were in industry, fishing and transport; 32.5 per cent. were agriculturalists (26 per cent. of whom were independent farmers); 6.2 per cent., forestry and farm labourers; 11.6 per cent., clerical workers and officials. Farmers and smallholders also formed an important part of the membership of consumers' co-operative societies in Bulgaria (17 to 20 per cent.) and in Denmark (51 per cent.). In one of the two Finnish unions of consumers' co-operative societies, the so-called Neutral Movement, 63.4 per cent. of the members are agriculturalists, 24.5 per cent. are clerical workers and officials, and 11.5 per cent. are industrial workers.

**Economic Activities of the Consumers' Co-operative Societies**

The economic activities of the consumers' co-operatives were originally confined to the distribution of foodstuffs—bread, groceries, dairy products, meat, etc.—and even in recent years this was their main function. As consumers' co-operatives developed, however, they began to distribute other articles such as clothes, dresses, shoes, hardware, as well as various articles for personal and household use. Where consumers' co-operative societies have taken root in rural areas, either at the start or by means of expansion, they distribute agricultural requisites as well, and in such cases their functions closely resemble those of agricultural supply co-operatives, which have developed their activities from the distribution of agricultural requisites to that of household articles.

In the United States the consumers' co-operatives were and still are mainly rural. To a large extent they try to satisfy the needs of
farmers and distribute gasoline (petrol), paint, seeds, fodder, fertilisers, machinery, and so forth. In the north-central States these co-operatives have recently met with great success and have increasingly taken to the distribution of articles for the household and for the personal needs of the members. In the eastern States the consumers' co-operatives are mainly of an urban type.

With the development of local co-operative societies and their integration into regional and national federations, the co-operative movement penetrated into the field of production. Large local or regional associations established their own bakeries, milk processing plants, and other undertakings. However, penetration into the production field really became of importance only after the establishment of strong co-operative wholesale societies. Starting with foodstuffs, bakeries, conserve factories and macaroni production, the wholesale societies undertook the production of articles such as clothes, shoes, and soap. The English Co-operative Wholesale Society, which is the oldest wholesale society and the one with the largest production, employed 60,769 workers and employees in 1939. Its distributive trade then amounted to £131,000,000 and it possessed 199 productive works. In 1939, the Scottish Co-operative Wholesale Society employed 14,264 workers and employees and its distributive trade amounted to £7,100,000.

Figures give no adequate idea of the magnitude and variety of the enterprises on which the wholesale societies are engaged. The English Co-operative Wholesale Society alone is the largest single commercial undertaking in the country, the largest landowner, the largest flour miller, the largest importer of dried fruits, and next to the Government, of building materials. Its productive activities include all kinds of food manufacture, soap factories, textile factories, boot and clothing factories, furniture factories, hardware, cutlery, cycle, motor, glass and pottery works, printing works, coal mining and many others.¹

The Co-operative Union of Sweden, which serves also as wholesale society to its 702 affiliated societies with a membership of 605,800, had, in 1937, a turnover of 217 million Swedish crowns. The production of the Swedish Co-operative Union itself amounted to 139 million crowns. The main items produced were edible fats, textiles, flour, shoes, galoshes, electrical bulbs, cash registers, rayon, potteries and agricultural machinery. The importance of the Swedish consumers' co-operative movement to the national economy of the country and its spectacular development in the ten years preceding the war have frequently been described.

The Union of Co-operative Societies in Switzerland also serves as a wholesale society to its 529 affiliated co-operatives with a membership of 413,715 in 1937. During that year the trade of the whole-

¹ A. Honora Enfield: op. cit., p. 25.
Co-operation and post-war relief

sale amounted to 189 million francs. The union employed 729 persons. Several special purpose co-operative societies were in charge of production. Thus, the trade of the two flour mills amounted in 1937 to 14 million francs, the trade of the shoe factory during the same year to 8.3 million francs, the trade of the furniture society to 1,400,000 francs, and the trade of the cigar factory to 281,000 francs.

In France, the National Union of Co-operative Distributive Societies grouped over a thousand co-operatives with 1,600,000 members in 1937. The French Co-operative Wholesale Society which served these affiliated co-operatives had a trade of 1,000 million French francs and its own production (fish and vegetable canning, chocolate, biscuits, shoes, soap and coffee roasting) amounted to 62 million francs. It also operated a salt mine.

Before the war there was a strong consumers' co-operative movement in Czechoslovakia. It was organised in six federations which were all united in a joint committee at Prague. The most important of these federations was the Central Union of Czechoslovak Co-operative Societies which, in 1937, had 743 societies affiliated to it. Of these 45 were credit co-operative societies, while the remaining 698, with 471,000 members, were consumers' co-operatives. The co-operative wholesale society of this union (V.P.D.) had a trade in 1937 of 560 million Czech crowns, nearly one-third of which represented products of its thirty factories. These included flour mills, meat products plants, and macaroni, margarine, soap and chemical goods factories, with a total output valued at 172 million Czech crowns.

The co-operative wholesale society of the German-speaking co-operatives was next in importance. Its trade in 1937 amounted to 321,000,000 crowns, while the value of its own production (flour, biscuits and other food products, chemical goods, shoes, stockings and rubber goods) was 64,900,000 crowns.

Germany, before 1933, had one of the strongest consumers' co-operative movements, and the German Co-operative Wholesale Society steadily increased its production up to that time. In 1930 the primary co-operative societies were producing for themselves 27.6 per cent. of the goods they retailed, while the Co-operative Wholesale Society produced 27.8 per cent. (in value) of the goods it sold to its affiliates. These latter goods were manufactured in the wholesale society's 46 productive establishments, many of them immense, which included flour mills, fish canneries, meat products plants, macaroni, tobacco, soap, textile, clothing and match factories, and a chemical plant. After the advent of National
Socialism, the consumers' co-operative movement gradually declined.

In Denmark, the Co-operative Union and Wholesale Society of Danish Distributive Societies had 841 co-operatives with 3,070,000 members. The great majority of these co-operatives were of small village type. The trade of the local societies amounted to 327 million crowns in 1937; the trade of the wholesale society to 236.8 million crowns, and its own production to 60,600,000 crowns. The wholesale society had soap, oleo, chocolate, garment, and tobacco factories as well as mills and a coffee roasting plant.

In Norway, 585 consumers co-operatives' with 160,000 members were affiliated to the Co-operative Wholesale Society of Norway. The trade of the local societies amounted in 1936 to 168 million crowns. The trade of the wholesale society amounted to 54 million crowns, and its production to 27 million crowns. The wholesale society possessed soap, oleo, chocolate, shoe, and woollen hosiery factories, as well as flour mills and a coffee roasting plant.

In Finland, the consumers' co-operative movement was divided into two federations. One was the General Union of Consumers Co-operative Societies (Y.O.L.), mainly rural in character, and generally known as the Neutral Movement, while the other, the Central Union of Finnish Distributive Societies (K.K.), known as the Progressive Movement, was of a more urban character. The first federation had affiliated to it 417 co-operatives with 280,000 members; their trade amounted to 2,800,000,000 Finnish marks. The trade of the Co-operative Wholesale Society (S.O.K.) amounted to 1,500,000,000 Finnish marks. One hundred and twenty-two co-operatives with 283,000 members were affiliated to K.K.; their trade amounted to 1,800,000,000 Finnish marks; the trade of the Co-operative Wholesale Society of the Progressive Movement (O.T.K.) amounted to 1,000,000,000 Finnish marks. Both wholesale societies possessed flour mills as well as factories producing margarine, matches and chemical products, fish salting works, and so forth. The Wholesale Society of the Neutral Movement also had factories producing articles, such as bicycles, nails, tiles, and clothing.

Outside Europe, the most important consumers' co-operative movement is in the United States. As a result of different conditions of development, the consumers' co-operatives in that country are grouped in regional co-operative wholesale societies. In 1941 there were 27 regional and 2 inter-regional wholesale co-operatives. The total business of these wholesales was over 100 million dollars. The output of the productive departments of the wholesale societies was valued in 1941 at 8.2 million dollars. Most of the goods produced
were for the needs of farmers: gasoline (petrol), lubricating oils, paint, fertilisers, feed, and other similar products.

Co-operative Banks of the Consumers' Movement

In connection with consumers' co-operative societies, a brief reference should be made to their banking facilities, which in Europe developed out of the central accounting services of the co-operative wholesale societies. All the European banks and banking departments were established primarily to meet the need felt by the older consumers' co-operative societies, and more particularly by their wholesale societies, as the volume of their trade increased, for more ready access to the money market. A subsidiary factor in the development of some banks and banking departments was the effort made by consumers' co-operatives to collect and utilise their members' savings, resulting in the need for separate banking institutions to guarantee the efficient and safe administration of such funds.

All the nine consumers' co-operative banks in Europe were created after the last war; five between 1919 and 1924, one in 1927, and the remainder in the 1930's. Some of the banks are connected with trade unions and act as a depositary of part of their funds. In Switzerland, the Central Co-operative Bank was founded jointly by the Co-operative Union and Wholesale Co-operative Society and the Central Federation of Trade Unions, and is managed by representatives of both organisations.

The Co-operative Wholesale Society in Great Britain did not develop an independent bank but its banking department is by far the oldest (1876) and the most important banking institution of the consumers' co-operative movement. Similarly other important consumers' co-operative movements, e.g., in Finland and Sweden, have not seen fit to establish independent co-operative banks.

The nine banks of the European consumers' co-operatives, together with the banking department of the C.W.S., had a combined total of balance sheets in 1937 amounting to $609,000,000. The total of their turnover on both sides of the ledger was $5,294,000,000. The total of the balance sheet of the banking department of the British C.W.S. alone was $450,000,000, and its turnover $3,807,000,000. For the Central Co-operative Bank of Switzerland, the corresponding figures were $30,000,000 and $620,000,000; for the General Co-operative Bank of Czechoslovakia, $9,000,000 and $428,000,000; and for the Workers' Co-operative Bank of Denmark $17,000,000 and $256,000,000.

In 1922 an International Co-operative Banking Committee was constituted as an auxiliary of the International Co-operative Alliance to study banking questions of interest to the co-operative
organisations. A number of important problems were investigated, such as centralisation of co-operative banks in various countries, investment of funds at the disposal of the co-operative banks in the co-operative movement, long-term credits for co-operative banks, and stabilisation of exchanges. The ultimate object of the Committee was the establishment of an International Co-operative Bank. Its creation was inevitably delayed by the economic crisis of 1929-30 and the general disruption of economic life throughout the world. In 1934 the work of the Banking Committee had to be suspended owing to constitutional changes in one of the national movements represented.

Urban Co-operative Insurance Societies

As soon as consumers' co-operative societies have reached the stage of meeting smoothly and efficiently the original common need of their members, they generally turn their attention to the satisfaction of possible further needs of the membership. In pursuance of this aim, they may extend the range of goods supplied (e.g., from foodstuffs to clothing and household utensils) or provide services to satisfy their members' desire for recreation or education or to afford them protection against the more common hazards. Such protection is often secured by the creation of benefit funds (e.g., for marriage, maternity, sickness, death), in which benefits are often proportionate to the amount of business done by the member with the society.

Most urban co-operative insurance societies, particularly in Europe, are an outgrowth of such funds or of the general tendency towards extension of service. Even in European countries, however, not all urban co-operative insurance societies are connected with consumers' co-operatives, and the exceptions are more numerous still in other continents. Some of the urban co-operative insurance societies also serve other sections of the population. For instance, in Denmark, Finland, Hungary and Sweden a large number of farmers are found among the insured persons.

For various reasons (historical, technical, financial, legislative, and others), urban co-operative insurance societies are very diverse in their structure and management. In European countries most of these societies have been founded and financed by consumers' co-operatives or by the older wholesale societies of the latter. The policy-holders are therefore rarely the shareholders, though they may indirectly have the same measure of ownership with regard to their insurance society as they have in respect of the wholesale society of their consumers' co-operative. In the majority of cases, whatever the origin of the co-operative insurance society, the policy-holders are represented on the management.
The main risks covered by these societies are life, fire and accident. In some instances additional risks, such as automobile risks, public liability and theft, are also covered. The premiums are calculated on a non-profit basis. In some countries, reduction in the premiums of private insurance companies has been attributed to the influence of co-operative insurance societies and their lower premiums.

In general, co-operative insurance societies provide group as well as individual insurance; a policy may cover all the employees of a factory or the whole membership of a trade union, or, of course, the members of a consumers' co-operative society.

Sometimes the group insurance benefits are directly connected with the amount of members' business with a consumers' co-operative society. The British Co-operative Insurance Society, for instance, provides benefits to the wife (or husband) of a deceased member of a retail co-operative society in proportion to the member's average purchases from the latter during the three years preceding his or her death. This insurance is financed by a premium charge of one penny per pound of retail purchases.

The following table gives figures relating to the risks of life, accident and fire covered by co-operative insurance societies established by the European consumers' co-operative movement:

<table>
<thead>
<tr>
<th>Risk</th>
<th>Number of countries</th>
<th>Amount insured (in $1,000)</th>
<th>Premiums received (in $1,000)</th>
<th>Claims paid (in $1,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td>10</td>
<td>870,060</td>
<td>40,736</td>
<td>18,287</td>
</tr>
<tr>
<td>Accident</td>
<td>6</td>
<td>377,424</td>
<td>9,011</td>
<td>5,907</td>
</tr>
<tr>
<td>Fire</td>
<td>10</td>
<td>1,012,664</td>
<td>3,737</td>
<td>1,179</td>
</tr>
</tbody>
</table>

The oldest of these European co-operative insurance societies and typical of them is the British Co-operative Insurance Society, which was established in 1867 by a number of co-operative societies. In 1913 it was reorganised as a joint department of the English and Scottish co-operative wholesale societies, which took over its share capital. The Co-operative Insurance Society has developed into an important undertaking; in 1937 its life assurance policies alone amounted to $647 million, with premiums totalling $32.7 million.

In Sweden, two separate societies were created, one covering life insurance only and the other covering accident, fire and (later) other risks. The total amount insured by both societies together was $679.5 million in 1937, while the premiums amounted to $4.8 million and the claims paid to $2.3 million. Important co-operative insurance societies have also developed in Belgium, Bulgaria, Den-
mark, Finland, France, Hungary, the Netherlands, Norway and Switzerland.

In the United States, mention may be made of the Ohio Farm Bureau Co-operative Association, which in recent years has built up a very successful insurance business, chiefly in the field of automobile insurance. It serves both the urban and the rural population. The Workers' Mutual Fire Insurance Society, founded in 1872, is an outstanding example of an insurance co-operative which has grown up independently of the consumers co-operative movement. In 1937 it had insurance in force totalling $87,000,000, with premiums amounting to $90,000.

In Asia, the co-operative insurance societies in the Indian provinces of Bengal, Bombay and Madras have attained some importance.

At the international level, the Insurance Committee of the International Co-operative Alliance, which was founded in 1922, federates co-operative insurance organisations of twelve European countries and one in Palestine. The Committee, besides collecting much statistical information, has been concerned with re-assurance and the establishment of an international re-assurance society. In 1937 fifteen re-assurance contracts between a number of societies were in operation as a result of the Committee's discussions. Despite growing international tension the Secretariat of the Committee continued its work until the summer of 1940.

2. CO-OPERATIVE HOUSING SOCIETIES

Co-operative housing societies, that is to say, co-operative societies whose aim is to provide their members with dwellings on the best possible terms, have developed in a relatively small number of countries. In most of these, the whole or the greater part of such development took place during or immediately after the last war, to meet the housing shortage.

According to the most recent international statistics the total number of co-operative housing societies in 1937 was 21,474, with a membership of 8,408,354, distributed over 27 countries as follows:

<table>
<thead>
<tr>
<th>Continent</th>
<th>Number of countries</th>
<th>Number of co-operative housing societies</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>America</td>
<td>1</td>
<td>10,073</td>
<td>5,002,248</td>
</tr>
<tr>
<td>Asia</td>
<td>2</td>
<td>377</td>
<td>17,624</td>
</tr>
<tr>
<td>Europe</td>
<td>22</td>
<td>10,747</td>
<td>3,261,163</td>
</tr>
<tr>
<td>Oceania</td>
<td>2</td>
<td>277</td>
<td>127,319</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>21,474</td>
<td>8,408,354</td>
</tr>
</tbody>
</table>
Co-operative housing societies are of two main types: (1) tenants' co-operative societies, which build or purchase houses for sale or lease to their members, and (2) building (or building and loan) societies, which facilitate the acquisition of houses through the grant of loans made on mortgage security.

**Tenants' Co-operative Societies**

Tenants' co-operative societies build or purchase homes for their members in the form either of apartment houses or of family houses. The latter are sometimes grouped in villages or garden cities. Members pay a small entrance fee and have to subscribe for one or more shares, which they pay for by instalments proportioned to their means. The societies' working capital is supplemented by the proceeds of mortgages, the issue of bonds, members' savings deposits, and so forth. The capital thus acquired is used to build houses. The member-tenants pay a rent, which may sometimes include amortisation of the purchase price in cases where the tenant is to become owner of the property. If the housing co-operative has a surplus at the end of the year, it is generally distributed in proportion to the rent paid.

Housing co-operative societies of this type have nowhere attained as high a degree of financial development as the building (or building and loan) societies, but they are represented in a greater number of countries.

**Tenants' Societies in America and Asia.**

Outstanding examples of tenants' societies are to be found on the American continent. In the United States, the co-operative housing projects of the Amalgamated Clothing Workers represent one of the finest achievements in the field of co-operative housing. In more recent years there has been a notable development in Argentina, where El Hogar Obrero, the big housing and consumers' co-operative society of Buenos Aires, began with the construction of 310 individual houses for its members, and then went on to build some large apartment houses.

Tenants' societies have also made considerable progress in Asia. In 1938 there were about 200 such societies in India, mostly in the provinces of Bombay and Madras (121 in these two provinces, with over 11,000 members), where either the Government or the co-operative banks are the main agencies for financing the societies. They have also been very successful in Palestine (177 societies and more than 11,000 members in 1938).
Tenants' Societies in Europe.

Such societies, however, are most numerous in Europe, where they arose as a result of the conditions engendered by the last war. They are found in about 20 countries and attained a noteworthy development in Germany (some 3,630 societies with about 680,000 members), Austria (289 societies with about 38,000 members), Great Britain (350 societies with some 40,000 members), Italy (900 societies with about 71,000 members), the Netherlands (414 societies), Poland (330 societies with 23,000 members), Sweden (1,000 societies with 40,000 members), Switzerland (250 societies), and Czechoslovakia (1,340 societies with 79,000 members).

It may be of interest to consider in a little more detail the main features of the tenants' co-operative societies in the Netherlands, Poland and Sweden, in all of which countries they made a valuable contribution to the solution of the housing problem.

It is estimated that one-fifth of the buildings erected in the Netherlands in the years immediately preceding the present war were the result of co-operative effort. At the end of 1937 there were 414 housing societies grouped in a federation which was established in 1913. The largest was the General Housing Co-operative Society of Amsterdam, with nearly 3,000 flats under its management and about 8,000 members, most of them workers and small salaried employees.

Increase of population, demolition of unhealthy old buildings, and high building costs made the housing situation acute in Amsterdam during and immediately after the last war. The Society obtained loans and, for a while, a subsidy (used to equalise rents) from the Government. As the position improved, the loans were restricted and the subsidies withdrawn except in special circumstances. The money needed for building purposes was generally borrowed from insurance companies and trade union pension funds, under a municipal guarantee. Loans were redeemed by means of annuities payable over a period of 50 years.

The Amsterdam Society employed highly qualified architects and its building schemes, which had to conform to town planning regulations, were supervised by the municipality, which also undertook the provision of lawns in front of (but not inside the courtyards of) the buildings. Each dwelling unit had its small individual garden. At least two large groups of the Society's houses, on the edge of the city, were veritable "garden villages". For the maintenance of its apartments and gardens the Society employed a number of carpenters, painters and gardeners.

In Poland the Housing Co-operative Society of Warsaw, founded in 1921, achieved very successful results. It built only small dwell-
ings of the kind required by its working members and belonged to
the category of societies which rent but do not sell to their members.
All its dwellings were equipped with modern comforts. Encouragement
was given to co-operative activities among the tenants.

The nation-wide co-operative housing movement in Sweden was
a product of the so-called tenants' movement which arose out of
discontent with the very bad housing conditions in and after the
last war. A Rent Restriction Act was in force, but it was not wholly
effective. The tenants' societies were accordingly founded—one in
Stockholm and one in Gothenburg—in 1917 in order to challenge
the property owners and interest the public authorities in house
construction.

By 1922 the tenants' societies had become numerous enough
to form a federation, the Tenants' National Union (Hyresgästernas
Riksförening), which in the following year began to build houses.
A number of Tenants' Savings Bank and Housing Societies (Hyres-
gästernas Sparkasse- och Byggnadsförening) were established in
Stockholm, Gothenburg, Malmö, Vasteras and other cities. In
1926 these societies were federated in a national union, which in
1936 comprised 69 local societies, with more than 17,000 members
drawn from various social classes, the majority being craftsmen,
manual workers and clerks. The organisation owns buildings con-
taining nearly 16,900 dwellings with a total value of 212 million
Swedish crowns. The greater part of this sum—130 million crowns—
belongs to the Stockholm society.

Contrary to the practice in Warsaw, the members of the Swedish
tenants' co-operative societies generally own their own flats, but it
is provided that a member who leaves his flat shall dispose of it to
the society.

The national union maintains an architect's office and a pur-
chasing centre for building materials, and has even undertaken the
manufacture of certain materials itself. The economies thus effected
have made possible the introduction of amenities not generally
found in workers' dwellings.

According to a survey made by the Royal Social Board1, the
annual rents of co-operative dwellings in Stockholm were usually
from 10 to 30 per cent. lower than those of privately-owned houses.
Moreover, the activities of the co-operative housing movement had
a considerable effect on rents at large in many places, while its
competition raised the standard of privately controlled housing.2

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1 Social Work and Legislation in Sweden. Survey published by the Royal
Social Board by order of the Swedish Government (Stockholm, 1938).
2 Cf. International Labour Review, Vol. XXXVII, No. 4, Apr. 1938: "Co-
operative Housing in Sweden", pp. 486-491.
Building (or Building and Loan) Societies

Numerically more important than the tenants' co-operative societies are the building (or building and loan) societies, totalling 11,315, with a membership of 7,398,312. These are, however, really specialised co-operative credit societies and in many cases do not adhere strictly to all the recognised principles of co-operative organisations. They have developed mainly in English speaking countries, but also in Bulgaria, Germany, Switzerland, and elsewhere.

The funds of these societies are derived from two chief sources: (1) shares subscribed by their members, and (2) deposits by members or non-members. Reliance is placed principally on the issue of shares, though deposits play a useful and sometimes an essential part in their finance. Each member of the society must subscribe and pay in full for shares or make deposits up to a certain proportion (generally 7 or 8 per cent.) of the cost of the house he wishes to purchase or have built. Mortgage loans are made to members up to 75 or 80 per cent. of the value of the building, for repayment over a period of years—usually from 5 to 16 and sometimes even over 20 years.

The following statement will serve to show the part played by these societies in the building industry of Great Britain since 1919:

In the year 1940, in Great Britain, there were 952 building societies transacting business, whose combined assets amounted to the enormous total of £756,000,000 while the amount outstanding on mortgage at that time was £677,800,000, representing advances to 1,502,589 borrowers an indication of the extent to which the building society movement has assisted building policy... It may here be observed as an illustration that during the years 1919 to 1940, both inclusive, the building societies of Great Britain advanced on mortgage, almost entirely for the erection and purchase of working and middle-class dwellings, no less a sum than £1,585,000,000. It can be said with truth that more than one-half of the total new housing and house acquisition in the country has been financed by the building societies.

Statistics issued by the Chief Registrar of Friendly Societies and by the Ministry of Health of Great Britain show that 3,666,014 new houses were built in England and Wales between 1 January 1919 and 31 March 1938, and that about 2,000,000 of these were financed by the building societies. The ten million persons for whom these 2,000,000 houses provided accommodation were mostly persons of limited means, as is shown by the low average mortgage debt per head.

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1 With about 2,000,000 members. — Ed.
2 More than nine times the amount in 1919 (£77,346,603). — Ed.
Building societies of the same type were also flourishing in the United States before the war. There were 8,957 such societies in 1939, with a total membership of 6,000,000, and total assets of $5,600,000,000 on 31 December in that year.\(^1\)

3. OCCUPATIONAL (OTHER THAN AGRICULTURAL) CO-OPERATIVE SOCIETIES

Societies providing services which supplement or support in various ways the independent occupational activities of their members may be termed occupational co-operative societies, in contradistinction to consumers', housing, or insurance co-operative societies, membership of which may include persons of various occupations. Farmers' co-operative societies, which must also be classed as occupational, will be dealt with later on, and only the main types of non-agricultural occupational co-operative societies will be considered here.

According to statistics published by the International Labour Office in 1939, there were 56,942 such societies with a membership of 10,879,632, representing 7.5 per cent. of the total membership of all co-operative societies.

Credit Co-operative Societies

Credit co-operative societies form the largest group in the category, the need for credit being that most generally felt. The following table shows their geographical distribution, number and membership:

<table>
<thead>
<tr>
<th>Continent</th>
<th>Number of countries</th>
<th>Number of societies</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>3</td>
<td>7</td>
<td>2,011</td>
</tr>
<tr>
<td>America</td>
<td>5</td>
<td>5,881</td>
<td>1,327,360</td>
</tr>
<tr>
<td>Asia</td>
<td>9</td>
<td>6,771</td>
<td>907,375</td>
</tr>
<tr>
<td>Europe</td>
<td>18</td>
<td>8,032</td>
<td>4,375,223</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>20,691</td>
<td>6,611,969</td>
</tr>
</tbody>
</table>

Urban Co-operative Credit Societies.

The first of the urban co-operative credit societies, also known as people's banks, were started in Germany in 1850 on the initiative of Schulze-Delitzsch, and operated on the basis of the unlimited

\(^1\) "Savings and loan associations advanced more than $1,400,000,000 during 1941, or 35 per cent of the aggregate loaned by all mortgagees on non-farm homes during the year." Cf. Charles M. Torrance: "Home Financing through Savings and Loan Associations", in *Monthly Labor Review*, May 1943, p. 933.
liability of members. Later, both in Germany and in the other countries where the banks developed, limited liability was adopted as the basic principle. People's banks are at the disposal of the low-income groups of independent producers: handicraftsmen, small industrialists and tradesmen, farmers and the like. Their resources consist of members' shares, savings deposits, rediscount by other banks, and so forth. Loans are granted only to members and generally on mortgage or some other security.

Urban credit co-operatives have developed principally in Germany (1,414 societies with 1,238,200 members), Czechoslovakia (2,005 societies with 1,542,576 members), Poland (2,000 societies with 725,000 members), and to a lesser degree in Rumania (600 societies, 197,000 members), Bulgaria (216 societies, 173,000 members) and Yugoslavia (280 societies, 85,200 members). Among Asiatic countries India must be mentioned, having 6,000 societies, with a total membership of 290,000.

The Credit Union Movement.

In the United States, urban credit co-operatives, known under the name of credit unions, have developed to a remarkable extent in the last 15 years.

In structure and in the conditions under which they operate these unions resemble the rural co-operative credit funds of the Raiffeisen type. Their principle is to include only persons held together by some bond—employees of the same undertaking or department, members of the same religious denomination, etc.; on these various levels they obtain the cohesion which in the rural co-operative credit societies follows from the community of village life. The credit unions which act as savings and credit societies, have proved, like the Raiffeisen funds, effective weapons in the struggle against usury.1

Credit unions, although chiefly urban, have a different purpose from that of the people's banks. While the loans granted by the latter are to serve independent producers in their productive purposes, loans by credit unions are adapted to the needs of wage earners, and are generally of a more personal kind. For instance, credit union loans may be used to pay for household equipment, for doctors and hospitals, for repairs to or acquisition of homes, for education, taxes, insurance, and similar purposes. The total number of credit unions in the United States was 5,642 in 1937, with a membership of 1,308,000.2 In Canada, too, the credit union movement has developed in recent years.


2 The credit unions continued their development in the United States and at the beginning of 1942 their number amounted to 10,423 with a membership of 3,532,000.
Handicraftsmen's and Small Shopkeepers' Co-operative Societies

Handicraftsmen's and small shopkeepers' co-operative societies have developed for the most part in Europe (14 countries), and, outside Europe, in India. Their aim is to help their members mainly through purchase in common of tools or goods needed in the exercise of their trade. The facilities provided sometimes include the use of a common plant for processing operations, the establishment of joint workshops, exhibits, and so forth. In 1937 there were altogether 7,000 of these societies with a membership of about 600,000. Germany, with 3,165 societies and 437,000 members, was far ahead in the development of this type of co-operative. India also makes a strong showing with 1,570 handicraftsmen’s co-operative societies, most of them hand-loom weavers' societies.

Workers' Productive Societies

It is a characteristic feature of the handicraftsmen’s co-operative societies that each member remains an independent producer responsible for the thing he has made, while in workers' productive societies, goods are produced and sold in common. The latter type of society thus constitutes an enterprise with full economic responsibility, which both takes the place of an entrepreneur and carries out his functions. The worker-member both earns his wages and further shares in the surplus made by the enterprise in proportion to the work performed by him during the year.

But the particular contribution of the co-operative productive society to co-operative life does not lie in the material economic, but in the spiritual social sphere... The workers' productive society is a direct attempt to restore the inner connection between the worker and his work by giving him full control over the process and the result of his work.1

As the following table shows, workers' productive societies attained no great numerical importance, outside the U.S.S.R.:

<table>
<thead>
<tr>
<th>Geographical division</th>
<th>Number of societies</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>America</td>
<td>1,178</td>
<td>101,145</td>
</tr>
<tr>
<td>Asia (except U.S.S.R.)</td>
<td>204</td>
<td>5,132</td>
</tr>
<tr>
<td>U.S.S.R.</td>
<td>14,555</td>
<td>1,882,330</td>
</tr>
<tr>
<td>Europe (except U.S.S.R.)</td>
<td>4,408</td>
<td>234,100</td>
</tr>
<tr>
<td>Total</td>
<td>20,345</td>
<td>2,222,727</td>
</tr>
</tbody>
</table>

On the American continent, almost all the productive co-operatives are to be found in Mexico (1,000 societies with 93,000 members). In Asia, this form of co-operative plays an important part in Palestine (144 societies with 3,000 members). They are to be found in 17 European countries, but achieve importance only in Czechoslovakia (858 societies, 22,000 members), France (648 societies, 31,000 members), Italy (1,500 societies, 86,000 members), and Spain (670 societies, 33,000 members).

Workers' productive societies developed mainly in the building, printing and small-scale engineering industries and in other highly skilled trades where the capital required is small in comparison with the cost of labour. The main difficulties of this form of co-operative society are in obtaining the necessary capital, in competing with larger private enterprises, and in organising the selling of the goods produced. These co-operatives appear to be most successful when they can produce for a given market—for consumer co-operatives, as has often been the case in Great Britain and France, or, as regards building workers' co-operatives, for housing co-operative societies. This condition of success has also existed in the U.S.S.R. where the demand for goods has hitherto been (and for some time to come will probably continue to be) far beyond the capacity to produce.

In the U.S.S.R. almost all the handicraft and small-scale industries, especially those which use local raw materials, are organised into workers' productive co-operatives. The principal branches of production include the leather and textile industry, the hosiery and ready-made clothing trades, toy-making, and embroidery. On 1 January 1937 there were 2,000 such workers' productive co-operatives, with 200,000 members, organised among disabled persons.

Labour Co-operative Societies

Co-operative labour contracting societies (or labour co-operative societies) are to be distinguished from workers' productive co-operatives proper, in that they possess little or no capital and do not bear the multifarious responsibilities of a complete undertaking. Such societies or co-operative groups, however, assume full and collective responsibility for the execution of a definite task in exchange for a lump sum remuneration, which is then distributed among the members according to rules agreed upon as fair by themselves. They do not, therefore, replace the entrepreneur, but the sub-contractor or the foreman. In Austria, Hungary, Australia, Italy, Lithuania, New Zealand, and especially in the U.S.S.R., labour co-operative societies have developed successfully in such
widely different branches of production as coal mining, certain mechanical industries, public works, agricultural works and quarries.

In western Europe, the most outstanding examples of labour contracting co-operatives were to be found in France, particularly in the printing industry, and in Italy, particularly in various kinds of navvies' work, land reclamation, and land cultivation.

In the U.S.S.R., co-operative labour contracting societies (artels) are a very old form of labour organisation. They are employed in all kinds of services in direct contact with the public: for instance, groups of hairdressers, groups of waiters employed in a restaurant, porters at the stations, and cloak room attendants in theatres.

Fishermen's Co-operative Societies

The main object of fishermen's co-operative societies is to enable fishermen to buy at a lower cost than would otherwise be possible the supplies needed in their trade, for instance, nets, bait, oil and petrol (gasoline). The more successful societies sometimes also build plants for canning fish and lobsters, salting and drying, and market the finished products.

In 1937 the total number of fishermen's co-operative societies known to the International Labour Office was 1,788, with a membership of 247,500. The U.S.S.R. alone had 1,022 co-operatives, with 150,000 members.

In Europe, fishermen's co-operative societies developed chiefly in Italy (106 co-operatives with 1,500 members), Spain (177 co-operatives with 47,000 members), Yugoslavia (200 co-operatives with 14,000 members). In Asia, a certain number were active in Sakhalin and in the Dutch East Indies. In America, they have developed more recently in Canada, Mexico, Newfoundland and the United States, where, according to a survey made by the Fish and Wildlife Service of the United States Department of the Interior, fishery co-operative associations marketed fish with a value of about $9,000,000 in 1936. This business comprised about 24 per cent., by weight, of the fish produced in the United States.

II. Rural Co-operative Organisations

Co-operative institutions in rural areas are of very diverse kinds and exhibit a great complexity of forms. Their diversity is accounted for by the numerous functions they are able to perform in the rural economy as well as by the multiplicity of shapes these functions may assume owing to the variety of local conditions in matters of climate, production, and the like.
The complexity of their forms may be explained by the number of different functions that one and the same co-operative society is often called upon to fulfil, particularly in the little differentiated rural communities which characterise a large part of Europe and Asia. The particular combinations arising in this way will, of course, differ widely according to the environment. More than half the total number of agricultural co-operative societies in the world is made up of village co-operative societies and general purpose or multi-purpose co-operative societies which have sprung from the traditional rural communities.

This fact should be borne in mind when considering what contribution co-operative organisations may be able to make towards the solution of post-war relief and rehabilitation problems.

Notwithstanding the difficulty of drawing clear distinctions, the very varied forms of agricultural co-operative organisations can only become intelligible if their diversity is to some extent classified and their complexity analysed. For the limited purposes of the present brief survey, an attempt will be made to classify agricultural co-operative organisations according to their main or primary function, to the extent that the available information warrants.

A broad preliminary classification may perhaps be made by singling out two important and easily recognisable categories: marketing co-operative societies which specialise in a particular commodity, and rural credit co-operative societies (with or without other functions). The following table has been prepared in order to show the importance of these two categories of societies in the various continents, and relatively to agricultural co-operative societies as a whole. It does not comprise agricultural and rural co-operative mutual insurance societies, which constitute a special type, or the Russian Kolkhozy which cultivate about 99 per cent. of the total acreage under crops, despite the fact that these have many features in common with co-operative group farms.

### TABLE VIII. GEOGRAPHICAL DISTRIBUTION OF RURAL SOCIETIES

<table>
<thead>
<tr>
<th>Continent</th>
<th>Rural credit co-operatives</th>
<th>Specialised marketing co-operatives</th>
<th>Other agricultural co-operatives</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Societies</td>
<td>Members</td>
<td>Societies</td>
</tr>
<tr>
<td>Africa</td>
<td>465</td>
<td>50,348</td>
<td>1,253</td>
</tr>
<tr>
<td>America</td>
<td>5,933</td>
<td>578,542</td>
<td>9,173</td>
</tr>
<tr>
<td>Asia</td>
<td>117,267</td>
<td>7,924,797</td>
<td>17,172</td>
</tr>
<tr>
<td>Europe</td>
<td>65,774</td>
<td>8,882,686</td>
<td>42,326</td>
</tr>
<tr>
<td>Oceania</td>
<td>—</td>
<td>—</td>
<td>622</td>
</tr>
<tr>
<td>Total</td>
<td>189,439</td>
<td>17,436,373</td>
<td>70,546</td>
</tr>
</tbody>
</table>

1 This figure is probably larger than the true total, since the method of presenting statistics of multiple-purpose co-operative societies sometimes makes it difficult to avoid entirely some duplication. This is particularly the case with Japan.

2 Cf. pp. 74-75.
A first glance at this table shows that the proportions that the three groups bear to each other are not the same in the different continents (and a comparison between countries would show a similar variation). The disparities are brought out more strongly if the membership of each group is related to the total membership of agricultural and rural co-operative societies within the following three areas: (1) Europe; (2) America, South Africa, Australia and New Zealand; (3) Asia and other countries of Africa and Oceania. The following table, prepared by Dr. Fauquet in accordance with this geographical division, yields the percentages of each group in the three areas.

<table>
<thead>
<tr>
<th>Kind of society</th>
<th>Europe</th>
<th>America, South Africa, and Australia, New Zealand</th>
<th>Asia and other countries of Africa and Oceania</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural credit co-operatives...</td>
<td>38.9</td>
<td>12.78</td>
<td>81.3</td>
</tr>
<tr>
<td>Specialised marketing co-operatives...</td>
<td>23.1</td>
<td>58.72</td>
<td>11.6</td>
</tr>
<tr>
<td>Other rural and agricultural co-operatives</td>
<td>38.0</td>
<td>28.50</td>
<td>7.1</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

It will be seen from these two tables that the specialised marketing co-operatives are markedly predominant among the agricultural co-operative societies of America, South Africa, Australia and New Zealand, and that the rural credit co-operatives are still more strongly predominant in Asia, while in Europe membership is more evenly distributed between the three groups.

Agricultural co-operatives, in common with other forms of co-operatives, serve the economically weak. Co-operative organisation brings within the reach of the small family holding (and places at the disposal of the large collective farm) the financial means, the technical equipment and the technical and commercial intelligence which are indispensable to them — organisation which would otherwise remain the privilege of the large landowners. Accordingly, in most countries (particularly in those of Europe and Asia) as a general rule the membership in agricultural co-operatives of all types is mainly, and often exclusively, composed of small or medium-sized farm owners or operators. The only significant exception to the rule is in the case of certain marketing co-operatives in countries or regions where agriculture is highly specialised. In such places the problem of shipping produce to distant domestic or foreign markets, which requires for its solution accurate and up-to-date

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information on the market situation, packaging, trade-labelling, and other practices calling for cohesion and discipline among growers, has led to co-operative action even among fairly large producers. Participation of small or medium-sized agriculturalists in the same organisation is not, of course, thereby precluded and is, in fact, found in nearly all cases.

1. **Rural Credit Co-operative Societies**

The rural credit co-operatives form the largest group of agricultural co-operative societies. Their membership represents almost half of the membership of agricultural co-operatives of all types, excluding the mutual insurance societies, and 24 per cent. of the membership of all urban and rural co-operatives in the world.

The growth of rural co-operative credit societies not only proves the imperious need for short and medium term credit felt by the smallholder; it also brings out the eminent fitness of co-operation to satisfy this need.

Save in a very small number of countries, where exceptional circumstances have arisen, ordinary banks cannot take an interest in loans to the peasant class, which involve the unprofitable keeping of a mass of small accounts for modest transactions. The State may be an unselfish lender; but when it ventures to distribute credits direct to smallholders its aid is often ineffective or misdirected. Almost all the experiments made in this direction have had to be abandoned.

The virtue of the rural credit co-operative society lies, not only in its disinterestedness, but also in its proximity to those for whose needs it must cater, the simplicity and efficacy of its mechanism and the security of its transactions. Suited to the scale on which it works, the institution is usually small and can act almost without running expenses. It allows personal loans on the security, not of the borrower's possessions, but solely or mainly of his power of work, his sobriety and his ability to save. It can lend with its eyes open, for all its members know one another, are able to appreciate the real needs of each and how far each is solvent, and can ascertain whether the loan given is really used for its ostensible purpose. It will lend with caution, for its debts are guaranteed by the joint responsibility of all its members. Its resources are in part its members' economies, sometimes with the savings deposits of other persons, and in part bank credits, which would be refused to any of the smallholders individually but are easily obtained by the united group. Often the Government, realising the perfect fitness of credit co-operative societies for the functions they perform, distributes through them the credits allowed to agriculture.

Credit co-operative societies have done more than anti-usury laws—which are too easily evaded, with the connivance of the borrowers themselves—to suppress the usurer, who, were it not for co-operation, would in many countries be the sole and therefore the indispensable supplier of the credit required.¹

Rural credit co-operatives first developed in the second half of the nineteenth century, in Germany. The first rural credit co-operative was founded by Raiffeisen in 1862 in the Rhineland.

It was the so-called Raiffeisen co-operative, with small or no share capital, which (with slight modifications to meet varying national conditions) came to serve as a model for rural credit co-operatives established all over the world for the dual purpose of supplying credit and promoting thrift among small agriculturalists.

However, in a number of countries where they developed, rural credit co-operative societies from the start did not confine themselves to thrift and loan activities; they also engaged in the supply of goods for the farm and household and, to a less extent, in the marketing of some of the produce of their members, thereby tending to replace the village trader not only as a source of credit, but also as a purveyor and crop collector. In Germany, for instance, the rural credit societies had a trade of 408 million marks in 1937. A striking, though not fully typical example, is provided by the variety of undertakings covered by some 2,000 rural credit co-operative societies in Bulgaria, e.g., 3,000 consumers' stores, 473 dairies, 113 canning installations, a number of egg collecting centres, bakeries, and so forth. There are, however, countries, for instance Czechoslovakia, where legislation provides that separate co-operative societies must be set up for non-credit activities.

The credit co-operative societies, like other forms of co-operatives, have entered into regional and national federations, either of their own, or embracing other categories of agricultural co-operative society. Federations of credit societies alone are found, for instance, in Switzerland, where, in 1937, 640 Raiffeisen funds with 60,000 members were affiliated to the Union of Swiss Raiffeisen Banks which also serves as a central fund for its societies, and again in the Netherlands, where before the war 1,300 credit co-operatives with a membership of 234,000 were affiliated to two separate federations: the Farmers' Central Co-operative Credit Institute and the Central Co-operative Raiffeisen Bank. The second type of federation, in which rural credit co-operatives are affiliated to a general federation of agricultural co-operative societies, is found, for instance, in Germany where 1,800 credit co-operatives with 2 million members formed part of the German Union of Agricultural and Raiffeisen Co-operative Societies before the war. In Czechoslovakia (6,000 co-operatives with 1,440,000 members) and Poland (3,700 co-operatives with 816,000 members) the rural credit co-operatives formed part of a number of general agricultural federations established in different provinces. In Yugoslavia, about 4,300 credit societies, with 415,000 members, were in a federation of the second type.

Outside Europe, credit co-operative societies had before the war attained their greatest importance in India (80,000 co-operatives
with 628,000 members), where they are the most numerous form of co-operative society, and in China (20,000 co-operatives with 692,000 members). In Japan, there were 12,000 agricultural co-operatives with almost 5 million members which also functioned as credit societies. Foremost on the American continent was the Canadian Province of Quebec, with 500 rural credit co-operatives having 55,000 members in 1937.

In a certain number of countries, viz., Algeria, Bulgaria, Finland, France, Germany, Greece, Hungary, Japan, Madagascar, Mexico, Morocco, Poland, Rumania, Turkey, and Yugoslavia, the State participated in the provision of the capital for central credit funds from which the local credit co-operatives could obtain loans. In France, for instance, 6,000 local funds, with a membership of 586,000, were connected with the National Institute for Rural Credit; in Hungary 1,000 credit co-operatives with 420,000 members were affiliated to the Central Institute of Credit Co-operative Societies.

2. SPECIALISED MARKETING CO-OPERATIVE SOCIETIES

A large amount of agricultural produce is placed on the market through general agricultural co-operative societies, which will be considered later, and also, to a less extent, by a number of rural credit co-operative societies, as remarked above. Nevertheless, as Dr. Fauquet has stated:

... a considerable body of experience has shown that the application of co-operative principles to marketing requires from the members of the society a very high degree of discipline and constant loyalty. These conditions of success can hardly be fulfilled unless the membership of the society is very homogeneous as regards the function performed by the joint undertaking. Homogeneity can best be achieved by the co-operative organisation of sales on the basis of a single commodity. This principle, which had already been worked out in Denmark and other milk producing countries, is confirmed with particular clarity by the experience of Californian fruit growers, who have carried its application so far as to form separate groups for producers of grapes, plums, apricots, etc. The same rule, commodity by commodity, has in recent years guided the producers of wheat, cattle, etc., in the United States and Canada in their efforts to establish big co-operative marketing societies; these are characteristically entitled "commodity associations"— an expression which brings out better than co-operative marketing society the essential nature of such co-operative groups.¹

It may incidentally be observed at this point that such specialised co-operatives tend to enlarge their activities and "perform all the functions (with regard not only to marketing but also to supply and service) which make for the highest commercial quality in the commodity and its by-products, and for lower costs".²

¹ "The Diversity of Co-operative Institutions and their Classification", loc. cit.
² Ibid.
Dairy Produce.

Of the specialised marketing co-operatives, the co-operative dairies are by far the most widespread. Their activities are various: collection of their members' milk, pasteurisation and bottling of fresh milk for urban distribution, production of cream, butter, cheese, condensed or powdered milk, by-products, and so forth. Some dairies combine all, while others specialise in one or other of these activities, depending on local conditions, number of members, possibilities of building a dairy plant, distance from the city, local food habits, whether production is for home or export markets, and other factors. The influence of co-operative dairies on the improvement of the quality of dairy produce of different kinds has often been described.¹

As the table given below shows, Europe, with at least 23 countries having co-operative dairies, led the other continents both as to number of societies and membership before the war. The most important countries from this standpoint were: Denmark (1,416 co-operative societies with 190,000 members in 1937), Finland (670 societies, 76,000 members), France (2,200 societies, 280,000 members), Germany (8,700 societies, 866,000 members), Italy (3,000 societies, 240,000 members), the Netherlands (500 societies, 90,000 members), Poland (1,500 societies, 640,000 members), Switzerland (3,800 societies, 117,000 members), Czechoslovakia (500 societies, 90,000 members). The three Baltic States—Estonia, Latvia and Lithuania—together had 720 societies and 63,000 members.

In America, special mention must be made of the United States, with 2,300 co-operative dairies having a total of 560,000 members. In Australia (150 societies, 72,000 members) and New Zealand (300 societies, 70,000 members) virtually the entire dairy production was and still is organised on a co-operative basis. Asia and Africa lagged a long way behind; however, recent progress has been reported, particularly in India.

<table>
<thead>
<tr>
<th>Continent</th>
<th>Number of countries</th>
<th>Number of societies</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>1</td>
<td>21</td>
<td>3,336</td>
</tr>
<tr>
<td>America</td>
<td>5</td>
<td>2,508</td>
<td>610,059</td>
</tr>
<tr>
<td>Asia</td>
<td>2</td>
<td>298</td>
<td>—</td>
</tr>
<tr>
<td>Europe</td>
<td>23</td>
<td>26,338</td>
<td>3,162,475</td>
</tr>
<tr>
<td>Oceania</td>
<td>2</td>
<td>462</td>
<td>142,078</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>29,627</td>
<td>3,917,948</td>
</tr>
</tbody>
</table>

Co-operative dairies may be found as members of general agricultural federations, as is the case in Czechoslovakia, Poland, Yugoslavia, or forming part, either of specialised regional federations, as, for instance, in the Netherlands, where the central federation has only educational and audit activities, or of specialised federations of national scope, which quite often also serve as export agencies for their affiliated societies (e.g., in Denmark, Finland, Latvia and Lithuania).

Livestock and Meat.

As the table below indicates, the number of livestock and meat marketing co-operatives is considerably smaller than that of the co-operative dairies. However, membership reaches quite an important figure, as in contrast to rural credit co-operatives which are small by nature, being generally limited to a single parish, the activities of livestock and meat co-operatives and their relationship with the market call for a fairly large membership if the society is to be successful.

The United States is a long way ahead in the development of livestock and meat marketing co-operatives, with 1,000 societies and a membership of 515,000 in 1937. In Europe, the most important co-operatives of this type are to be found in Denmark, where before the war 61 co-operative bacon factories with 192,000 members were affiliated to a specialised federation which exported bacon to Great Britain. In Sweden, 39 co-operatives with 207,000 members were affiliated to the Swedish Federation of Co-operative Meat Marketing Societies.

<table>
<thead>
<tr>
<th>Continent</th>
<th>Number of countries</th>
<th>Number of societies</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>1</td>
<td>39</td>
<td>2,931</td>
</tr>
<tr>
<td>America</td>
<td>4</td>
<td>1,224</td>
<td>563,358</td>
</tr>
<tr>
<td>Europe</td>
<td>13</td>
<td>3,448</td>
<td>728,408</td>
</tr>
<tr>
<td>Oceania</td>
<td>2</td>
<td>13</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20</strong></td>
<td><strong>4,724</strong></td>
<td><strong>1,300,697</strong></td>
</tr>
</tbody>
</table>

* In 1,184 societies.  * In 2,554 societies.  In one society in New Zealand.

Grapes and Wine.

Vine growers' co-operatives have developed in recent years in most of the vine growing countries: France (1,080 societies with 150,000 members), Germany (477 societies, 25,000 members), Greece (143 societies, 10,000 members), Italy (194 societies, 16,000 members) and Yugoslavia (116 societies, 4,000 members).
Outside Europe, there are vine growers' co-operatives in Algeria, Argentina, Brazil, Cyprus, Palestine and South Africa.

The functions performed by vine growers' societies vary a good deal. Some merely market their members' grapes, while others undertake the manufacture of wine from their members' grapes, in which case the wine produced is either sold by the members individually or sold by the co-operative for the account of the members individually or collectively.

<table>
<thead>
<tr>
<th>Continent</th>
<th>Number of countries</th>
<th>Number of societies</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>2</td>
<td>175</td>
<td>5,120*</td>
</tr>
<tr>
<td>America</td>
<td>2</td>
<td>47</td>
<td>7,161</td>
</tr>
<tr>
<td>Asia</td>
<td>2</td>
<td>13</td>
<td>982</td>
</tr>
<tr>
<td>Europe</td>
<td>9</td>
<td>2,172</td>
<td>220,367*</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>2,407</td>
<td>233,630</td>
</tr>
</tbody>
</table>

* In 7 societies in the Union of South Africa only.

Fruit and Vegetables.

Almost half of the total number of fruit and vegetable growers' co-operatives with more than half of the total membership were in the United States (1,150 societies with 145,000 members), where the various forms of fruit and vegetable growers' co-operatives had achieved a high degree of development before the war. The California and Florida citrus growers' co-operatives, the Sun Maid Raisin Growers of California and the Californian Prune and Apple Growers' Association have become famous all over the world. All these co-operatives sell a highly standardised produce on the national and international markets. In Europe, this type of co-operative had attained a certain importance in France, Germany, Italy, the Netherlands and Switzerland. In the Netherlands, they sometimes took the particular form of co-operative auction societies.

<table>
<thead>
<tr>
<th>Continent</th>
<th>Number of countries</th>
<th>Number of societies</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>3</td>
<td>124</td>
<td>11,666</td>
</tr>
<tr>
<td>America</td>
<td>6</td>
<td>1,263</td>
<td>144,654</td>
</tr>
<tr>
<td>Asia</td>
<td>1</td>
<td>36</td>
<td>1,817*</td>
</tr>
<tr>
<td>Europe</td>
<td>12</td>
<td>1,152</td>
<td>115,177*</td>
</tr>
<tr>
<td>Oceania</td>
<td>2</td>
<td>95</td>
<td>8,000*</td>
</tr>
<tr>
<td>Total</td>
<td>24</td>
<td>2,670</td>
<td>281,314</td>
</tr>
</tbody>
</table>

* In 15 societies only.  * In 690 societies only.  * In 50 societies only.
Other Products.

There are, of course, specialised co-operative marketing organisations dealing in products other than those enumerated above. Two of them—those concerned with wheat and eggs—require to be mentioned, in view of the importance of these commodities. Actually the co-operative marketing of wheat and eggs is undertaken by specialised co-operative organisations in comparatively few countries, though, as is well known, co-operative organisations specialising in wheat have acquired considerable importance in certain instances.

Wheat. In countries where agriculture is not highly specialised—and this is the case in most parts of Europe—the co-operative marketing of wheat is mostly carried out through the general agricultural co-operative societies. This is so, for instance, in Czechoslovakia, where in 1937 the grain handled by all agricultural co-operative federations amounted to some 118,000 truck loads (of 10 tons each), and in Sweden, where 786 such co-operative societies with a membership of 44,600 were responsible for about 30 per cent. of the total trade in cereals.

Nevertheless, specialised wheat marketing societies have grown up in certain countries, most of them formed in the years immediately preceding the present war. In France, for example, the establishment of the National Wheat Board (Office national interprofessionnel du blé) had led to a rapid increase in the number of such societies; in 1937 they numbered 1,205, with 235 specially equipped silos. Yugoslavia had 117 grain marketing co-operatives (in 1935) with 5,760 members. There were also societies of this type in Italy and Greece.

In certain non-European countries where agriculture is specialised, the situation is reversed and the specialised marketing society becomes the rule rather than the exception. The outstanding example of wheat marketing co-operative organisations is provided by Canada, where in 1937 the three wheat pools of Alberta, Saskatchewan and Manitoba had over 150,000 members and a combined trade amounting to 26 million dollars. Of the three organisations, the most important was Saskatchewan Co-operative Wheat Producers Limited, with 107,000 members and a trade of 17 million dollars. At that time the wheat pools already possessed a large number of country, as well as a certain number of terminal, elevators.

Eggs. Poultry farming is principally of interest to small and medium-sized agricultural holdings in countries with a diversified agriculture, since it provides the farm with a continuous though fluctuating source of income.
The collection and marketing of eggs are fairly often regarded as subsidiary functions of agricultural co-operatives with a different principal object (general or special), but sometimes they are undertaken by special co-operative institutions. In Hungary, for instance, eggs are collected by the so-called agricultural consumers' co-operatives, which are co-operative purchase and sale societies. Most frequently they are collected at the same time as milk (Czecho- slovakia, Denmark, Hungary and Poland). Where systematic attention has been paid to the marketing of eggs, particularly in egg exporting countries (e.g., Denmark, Estonia, Finland, the Netherlands and Sweden), it is carried out, to a greater or less extent, by specialised societies. This has also been the case in Germany and Switzerland.

Large egg and poultry co-operative organisations have also developed in Canada (Manitoba, Saskatchewan and the Maritime Provinces) and in the United States, particularly among egg producers on the west coast. The western egg producers' co-operatives have established their own agency in New York.

3. OTHER RURAL CO-OPERATIVE SOCIETIES

Table VIII shows that almost one-third of the total membership of agricultural co-operative societies belongs to societies with a principal function which does not entitle them to be placed among rural credit co-operatives or specialised marketing co-operatives. Nearly 70 per cent. of the societies of this remaining group (comprising fully 85 per cent. of its membership) are non-specialised purchase and sale co-operatives, while the balance is made up of miscellaneous co-operative societies performing one or other of the multifarious functions involved in the satisfaction of agricultural and rural community needs. Rural co-operative mutual insurance societies, it will be recalled, are not included in the group.

Non-specialised Purchase and Sale Co-operative Societies

The rural supply co-operative societies represent an attempt on the part of the small or medium-sized agriculturists to reduce their costs of production and, at the same time, to secure for themselves the benefit of technical progress without losing their economic independence. They accordingly represent, with the rural credit co-operative societies, one of the oldest forms of co-operation in rural areas. Indeed, as already observed, the two forms are often linked together, particularly in some of the countries of central and south-eastern Europe. Moreover, rural supply co-operative societies are of a complex nature in themselves. Even when origin-
ally established for the collective purchase of fertilisers, feeding-stuffs, agricultural implements, and sometimes, agricultural machinery, they often also provide their members with consumption and household goods and, fairly frequently, undertake the marketing of their members' products.

Their activity in the field of domestic consumption may be considerable. In Estonia, for instance, these societies are responsible for 40 per cent. of the national imports of sugar; in Latvia, they distribute 55 per cent. of the salt, 18 per cent. of the sugar and 32 per cent. of the herrings consumed throughout the country, and in Lithuania 92.5 per cent. of the salt and 45 per cent. of the mineral oil passes through the hands of the Central Union of Agricultural Co-operative Societies.

As already pointed out, in the Baltic countries, Finland, Hungary and Switzerland these general agricultural associations or co-operative societies in practice take such a large place in the distribution of consumption goods that they are veritable rural consumers' co-operative societies, and sometimes indeed they bear this name.

A classical instance of societies of this type is provided by the agricultural supply societies affiliated to the Union of East Switzerland Co-operative Agricultural Societies, their trade being divided between supply of agricultural articles (31 per cent.), supply of consumers' goods (38 per cent.) and marketing of members' produce (31 per cent.).

Numerous instances of the marketing activities of supply societies could be given in most countries. In Germany, Iceland, India, Sweden and the United States, sales of members' produce accounted for nearly half the total turnover of the supply societies; in Poland for more than half, and in Bulgaria for 70 per cent. In Lithuania, the general agricultural co-operative societies collected much of the flax, one of the most important national products. In Poland, 70 per cent. of the grain and seed exported before the war in 1936 was derived from the general agricultural societies, while in Czechoslovakia, 87 per cent. of all cereals were handled by co-operative marketing organisations.

1 See p. 40.
2 Cf. S. Krolikowski, former general manager of the Central Organisation of Agricultural Co-operative Societies, in Agricultural Co-operatives in Poland, read at a Conference on Co-operative Systems in European Agriculture, London, 16-17 Apr. 1943, held by the British Association for the Advancement of Science.
3 According to Dr. Ladislav Feierabend, Minister of Finance in the Czechoslovak Government in London, and formerly general manager of the Supply Association of the Agricultural Co-operative Societies, as reported in the Cooperative Consumer (North Kansas City, U.S.A.) of 30 Apr. 1943.
It may be said, therefore, that rural supply societies are most often by way of being multi-purpose co-operative societies and may well be termed (as they are in some countries) village co-operative societies, general agricultural co-operative societies, or purchase and sale co-operative societies. In the following table no attempt is made to distinguish societies in which purchase is the main function from those in which the main function is sale. It does not, however, include co-operatives specialising in the supply of a single agricultural requisite, such as seeds or machines.

### TABLE XIV. NON-SPECIALISED PURCHASE AND SALE CO-OPERATIVES

<table>
<thead>
<tr>
<th>Continent</th>
<th>Number of countries</th>
<th>Number of co-operatives</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>6</td>
<td>1,563</td>
<td>82,504</td>
</tr>
<tr>
<td>America</td>
<td>6</td>
<td>3,315</td>
<td>849,916</td>
</tr>
<tr>
<td>Asia</td>
<td>7</td>
<td>23,418</td>
<td>5,336,811</td>
</tr>
<tr>
<td>Europe</td>
<td>23</td>
<td>44,618</td>
<td>4,969,916</td>
</tr>
<tr>
<td>Oceania</td>
<td>3</td>
<td>123</td>
<td>48,774</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>73,037</strong></td>
<td><strong>11,487,921</strong></td>
</tr>
</tbody>
</table>

1 Does not include Hungary, where functions of purchase and sale are performed by the consumers' co-operative societies.

General purchase and sale co-operatives are most numerous by far in Asia and in Europe, where agriculture is largely non-specialised. On the European continent they occupy an important place in the rural economy. In 1937 there were 1,400 of these co-operatives, with 334,000 members, in Czechoslovakia; 20,000 co-operatives, with 1,700,000 members, in France; 3,000 co-operatives, with over 400,000 members, in Germany; 830 co-operatives, with 800,000 members, in Italy; 1,000 with 135,000 members, in the Netherlands; 1,700, with 64,000 members, in Norway; 3,500, with 438,000 members, in Poland; and 2,000 co-operatives, with almost 200,000 members, in Yugoslavia.

In Asia the membership of these societies is even larger than it is in Europe, mostly on account of the very large number of societies (12,000 with almost 5 million members) in Japan, where multi-purpose co-operative societies are the predominant type. In America, the United States alone accounts for 78 per cent. of the purchase and sale co-operatives and for 90 per cent. of their membership.

Many of the agricultural co-operative wholesale societies formed by the purchase and sale societies to assist them in their function of supply have attained great importance. They organise the collective purchase, on the domestic or foreign market, of the seeds, feeding-stuffs, machines and other goods needed by their society
members; they very often own factories for the manufacture of fertilisers, agricultural machines, and so forth.

**Specialised Rural Supply Co-operative Societies**

The development of some of these productive activities has led to the establishment of specialised organisations. Denmark, for instance, in 1937 had 1,536 co-operative societies (with 94,000 members) specialising in the supply of feeding-stuffs, 1,458 societies (with 55,800 members) for the purchase of fertilisers, and even 131 societies (with 4,300 members) specialising in the production and supply of selected seeds. There is also a central society which purchases coal for 1,043 local societies, and a cement factory to which over 1,100 societies belonged before the war.

Reference must also be made to the co-operative societies which specialise in the selection of livestock (stock raising societies). The object of these organisations is to place at the disposal of smallholders high-class sires, the use of which can be shared by all, but which are too expensive to be acquired by the majority of individuals.

Such societies abound in most of the countries where cattle, sheep, pigs, horses or mules are raised. In Switzerland, for instance, there were 1,530 of these for cattle alone in 1937 and several hundred for the other species, while Finland had 1,500, Latvia 79 and Luxemburg 98. Germany had 428 in 1936. The statistics for 1935 showed 4,183 in Sweden, including 2,228 for cattle and 1,397 for pigs. In the dairy countries the work of these stock raising societies or associations is more or less closely related to that of the milk testing societies or associations, which aim at the elimination of animals with a low yield of milk or butter, and supervise at the farms the feeding of the cattle, their treatment, milking conditions, and the collection and preservation of milk; they also issue certificates of origin for young animals of good stock.

There has also been some specialisation of co-operative societies in the supply of machinery, though, as already mentioned, many general co-operative societies enable their smallholder members to acquire the commoner agricultural implements at cheap rates or to use the most modern machines on a collective basis. There were 236 machine co-operative societies in Latvia before the war; 64 in Yugoslavia (1933), 400 in Finland (1935), 133 in Lithuania and 460 in Switzerland (1937). Germany had 800 co-operative threshing societies in 1936. In Denmark there is a society for the purchase and construction of dairy machines.

Sometimes these societies even constitute separate federations. This has occurred in Estonia, for instance, where the Federation
of Co-operative Societies for the Use of Machines had 283 affiliated societies in 1937, and in France, where the National Federation of Threshing Associations and Co-operative Societies had 670 affiliated societies in the same year. Or again, the central agricultural co-operative organisations may have special sections for machines—as with the Hankkija in Finland and the Hangya in Hungary.

Miscellaneous Rural Co-operative Societies

The miscellaneous co-operative societies serving the needs of rural life are in turn roughly divisible into three main groups: societies principally concerned with the land itself; societies principally concerned with the organisation of some subsidiary occupation; and societies principally concerned with the amenities or equipment of the rural community.

Co-operative Societies Affecting the Land.

The first group includes societies such as co-operative allotment societies, co-operative land leasing societies, co-operative consolidation societies, co-operative land improvement societies and co-operatives for joint cultivation, which tend either to relate landless labourers to the land and give them the possibility of employment, or to modify the legal relationship of small land owners with the land in the direction of efficient cultivation, or else to bring the soil into a fit state for cultivation and stock raising.

The difference between the allotment societies and the land leasing societies is roughly the same as that between the co-operative housing societies which sell and those which let houses to their members. In other words, co-operative allotment societies transfer to their members, as the property of the latter, pieces of land bought collectively in larger lots, while land leasing co-operatives buy or hire land for the purpose of renting it in smaller lots to their members. Co-operatives of these kinds lend themselves as agencies for the application of land reforms or of measures to encourage smallholding and have actually been so used in Czechoslovakia, Finland, Poland, Rumania and Yugoslavia. In Hungary these co-operatives are found as sections of rural credit co-operatives, while in the United States they have been sponsored by the U.S. Farm Security Administration.1

In some countries the laws of inheritance have led to an excessive fragmentation of holdings, which precludes the introduction of more efficient methods of cultivation and entails waste of time

and energy as well as of land. When consolidation becomes necessary, it can be carried out by compulsion or by some mode of agreement. In the latter case, good results have been obtained by the creation of co-operative societies for the purpose. The Indian province of Punjab has taken a successful lead in this field; by the end of 1938-39 it had 1,477 co-operative consolidation of holdings societies and nearly 2 million acres of land had been consolidated. This example has been followed in other provinces of India, notably in Madras, the United Provinces, the Central Provinces and Berar.

The co-operative societies for land improvement undertake such work as protection against floods, draining or irrigation, cleaning and correction of watercourses, irrigation and drainage canals. Such societies sometimes function only intermittently and are seldom grouped in special federations. As a result they hardly ever appear in statistics. They are, nevertheless, of considerable importance in rural districts, as, for instance, in Belgium (wateringues), France (special associations syndicales), Italy, Luxemburg, Switzerland, etc. "They have done important work in certain areas of Bengal, where they have changed the whole outlook of the people and strengthened their general economic position".  

Where there are technical, demographic, legal or other obstacles to the division of large estates, land allotment or land-leasing co-operatives of the types described above are not suitable for securing employment on the land or its cultivation. In such cases various forms of co-operatives for joint cultivation of the whole undertaking are more appropriate. Sometimes such co-operatives have arisen out of land improvement co-operative societies or out of co-operative labour gangs contracting to do land reclamation and then proceeding to land cultivation. The latter development has taken place particularly in Italy, where many braccianti have been engaged alternately in land clearance and land cultivation, with spells of road making and other earth works. More permanently organised co-operatives for joint cultivation have developed since the early nineteen-twenties, especially in northern Italy; in 1936 there were 350, with 45,000 members, cultivating some 300,000 acres of land.

In Palestine there has been a striking co-operative development of land owned and retained by the Jewish National Fund. These enterprises take the form of collective farms (kvutsoth), whose achievements have been hailed as a model solution to the problems of land ownership and utilisation. Each settlement is governed by a committee elected from the members; this committee in turn

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1 In 1937 there were nearly 1,000 irrigation co-operative societies, with more than 20,000 members, in western Bengal alone.

CO-OPERATION AND POST-WAR RELIEF

divides into sub-committees which control different branches of the settlement's activities. All the property in the settlement is owned by the society and no wages are paid, but all money earned on outside work goes into the common purse. The produce of the settlement is sold collectively either to or through a co-operative marketing society. At the end of 1940 there were about 200 large and small agricultural settlements with a population of 41,000.

Another interesting example of collective farming is provided by the Mexican ejido. The ejidos, based on traditional Indian forms of community life, developed after the Mexican revolution of 1910 and during the subsequent period of rural reform. At the end of 1939, the date of the last census, there were 6,592 ejidos, covering 25 million acres of land. They are regarded by the Government as an essential factor in rural progress; according to official declarations, irrigation, drainage, road building, utilisation of farm machinery, construction of elevators, and other similar developments, are only conceivable through the ejido system.¹

Co-operatives for collective farming have been developing in recent years in Bulgaria. Their main function is the collective cultivation and management of lands belonging to or leased by their members, through consolidation of small holdings and common organisation of the work of members and their families. They have wide subsidiary powers, including the leasing of land, supply and operation of machinery and implements, construction of buildings, improvement of members' holdings, supply of household goods, social and educational activities. Any surplus arising from the activities of the society is distributed to the members in proportion to the number of hectares of land and the number of hours of work they contribute. At the end of 1940 there were 21 co-operative societies for collective farming, with a membership of 1,601 landowners exploiting 29,590 decares of land.

By far the most important societies of this type, on account both of their number and of their economic strength, are the collective farms of the Soviet Union. In 1937 there were 243,000 such farms, with 19 million members. Approximately 99 per cent. of the arable land of the U.S.S.R. was cultivated by the collective farms or kolkhozy at that date.

The internal structure and work of a kolkhoz are based on "standard rules" governing an artel (association) promulgated by decree of 17 February 1935. These "standard rules" provide that the land of the kolkhoz, like all other land in the Soviet Union, belongs to the State; it is granted in perpetual tenure and may not be sold or leased to others. All the boundaries separating the lands

of the members are to be destroyed and all the fields brought together
and worked collectively. Draught animals and implements of
cultivation, together with all seed reserves, sufficient forage for
the collective stock and the buildings required for the operation of
the farm and the handling of its products are to be common pro-

It is, however, provided that every household of members
shall receive small plots adjoining their houses, for their personal
use as orchards, kitchen gardens, and so forth, and that members
may own poultry, rabbits and a limited amount of livestock. The
association formed by the members of a kolkhoz, as defined by the
"standard rules", is regulated like a workers' productive co-oper-

Its supreme organ is the general meeting of members
which elects a president and management committee, and drafts
instructions for the organisation of the work. The income of the
association is distributed among the members on the basis of the
number of days of work furnished by each. Machinery and tractors
belong to the State and are placed at the disposal of the kolkhozy
through its machine and tractor stations. Relations between the
kolkhozy and the latter are governed by contract.¹

Co-operatives and Supplementary Occupations in Rural Areas.

Not always, and not everywhere, does agricultural work provide
the agriculturalist and his family with all the products or with all
the income they need. The holding may be too small or the soil
insufficiently fertile, or the climate may prevent agricultural opera-
tions during a large part of the year (e.g., in countries with a long
winter or in the mountains and high valleys of more temperate
climates). Hence the necessity, especially for the household of the
smallholder or tenant, of seeking a supplementary occupation and
income. Sometimes the farm undertaking will be extended to
include poultry, bee keeping, or silk-worm breeding. At other
times, the additional occupation will be fur trapping (Canada,
U.S.S.R.), or sea or river fishing (Canada, Morocco, U.S.S.R.),
or again it may take the form of making some handicraft product
for sale, basing the industry either on raw materials of local origin
(wood, metal, textiles), or, strange as this may seem, on raw mate-

¹ For further details of the structure, work and importance of the kolkhoz
system see G. Rabinowitch: "The Kolkhozes in the Economy of the Union of
Socialist Soviet Republics", in Rural Sociology, Sept. 1943.

Almost any type of agricultural co-operative society will or
may help these small-scale industries, in some cases by providing
the needed credit, and, more generally, by organising relations with the market for both supplies and sales. In India, such societies have encouraged the small-scale and village industries, especially weavers, but also dyers and wood and metal workers. In Ireland, the breeding of small stock, bee keeping, and lace making have been encouraged; in Sweden, Norway, Finland and Hungary, embroidery; in Switzerland, wood working and weaving; and in Turkey, weaving. In the U.S.S.R., where rural industries are widely developed, numerous co-operative societies have organised the manufacture and marketing of wood work, toys, textiles, embroidery, lace work and all kinds of household requirements, such as matches, soap, buttons, leather and pottery.

**Forestry co-operative societies**, whether they are societies of small owners of forest land or societies of workers (of the type of workers' productive societies or of artisans' co-operative societies), may be considered as undertakings providing the rural population with a supplementary income. They have developed mainly in Europe, in countries rich in forest land. Their position in 1937 was as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of societies</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>207</td>
<td>21,576</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>32</td>
<td>680</td>
</tr>
<tr>
<td>Finland</td>
<td>4</td>
<td>2,800</td>
</tr>
<tr>
<td>Rumania</td>
<td>207</td>
<td>25,062</td>
</tr>
<tr>
<td>Sweden</td>
<td>28</td>
<td>19,300</td>
</tr>
<tr>
<td>Switzerland</td>
<td>145</td>
<td>8,662</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>623</strong></td>
<td><strong>78,080</strong></td>
</tr>
</tbody>
</table>

In Bulgaria they belonged mostly to the type of workers' productive societies, although some of them were established among small owners of forest land. There are a few forest owners' co-operative societies (but those few are important) in Finland, where forestry products have accounted for no less than 70 per cent. and at times 85 or even 90 per cent. of the total exports of the country. In Rumania, where before the present war the timber industry occupied the third place in the productive activities of the country, they are numerous. The object of some of them is either to meet the timber requirements of their members or to provide them with a supplementary source of income; others own factories for the working up of timber for building purposes; some of the latter type are engaged chiefly in the export trade. In Sweden they have developed greatly ever since 1937 and particularly during the war
period. In the U.S.S.R. there were almost 4,000 forestry societies with more than 370,000 members; many of them were handicraftsmen’s (wood workers’) societies, as were also those which were established in Morocco shortly before the present war (13 societies with 858 members). Brazil also had forestry co-operative societies (5 in number with 400 members). A number of forestry co-operative societies are to be found in the United States, where the movement is expected to grow; these societies are looked upon not only as agencies for the processing and marketing of farm woodland and other local forest products, but also as educational channels for a more productive handling of the farm woodland and for the improvement of forest stands.

**Co-operatives and the Equipment of the Rural Community.**

Collective action on a co-operative basis accords so closely with the many daily needs and occupations of country folk that it readily becomes the very mould of their activity and thought. They thus have recourse to co-operative organisation to solve the problems not only of their own households and labours, but also those of the rural community at large.

In addition to their main and easily recorded functions, many rural credit co-operatives have in various and relatively inconspicuous ways helped to improve rural housing, to lay on water and electricity, to repair or establish local roads or bridges, and so forth. They have done this in Bulgaria, France, Germany, Hungary, and other countries.

In many cases the exercise of these and other functions has led to the establishment of special co-operative societies, of which some mention will now be made. There are, for instance, special water-supply co-operatives, which provide the rural community with drinking water. Germany had 303 of these societies, with 14,000 members in 1936; Switzerland had 432 in 1937. In Canada, Italy and Palestine, *transport* co-operative societies provide rural communities with transportation facilities. *Telephone* co-operatives connect rural communities with each other and with the general network in places where private undertakings have been unwilling to provide service, on account of the capital investment involved or of the high cost of maintenance. In 1937 there were 300 societies of this type, with 19,000 members, in Finland; approximately 2,000 societies, with about 100,000 telephones, in Canada; and 3,728 societies, with 110,981 members, in the United States.

By far the most important co-operatives in this group are the *electricity* co-operative societies, the purpose of which is to bring electric current to the farm home and buildings. Private under-
takings run for profit are not always ready to assume the cost of bringing electricity to villages, still less to individual farms. In the United States, for instance, only about 10 per cent. of the almost 7 million farms listed in the 1930 census had electric light service.

Electricity co-operatives are of two main types: those which possess their own power plant and distribute the current produced by it, and those—the more frequent type—which purchase current from a privately owned or public-utility power station and merely distribute this to their members. The electricity co-operative undertakes the erection of lines and the installation of electricity in the farm, and sometimes provides its members with household electrical appliances, incandescent lamps, and the like.

The following table shows the number and distribution of electricity co-operatives before the war:

<table>
<thead>
<tr>
<th>Continent</th>
<th>Number of countries</th>
<th>Number of co-operatives</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>America</td>
<td>3</td>
<td>312</td>
<td>234,479</td>
</tr>
<tr>
<td>Europe</td>
<td>13</td>
<td>9,505</td>
<td>664,702</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>9,817</td>
<td>899,181</td>
</tr>
</tbody>
</table>

In 1937 there were 2,122 electricity co-operatives in Czecho- slovakia, where they have made a most active contribution to village electrification. In Germany there were 4,808 co-operatives, with 411,847 members; in France, 47 collective agricultural electricity societies with 447,267 members; Sweden in 1937 had 1,887 electricity co-operatives which served approximately one-third of the farm area of the country; while in Switzerland there were over 300 societies with approximately 85,000 members, though some of the Swiss societies were not predominantly rural in character.

In the United States, Congress passed a Rural Electrification Act in 1936, which established on a permanent basis the Rural Electrification Administration, to intensify rural electrification. The Administration was authorised to make loans to public bodies and agencies, to private utility corporations and to non-profit co-operative associations of rural consumers, for the purpose of financing the construction and operation of generating plants, electric transmission and electric distribution lines. Up to December 1939, approximately 90 per cent. of the loans granted were made to electricity co-operatives. Special divisions of the Rural Electrification Administration help the farmer to set up a co-operative society, advise on the construction of lines, carry on a campaign to acquaint the members with the use of electrical appliances, and so forth.
Despite the fact that they are mostly urban in character, mention may conveniently be made here of the recent development of electricity co-operatives in Argentina, where the co-operative production of electricity arose as a protest on the part of certain consumers against the attitude of the big trusts. In small towns and, more particularly, in rural districts, the municipal authorities participate in the establishment of new co-operative electricity stations and join the co-operatives in the same way as ordinary members. In the year 1936-37 there were 51 societies, with 94,721 members.

In view of the importance of gasoline (petrol) and other oil products in farm operations, particularly in the United States and Canada, mention may be made of co-operative petroleum associations, which supply these products, together with automobile and tractor tires and other accessories. In 1939 there were 1,400 such associations in the United States, with 450,000 members, and their sales amounted to 86 million dollars. At the end of that year practically all the 22 regional co-operative wholesale associations were dealing in petroleum products, while 4 were manufacturing lubricating oil. In 1939 the first co-operative refinery was established at Phillipsburg, Kansas; as many as nine are in operation at the present time.

In Canada, Consumers’ Co-operative Refineries, Ltd., of Saskatchewan, which started operations in 1935, had sales in 1939 amounting to over one million dollars. Between 1939 and 1941 sales of products nearly doubled (from 6.7 to 12 million gallons). There are over 250 active member societies affiliated to the organisation, which accounts for about 10 per cent. of the total oil consumption of the province.

Health Co-operative Societies.

In some countries health co-operative societies make an important contribution to the welfare of the rural population. In Europe such societies have developed mainly in Yugoslavia, where in 1937 there were 171 health co-operatives, with 110,981 members, affiliated to a special federation, the Union of Co-operative Sanitary Societies, with headquarters in Belgrade. These co-operatives arrange for the presence of a doctor, a pharmacy and a small hospital in each rural community concerned, and give valuable aid in the struggle against disease by means of vaccination and other preventive measures. Moreover, through their youth and women’s sections, they are gradually entering the whole field of training in hygiene.
and of technical, economic and social education. They improve streets, build fountains and provide dung-pits, and make other improvements in villages.¹ Health co-operatives patterned on those in Yugoslavia began to be established in Poland in the years immediately preceding the outbreak of the present war.

In India anti-malaria and health co-operatives have been developed, chiefly in the province of Bengal, where an Anti-Malaria League was founded in 1912 to combat the ravages of malaria, which was responsible for more than a quarter of the total mortality of the province. The nucleus of the first co-operatively organised village anti-malaria society was established in 1914. In view of the possibilities shown by these societies, the Anti-Malaria League was converted into a central society for the co-operatives, with the name of Central Co-operative Anti-Malarial Society, Ltd. The Indian anti-malaria and public health societies have a structure and objects similar to the health societies of Yugoslavia. At the end of the year 1939-40 there were in Bengal 1,099 such societies with 21,728 members. It may also be mentioned that in 1939 the Government of Madras was considering a scheme for the setting up of health co-operative societies in connection with a wider programme of health improvement. The Punjab has a few health and medical aid co-operative societies. In the last-named province and in the United Provinces some of the functions of the health societies are performed by the so-called better living societies. Considerable good work has been done under their auspices: "roads have been improved, public wells have been dug, tanks have been cleared, dispensaries have been established . . . . village sanitation improved". These societies have also been responsible for the opening of schools, for propaganda against unnecessary ceremonial expenditure, and for the introduction of better seed, better methods of cultivation and improved breeds of cattle.²

In China, rural credit co-operative societies and, in more recent years, industrial co-operatives have undertaken co-operative health activities. In Japan, there were at least 276 health co-operatives, with 356,000 members, in 1937.

**Agricultural and Rural Co-operative Mutual Insurance Societies.**

Even a brief description of the various farm and rural co-operative societies should not omit all mention of agricultural and rural co-operative mutual insurance societies, which protect the farmer


² Review of the Co-operative Movement in India, 1939-40, op. cit.
against accident to his own person or the persons of his family, death among his cattle and other livestock, damage to his crops by the weather, and fire in his house and farm buildings.

As regards the risks of fire, accident and death, which are more or less common to the rural and urban population, farmers sometimes insure through co-operative insurance societies set up by the urban consumers' co-operative movement. This was the case, for instance, in Finland and Sweden.

Farmers are also sometimes served by co-operative insurance societies which operate principally among the rural population but also cater for the needs of the urban population to some extent. A society of this kind is the Danish Co-operative Insurance Society Tryg, which in 1937 insured over 200,000 persons for a total of 190 million crowns.

Finally, agriculture has its own co-operative mutual insurance societies giving protection, in particular, against the risks of fire, death of cattle, accidents and destruction of crops by hail. These purely agricultural or rural co-operative insurance societies are of two types: more or less large centralised societies, and smaller societies scattered over the countryside and generally grouped in federations.

Societies of the centralised type were found in Belgium, Denmark, Germany, Hungary and the Netherlands. The Belgian Farmers' League Insurance Society, which is of this type, insured 78,810 farmers and smallholders against accidents in 1937. In Denmark, besides the Tryg society mentioned above, there is the Accident Insurance Society for Dairies and Agriculture, which in 1937 included and insured 380,000 persons, while another society, the Farmers' Parish Union Accident Insurance Society, covered 18,800 persons. In Germany, there were three such societies: one for fire and various risks (101,081 insured against fire and 161,314 against various risks in 1937), one for life (207,000 persons insured) and the third for livestock. In Hungary, the Farmers' Co-operative Insurance Society insured 227,545 persons for life for a total of 85,798,341 pengő in 1937, while in the Netherlands there were two relatively small societies (7,000 and 32,000 members respectively) providing accident insurance to vegetable growers and farmers. Outside Europe, mention may be made of Canada, where there are two centralised hail insurance associations and two large mutual fire insurance companies. One of the latter now covers other risks as well.

The following table gives numerical data relating to the second type of agricultural insurance societies — those which are decentralised and grouped in federations:

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1 See pp. 47-49.
TABLE XVII. AGRICULTURAL AND RURAL CO-OPERATIVE MUTUAL INSURANCE SOCIETIES

<table>
<thead>
<tr>
<th>Continent</th>
<th>Number of countries</th>
<th>Number of co-operatives</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>2</td>
<td>38</td>
<td>20,420</td>
</tr>
<tr>
<td>America</td>
<td>2</td>
<td>1,938</td>
<td>3,292,415</td>
</tr>
<tr>
<td>Asia</td>
<td>1</td>
<td>220</td>
<td>2,889</td>
</tr>
<tr>
<td>Europe</td>
<td>12</td>
<td>58,546</td>
<td>2,669,003</td>
</tr>
<tr>
<td>Total</td>
<td>17</td>
<td>60,742</td>
<td>5,984,727</td>
</tr>
</tbody>
</table>

It is to be noted that mutual insurance societies are often registered, not as co-operative organisations, but as friendly societies, companies, and so forth, and do not, therefore, find a place in co-operative statistics. This table is consequently incomplete. For instance, some 360 farmers' mutual fire insurance companies in Canada which in 1939 carried on risk insurance amounting to over a billion dollars, do not appear in it.

Co-operative mutual insurance societies of the type included in the table above developed mainly in France, where in 1937 there were 50,461 such societies with 2,293,838 members, out of a total of 60,742 such societies with 5,984,727 members in all the countries of the world. These societies insured against accident, death among livestock, hail, fire and other risks. The local co-operatives were re-insured by regional societies and the latter in turn were covered by re-insurance through national federations. Insurance against loss of livestock was particularly well developed and covered this risk under the most advantageous conditions. Based entirely on mutual principles and with very low general expenses, the system enabled insured persons to enjoy maximum protection with the payment of minimum premiums. As, in these societies, the insured person is also the carrier of his own insurance, it is to his interest to promote satisfactory insurance, not only by seeing that the enterprise is properly managed, but by endeavouring to restrict the causes of mortality. These societies have therefore come to study the best way of raising the general level of hygiene among animals, to take preventive measures, and above all, to organise the campaign against the more dangerous contagious diseases.

Co-operative mutual insurance societies of the decentralised type have also developed in Bulgaria (2,500 societies with 120,000 members), Belgium (724 societies with 50,000 members), Italy (750 societies with 35,000 members) and Switzerland (over 2,000 societies).

Outside Europe, mention must be made of the United States, where before the war there were almost 2,000 societies of this type, with more than 3,000,000 members. Recent years have seen a big development in this field and there has been an extension of co-operative insurance to a large number of risks.
PART III

CO-OPERATIVE ORGANISATIONS IN RELIEF OPERATIONS

I. General Qualifications of Co-operative Institutions

THE PURPOSE of this part is to consider what contribution can be made by co-operative organisations towards the solution of some of the problems of the immediate post-war period.

Though it is neither possible nor desirable to divide the work of reconstruction into compartments, or even to separate reconstruction itself from the continuing processes of social and economic life, it is nevertheless helpful, for practical purposes, to recognise three main phases or aspects of the problem.

The most immediate and urgent task when the war ends will be the rapid provision of the minimum physiological requirements of life and health, with the bare elements of physical comfort, to those who lack them; this problem will here be termed relief. The next most urgent task, the restoration of economic activity and of psychological and social normalcy in regions where the life of the people has been disrupted by the war, will be termed rehabilitation. Beyond relief and rehabilitation lie the problems — outside the scope of this study — of reconstruction at large, involving broad questions of national and international policy in the social and economic fields. Such distinctions, it must be insisted, are largely unreal, as the various phases of the problem are closely interwoven and, to a considerable extent, simultaneous. They are, however, convenient for purposes of orderly and systematic treatment and discussion.

The present part is concerned only with the problem of relief. And within this problem it is confined to the two questions of the distribution of relief supplies and the sources of relief supplies, and to these only in so far as they bear upon the role of co-operative organisations in relief operations.

SOME FEATURES OF THE RELIEF PROBLEM

On the cessation of hostilities, the people of many regions of Europe and Asia will have urgent needs of the most elementary
kind, requiring immediate satisfaction. Food, medicaments, clothing, even basic shelter, will be needed in huge amounts and at short order, if great loss of life and untold human suffering are to be avoided. The extent of the task of providing them can best be measured, to quote the words of Mr. Herbert H. Lehman:

...by the dimensions of the disaster which has overtaken the world...
In occupied Europe and enslaved Asia the picture is universally the same — starving people, impoverished land, and nations whose whole economies have been wrecked... Official reports from Europe and Asia leave no doubt that hunger is the general rule, that starvation is commonplace, and that the area enslaved by the Axis is a breeding place for all the diseases of the body and of the spirit that are born of starvation, suffering and death.

There may be widespread famine in rural areas through failure of crops, destruction of farms and machinery, lack of seeds, and so forth. In urban districts, there may be starvation through famine in the countryside, breakdown of supply, disruption of transportation, lack of purchasing power. Even where there is neither famine nor starvation, bringing death to hundreds and thousands, there may be a very great shortage of food in some districts, so that the people are grossly undernourished and deprived of resistance to epidemic disease. Elsewhere, though there may be enough food to supply caloric requirements, there may be a total or partial lack of "protective" foods, with resultant incidence of deficiency diseases on a wide scale.

In addition to deficiency diseases, a substantial increase in tuberculosis (as was the case in France and Germany after the last war) must be looked for. Severe epidemic disease is likely in devastated regions: plague, typhus, cholera, smallpox, malaria, yellow fever. Influenza may once again become pandemic.

Some idea of the size of the problem can be gained by reference to the period immediately following on the first world war. It has been estimated that 200,000,000 people of central Europe were experiencing an acute shortage of food at this time. In the armistice and reconstruction period (ending in 1924) 6,775,000 tons of food and other relief supplies, to the value of nearly $1,350 million, were distributed by American (and other) relief organisations in Europe.

It has been calculated that at least 25 million people in Russia were affected by famine in the 1919-1923 period, and that in Russia and Serbia alone 3 million people died from typhus fever in the years 1918-1921. Throughout the world, 22 million people

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1 As Director of the Office of Foreign Relief and Rehabilitation Operations in the United States.
died of influenza which, in 1918, "attacked at least one in every seven of the world's population and killed one in every hundred; twice as many as were killed in battle or died of wounds in over four years of war".¹

In regard to present conditions, little authoritative information is available, outside confidential documents. However, a few general indications can be given. In at least one country, Greece², famine is already recognised to exist. Reports also indicate starvation conditions in other parts of Europe and in Asia. It has been estimated that, when the war ends, Europe will require delivery, within one year, of 24 million tons of bread grains, rice, peas, and beans, and at least 7 million tons of animal and oil fats.

The appearance of typhus fever has been reported on the eastern front, and also in Spain and Portugal. Fears have been expressed that malaria will become widespread in areas where it has not hitherto been a problem, through the return of soldiers from malarial regions. Outbreaks of plague, yellow fever and smallpox have also been noted.

Emergency conditions are also likely to arise from the uncontrolled movement of populations seeking to return to their own homes, from which they have been driven by fighting, destruction of buildings, forcible removal, and so forth.

Some notion of the loss of capacity to produce food is given by the statement that livestock in occupied Europe has probably declined by some 11 million cattle, 3 million horses, 12 million pigs and 11 million sheep, resulting in a reduction of milk production by one-third and of meat production by about half.

Help, when needed, will have to be brought without delay. If the assistance given is to have a limit, it must, as far as possible, be of a kind which will enable the people to resume normal economic and social life. It must avoid the stigma of charity. The funds, supplies and personnel available for relief must be administered with the maximum economy, so that as many people as possible may benefit.

Finally, it is desirable that relief supplies and services should be administered with the utmost impartiality and fairness to all requiring them, regardless of race, religion, politics, or nationality.

² "There is actual starvation, and people are dying of starvation in Greek cities and islands at the present time." Dingle M. Foot (Parliamentary Secretary to the Ministry of Economic Warfare in Great Britain), in *Food Relief for Occupied Europe* (National Peace Council, London, 1942).
RELIEF PROGRAMMES AND CO-OPERATIVE ORGANISATIONS

Both governments and private agencies are concerning themselves with relief problems. Some of the measures taken are described below.

At the Conference of Allied Governments held in London in September 1941, it was resolved, inter alia, that it was the common aim of the Allies "to secure that supplies of food, raw materials, and articles of prime necessity should be made available for the post-war needs of the countries liberated from Nazi oppression".¹ In pursuance of the resolutions of the Conference, an Inter-Allied Post-War Requirements Committee and Bureau were established in London, and the Committee has received estimates from most of the Allies regarding requirements for the first eighteen months after the cessation of hostilities. These include medical supplies and all the more important classes of raw materials and industrial goods.

The Inter-Allied Committee's Technical Advisory Committee on Medical Supplies and Services has prepared a basic list of drugs for use in the relief period, and has considered certain other of the major health problems, including requirements for mothers and new-born children, typhus, tuberculosis and other diseases. Its Technical Advisory Committee on Nutrition has been considering the food relief requirements of occupied Allied countries in Europe from the standpoint of nutritional science.

In 1942, to meet the need for food, five nations² set up a pool of 100 million bushels of wheat — with provision for future additions — to be used for relief purposes in territories as soon as they are freed from enemy control.

In the United States, an Office of Foreign Relief and Rehabilitation Operations³ was established to prepare and carry out relief measures in Europe and Asia, pending the creation of the United Nations Relief and Rehabilitation Administration.⁴ The Director of this Office, Mr. Herbert H. Lehman, in a speech before the Foreign Policy Association, particularly stressed the principles to be applied in the solution of relief problems:

The peace which we all seek must be rooted in the first hurried work of rehabilitation and reconstruction ...

² Four wheat producing countries: Argentina, Australia, Canada, United States, with Great Britain.
³ Now the Division of Liberated Areas of the Office of Foreign Economic Administration.
⁴ The agreement setting up this organisation (U.N.R.R.A.) was signed in Washington on 9 November 1943 by the representatives of 44 nations.
We must see to it that relief flows smoothly into measures to remove the need of relief... Our objective is to help people to help themselves...

The common dislike of the concept of "relief" on the part both of nations that receive and nations that give is certain to have a deep influence on the nature of these operations... No nation will casually become the recipient of a dole. Similarly, no nation, nor group of nations, will casually commit their resources to a tremendous relief undertaking without striving to make certain that simultaneous measures are instituted to make possible the cessation of relief expenditures at the earliest possible moment... A careful balance must be maintained between relief by outright gift and relief by sale or exchange... The relief and rehabilitation of war-stricken nations is the necessary first step towards a balanced economy... is but the opening phase of the post-war era.

The Governments of the occupied countries of Europe have likewise been preparing plans and accumulating supplies of commodities for post-war relief in their respective territories. "Each of the Allied Governments will be primarily responsible for making provision for the economic needs of its own people"¹, but, in accordance with the decisions of the 1941 Conference of Allied Governments in London, their respective plans will be co-ordinated.

The relief problem is so vast, and its tasks will be of such urgency, that any international or national relief administration must envisage making the fullest possible use of voluntary agencies, both for supplementing and for implementing official plans and activities. It is perhaps in the implementation of official plans, in forming a bridge between these and the individual persons requiring relief, that the various private organisations can be of particular value. "In all relief and reconstruction work primary authority and responsibility must be vested in governments, with full recognition of the contributions to be made by voluntary agencies which should participate in a co-ordinated programme under governmental supervision."²

Voluntary agencies, such as the International Red Cross and the Society of Friends, have already been requested by various governments to prepare and submit lists of personnel in their organisations who have volunteered for relief work when the time comes. In the United States, various religious bodies have instituted courses for the training of personnel in relief administration.

The suggestion has been made in various quarters that the co-operative movement is one agency of a voluntary kind which could play a valuable part in post-war relief.

For instance, Mr. J. G. Winant, United States Ambassador to Great Britain, and a former Director of the International Labour

² Miss Katherine Lenroot, Chief of the Children's Bureau, U.S. Department of Labor, describing the principles which O.F.R.R.O. had decided to adopt.
Office, has declared: "In every land on which the blade of Hitlerism and Fascism has fallen, the co-operative movement...[will have] a great opportunity...to stretch out a friendly and helping hand".1 And on 26 November 1942, Mr. Harold MacMillan, Under-Secretary of State for the Colonies in Great Britain, addressing the House of Commons, urged study of co-operatives as a possible pattern for use in post-war reconstruction. In the United States, the National Rural Life Conference, at its meeting held on 9-10 June 1943, recommended "that post-war relief programmes be organised on a co-operative basis so that relief will not pauperise but will contribute to self-help activities on the part of those so assisted". (The Conference at the same time proposed the rehabilitation of the co-operatives of all countries of the world.)

In trade union circles, also, the opinion2 has been expressed that the co-operative movement is well adapted to play a useful part in the tasks of post-war reconstruction.

The co-operative movement indeed has already begun relief activities on its own account. In Sweden, for instance, "consumer co-operation...took an active part in the relief to Finland during the winter of 1939-40 and is now actively supporting the aid to Norway".3

And the movement has, on several occasions, expressed its feeling that it has a significant contribution to make to post-war relief. In Great Britain, for example, the co-operative press, in a discussion of the possibilities of utilising agricultural and consumers' societies in the task of supplying food and other necessities to the European countries after the war, asks: "Are the Government and the many different international agencies already engaged in drawing up plans for feeding the liberated countries, such as the Allied Relief Committee, aware of the possibilities that lie in the co-operative system"?4

In the United States, the Cooperative League of the U.S.A. indicated to the Office of Foreign Relief and Rehabilitation its willingness to assist in the task of relief and reconstruction, pointing out, among other things, the long experience in local, national and international commerce of the co-operatives, the fact that they

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1 As reported in The Co-operator, Vol. VI, No. 8, 19 Apr. 1943, p. 6.
2 Also concern "at the noticeable absence of any mention of the great co-operative movement" (in the Railway Review, London, 23 Apr. 1943).
3 Communication to the I.L.O. Kooperativa Förbundet "has already devoted several million crowns to helping Sweden's Scandinavian neighbours".
4 The Co-operative News (Manchester), 16 May 1942. See also James McFadyen: "The Co-operative Movement and Post-War Reconstruction", in International Labour Review, Vol. XLVII, No. 4, Apr. 1943. Mr. McFadyen is a Director of the English Co-operative Wholesale Society and a Trustee of the Horace Plunkett Foundation.
carry on business for service, and that they represent no political, racial or sectarian groups.

The International Co-operative Alliance, which at the outbreak of the war united in membership national co-operative organisations with over 71,500,000 members in 35 countries, has recently called on its affiliated organisations in all lands "to prepare energetically to play their part in the restoration of national and international life after the war". The Secretariat of the Alliance has already made contacts with the principal Allied Governments now in Great Britain and has discussed with them the role of the national co-operative movements in relief and reconstruction.

The following are some of the principal reasons why the co-operative movement has been thought able to play a useful part in post-war relief operations.

While any new organisation is bound to spend time in getting itself established and in gaining experience, the co-operative movement stands forth as an "established, experienced and proved" organisation, ready for use. From its humble beginnings in the last century, it has grown to be a world-wide movement, with branches of activity in all the principal countries of the earth. In more than one country it has over a century of history behind it.

As noted in Parts I and II, the movement does not merely consist of individual societies established in accordance with co-operative principles, but forms an organised structure. The network of organisations which collectively make up the co-operative movement exists on a national, and, less fully, on an international scale. The parts are, and feel themselves to be, members of a whole. A certain sense of solidarity and responsibility results from this cohesion.

The co-operative movement possesses an experienced personnel, trained in the ways of distributive and other business:

The co-operative organisations can rely on the experience of tens of thousands of employees and workers, trained for social service, and a great number of democratically elected functionaries, who have close contacts with the masses of consumers, as well as experts in all fields connected with the production and distribution of consumers' goods.

The consumers' co-operative movement, in many of its activities, is habitually concerned with needs that are the same as, or very similar to, those requiring satisfaction under relief conditions. The

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1 Through Mr. Howard Cowden, Chairman of the Cooperative League's Committee on International Cooperative Reconstruction.


basic physical necessities, which will figure most largely in any relief
distribution, have always been the basic stock-in-trade of consumers' co-operative societies and are also widely dealt in by a number of rural supply co-operative societies. They are also the principal commodities handled by agricultural marketing co-operative organisations.

The co-operative movement is not a passive mechanism, but an active self-help and mutual aid organisation, through which people, generally of low income, help themselves and one another to satisfy their needs for goods or services as economically as possible.

Co-operative organisations are not run for profit, but for service. This is an especially important consideration in times of want or scarcity, when the temptation exists to exploit the situation financially or to engineer inequalities in distribution or supply, through such practices as profiteering, speculation, hoarding of supplies (commercially or domestically), and the establishment of "black markets". Co-operative societies are unlikely to cheat themselves — that is, their own members. It is to be noted that during the present war consumers' co-operative organisations in Great Britain and Sweden, for instance, have consistently stood for the widest application of rationing to any goods of which a shortage was threatened. In the latter country, at least, the movement has contributed substantially to the control of attempts at black marketing.¹

Because of their special nature, co-operative organisations are to a large extent self-supervisory, thus reducing the need for inspection and control by government or other relief authorities. The members of co-operative societies, through periodical election of directors and appointment of employees and officers, through annual or more frequent members' meetings, through access to the local or national co-operative press, and through the activities of semi-autonomous bodies like the Women's Co-operative Guilds² have means of calling attention to any irregularities which may occur and of having matters righted.

However, in a relief programme, where other bodies besides co-operatives will be concerned, there is likely to be some degree of external supervision. Such supervision would be a fairly simple matter, as co-operative associations keep regular and simply-constructed accounts, comprehensible to as many of the members

¹ Marquis Childs, author of Sweden, the Middle Way, reporting (Chicago Sun, 9 May 1943) that nearly half of Sweden's people are affiliated to consumer co-operatives and that almost without exception Swedish farmers belong to marketing co-operatives, concludes: "This is a big reason why almost no black market exists".

² Cf. pp. 28-30.
as possible. In any case, the accounts of co-operative associations are, of course, audited, either by professional accountants or, in many cases, by public or semi-public officials. In a number of countries, co-operative societies are required by law to make annual returns to a registrar or other official, giving information on the society's financial condition, its trade, membership, personnel, and other matters.

In regard to consumers' co-operative organisations, it has been pointed out that the identity of interest between these organisations and the people they serve enables governments (or any international supervisory body) to use them as channels of distribution with a minimum of regulation and direct control.

One relevant consideration in selecting an organisation to play a part in the work of relief is whether it can be utilised in the later stages of reconstruction. Co-operative societies, originally set up for relief or emergency purposes, have developed into economic and social institutions of a permanent character and of recognised importance. Continuity between the various phases of reconstruction will be facilitated by the employment of organisations which themselves will be carried over into succeeding stages of the process.

Utilisation of co-operative organisations would not lead to a dead-end (as would be the case with ad hoc relief agencies), but would prepare the way, through the development of capacities for self-help and mutual aid among their members and through the opportunities for gaining business and administrative experience, to the co-operative solution of the more complex social and economic problems of rehabilitation and reconstruction.

Furthermore, crisis conditions, requiring action by the sufferers themselves, are intimately bound up with the beginnings of the various branches of the co-operative movement. The earliest co-operative associations sprang up spontaneously as the answer of the people afflicted to the deep distress in which they found themselves. In common action based on the principle of self-help through mutual aid they found a way out.

In Great Britain, for example, the first consumers' co-operative societies, of which that of the Equitable Pioneers of Rochdale (1844) is the best known, arose directly out of the new hardships brought by the industrial revolution. Low wages and unsuccessful efforts to raise them by concerted action led the workers to consider means

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1 The Rochdale Society, though not the earliest, was the first to enunciate the co-operative principles which have been adopted by the movement. In Scotland, there were the Fenwick society (of weavers) in 1761, dealing in weaving requisites (to which foodstuffs were added in 1769), and the still existing society of Lennox town (1812). In England, a society, the Meltham Mills Society, was founded in 1827.
of improving their condition as consumers. As industrialisation spread to other countries and provoked similar conditions, consumers' co-operation was gradually adopted in most of the countries of Europe, France, Germany, and so forth.

Agricultural and credit co-operative societies likewise had their origin in conditions of crisis.

In the Rhineland, for instance, in the middle of the nineteenth century, "co-operation [in the form of Raiffeisen credit co-operatives] was resorted to as a sort of final hope for the people who had reached the ultimate of economic distress".1

The agricultural co-operative movement arose, both in Denmark and in Hungary, out of the collapse of their agricultural systems in the middle of the nineteenth century, through inability to compete with the new overseas wheat trade.

In the Charente departments in the west of France a network of co-operatives developed from the necessity for finding a market for dairy products after phylloxera had destroyed the vineyards on which the region had depended.

Not only do co-operatives tend to spring up spontaneously under conditions of crisis, but organisations administering relief have several times discovered that the most satisfactory and economical way of bringing relief is by the setting up of co-operative organisations, where these do not exist in the distressed area, or by extending them rapidly, where they exist in insufficient numbers.

For instance, after the last war, in 1920, the American Jewish Joint Distribution Committee set up a reconstruction committee and expressed the view that its work of relief should be "placed, as far as possible, on a constructive basis".2 Besides working through existing producers' and consumers' co-operatives and co-operative banks, the committee organised over four hundred credit co-operatives and also assisted in building up some sixty agricultural co-operatives in Russia and Palestine, and over forty consumers' co-operatives in Poland, which, "since food was very scarce and expensive at the time, were of very great importance for the working class".3

Similarly, in Yugoslavia, in 1921, the Serbian Child Welfare Association of America took an active part in the creation of health co-operative societies as the best means of carrying out the Association's aims. Outside Europe, the International Famine Relief Commission in China, at the time of the great flood in the Northern Provinces in 1922, had plans prepared for the orga-

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2 Recent communication of the Joint Distribution Committee to the I.L.O.
3 Ibid.
sation of co-operative credit societies\(^1\) in these Provinces. The many credit societies in China today thus had their origin in crisis conditions.

Other instances could be cited, but these are sufficient to show the close affinity between co-operative organisations and relief operations.

II. The Co-operative Distributive Network

Co-operative organisations, however well qualified by their nature and purposes to take a part in the distribution of relief supplies, can only participate in fact if they can offer, in a sufficient number of countries, a well-developed distributive apparatus capable of reaching a fairly large proportion of the population concerned. Such a distributive apparatus must be widely enough diffused over the area requiring relief and must be adequately equipped and staffed to give reasonably efficient service.

The development of the co-operative network varies according to continent. Conditions in Africa and Asia are different from those in European countries and will be considered later on. As far as the European continent is concerned, however, the information on the pre-war situation given in a previous chapter will have sufficed to show that co-operative organisations with a distributive function have very distinct possibilities. These possibilities must now be considered in greater detail and in the light of more recent data (where these are available) as to the number of co-operative organisations which can be called upon to make an immediate contribution, the number of retail points available, the strength of the personnel, and the share which co-operative organisations could reasonably assume in the total work of relief distribution.

No attempt is made here to classify the European countries according to the urgency of their need for relief supplies, which is primarily a question for the authorities — national and international — entrusted with the administration of relief. The present chapter is limited to a general description of the co-operative distributive network on the European continent as a whole, without regard to the present or future relief needs of particular countries. Even if it were possible to classify them with any degree of assurance, it would nevertheless be desirable to describe the network in the countries less affected as well as in the more obvious areas of relief operations, since the co-operative organisations in the former

\(^1\) Fong Tseo and Peter Goullert: *The Co-operative Movement in China* (Co-operative Association of the Yunnan Province, Kunming, Yunnan, China, 1941).
countries may in some measure be in a position to act as relay points for the accumulation and distribution of supplies on their way to more necessitous regions.

The figures relating to numbers of societies or to membership in this chapter are drawn from various sources. Those for 1935-37, with a few exceptions, are taken from *Co-operative Societies Throughout the World: Numerical Data*\(^1\) or from *Co-operative Action in Rural Life*.\(^2\) Those for subsequent years are derived from reports of central co-operative organisations and therefore refer only to societies affiliated to a federation. Though such societies constitute the best developed portion of the movement, unfederated societies are often numerically important and, in the case of certain types of co-operative in some countries, may be as numerous as, or may even outnumber, the federated societies.

This review of the availability of co-operative organisations will clearly include the consumers' co-operative societies, both urban and rural.\(^3\) It must also include all the rural supply co-operative societies,\(^4\) as these can easily adapt themselves to the function of distributing food, clothing, and other necessaries, even where they have not hitherto done so. Some consideration will also have to be given to a great number of rural credit co-operative societies which are in fact “general purpose” or “multi-purpose” co-operative societies with, *inter alia*, distributive activities.\(^5\) A number of agricultural co-operative societies should be borne in mind which have as their main function the marketing of their members' produce, but which perform subsidiary functions of a distributive order as well (even though these are not reflected in statistics of “marketing co-operative societies”). Moreover, marketing co-operative societies, whether or not they have any distributive activities, possess warehouses, plants and personnel capable of rendering useful service. Finally, for the provision of meals, for the distribution of medical supplies, and even for the treatment of disease, there are special service co-operative societies, such as co-operative restaurants and cafeterias, and health and medical co-operatives.\(^6\)

Since the war began, it has become increasingly difficult to obtain regular and complete information regarding the co-operative movement in many of the European countries. From such information as has been received, it is clear that the co-operative movement in every country has been affected in some degree by the

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\(^1\) *International Labour Office: op. cit.* (Geneva, 1939).
\(^3\) Cf. pp. 40-46.
\(^5\) Cf. pp. 61-63.
\(^6\) Cf. pp. 79-80.
war and by conditions arising out of it. At the very least, the movement has been hampered in every sphere, through the cessation of normal import and export business, shortage of commodities, government restrictions, and so forth. But, in general, it has met the impact of war in a very satisfactory way and has rendered notable service both to its own members and other persons served by it and to the various governments concerned.

Physical destruction of both stocks and premises through air raids, bombardment, pillage, and other acts of war, has been suffered in varying degrees by co-operative organisations in Belgium, Denmark, France, Great Britain, the Netherlands, Norway, Poland, the U.S.S.R. and Yugoslavia. Some of the damage will already have been repaired, however, or can easily be repaired at short notice.

In practically all the countries of occupied Europe\(^1\) at one moment or another in the last four years, the autonomy of the co-operative movement has been affected in different ways: seizure of premises and stocks, undue political control, compulsory regroupment, unification and purifying, interference with leaders, and the imprisonment or execution of some of them (for instance, in Czechoslovakia, France, Norway, Poland and Yugoslavia). In some countries, e.g., Lithuania, and the part of Poland denominated the General Government, interference took the shape of conferring monopoly rights on co-operatives, which, though strictly supervised by Nazi officials, play a very important part in the life of the people.

As is known, in Spain and Rumania the co-operative movement has been integrated into the totalitarian economic structure of those countries, and according to recent information, a similar attempt at integration appears to be in progress in Serbia and Croatia, although under somewhat different circumstances.

In Germany, Austria, Sudetenland, and the part of Poland at present incorporated in the Reich, the consumers' co-operative movement has been completely suppressed\(^2\), while the agricultural co-operative movement continues to function, although in a somewhat distorted form. In regard to these countries, some very optimistic views have recently been expressed as to the probable length of time that it will take to restore the consumers' co-operative movement and make it serviceable. But there can, of course, be little certainty in such forecasts.

---

\(^1\) With the possible exception of Denmark, at any rate up to the change in the political situation in August 1943.

\(^2\) Decree of 18 Feb. 1941, whereby the funds and properties of German and Austrian consumers' co-operatives and of the Co-operative Wholesale Society at Hamburg were transferred to the Labour Front. It was provided that centres of distribution should be converted into model retail shops and be turned over to private ownership (after the war).
Subject to the last-mentioned exception and to minor reservations, it may be said that on the European continent the co-operative movement, even though not completely respected, has been left in working shape. This is easily explained by the fact that the German authorities have often had to utilise co-operative facilities in one way or another and have known that they could not eliminate the movement in some countries without wrecking the national economy to their own disadvantage. Physically, the co-operative distribution network does exist, and, in those cases where co-operative organisations have been dispossessed of their property, it will have to be restored to its rightful owners. As far as members and personnel are concerned, the very fact of the continuing persecution and violence done to them is evidence of the movement's vitality and readiness for future action. Co-operative authorities are in no doubt of the indestructibility of co-operative organisations. In the United States, Mr. Howard A. Cowden has declared:

They could not be destroyed. You just cannot destroy a co-operative organisation. It may destroy itself, but no force can destroy it. They will revive quickly because they are made up of people who have learned a lesson through mutual understanding and through constant daily business practice. The members of co-operatives will just meet again and go back to work and that is something no other business organisation can do so readily.

And a leading English co-operator, Miss Margaret Digby, writes: "A system which depends so much more on personal than on financial elements is likely to have a quite special survival value".

The International Co-operative Alliance has expressed its intention to do everything possible to aid in the rehabilitation of the continental co-operative movement after the war. As a first measure, an initial appeal for funds has been launched, to which the British co-operative movement has already made a generous response. The Secretariat of the Alliance has also discussed the question of co-operative rehabilitation with some of the Allied Governments at present in Great Britain.

Nationally, co-operators and co-operative organisations in a number of countries, e.g., Great Britain, Sweden, Switzerland and the United States, are eagerly preparing to bring aid and comfort to their brethren in the war-stricken and occupied countries of Europe.

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2 Chairman of the Committee on International Cooperative Reconstruction of the Cooperative League of the U.S.A. Extract from report by Mr. Cowden sent to President Roosevelt and officials of his administration on 7 September 1943.
4 For £500,000.
CO-OPERATIVE ORGANISATIONS IN RELIEF OPERATIONS

NUMBER OF SOCIETIES

Consumers' Co-operative Societies

The first, and most natural, co-operative channel for the distribution of food and clothing is the consumers' co-operative society, in urban and also in rural areas.

Recent data on the number of consumers' co-operative societies are available in the case of the following European countries:

TABLE XVIII. CONSUMERS' CO-OPERATIVE SOCIETIES IN TEN EUROPEAN COUNTRIES IN 1941

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of societies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>363</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>155</td>
</tr>
<tr>
<td>Denmark</td>
<td>1,933</td>
</tr>
<tr>
<td>Finland</td>
<td>529</td>
</tr>
<tr>
<td>Great Britain and Ireland</td>
<td>1,059</td>
</tr>
<tr>
<td>Hungary</td>
<td>2,094</td>
</tr>
<tr>
<td>Norway</td>
<td>666</td>
</tr>
<tr>
<td>Sweden</td>
<td>682</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1,195</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,676</strong></td>
</tr>
</tbody>
</table>

2. 1,147 in 1942. Societies in Ireland (including Northern Ireland) in 1941 numbered 15.
3. This figure, which relates to 1940, comprises a few urban and many rural consumers' co-operative societies which also act as agricultural supply societies (See note 1 to table XX). 673 in 1942.

In 1937, there were at least thirteen other European countries with consumers' co-operative societies, as follows:

TABLE XIX. CONSUMERS' CO-OPERATIVE SOCIETIES IN THIRTEEN EUROPEAN COUNTRIES OTHER THAN THOSE INCLUDED IN TABLE XVIII, IN 1937

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of societies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>222</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>816</td>
</tr>
<tr>
<td>France</td>
<td>1,176</td>
</tr>
<tr>
<td>Germany</td>
<td>1,500</td>
</tr>
<tr>
<td>Italy</td>
<td>3,865</td>
</tr>
<tr>
<td>Latvia</td>
<td>28</td>
</tr>
<tr>
<td>Netherlands</td>
<td>424</td>
</tr>
<tr>
<td>Poland</td>
<td>1,976</td>
</tr>
<tr>
<td>Portugal</td>
<td>25</td>
</tr>
<tr>
<td>Rumania</td>
<td>106</td>
</tr>
<tr>
<td>Spain</td>
<td>1,803</td>
</tr>
<tr>
<td>Turkey</td>
<td>16</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>138</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,095</strong></td>
</tr>
</tbody>
</table>

1. For Estonia, Lithuania, Luxemburg, see note 2 to table XXI.
2. Dissolved by German Decree of 18 Feb. 1941 in Germany, Austria, Sudetenland.
After deducting the German, Austrian and Czechoslovak societies, these tables enable the total number of consumers' co-operative societies in Europe (except the U.S.S.R.) today to be estimated at not less than 18,000. For reasons that will be more fully explained later on, such an estimate may be regarded as conservative. It may, however, be observed at this point that no allowance has been made for the societies still existing in Slovakia and in Bohemia and Moravia (the Czech 'Protectorate'). If the societies existing in Germany, Austria and Czechoslovakia in 1937, are included, the total is over 20,500.

**Agricultural Co-operative Societies with Distributive Activities**

The second main category of co-operative societies able to play a valuable part in distribution under any relief programme consists of those agricultural societies whose main or subsidiary function is that of supply.

Recent figures regarding the number of such societies are available for the following European countries:

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of societies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>127 1</td>
</tr>
<tr>
<td>Denmark</td>
<td>3,080</td>
</tr>
<tr>
<td>Germany</td>
<td>3,623 2</td>
</tr>
<tr>
<td>Great Britain</td>
<td>151 4</td>
</tr>
<tr>
<td>Iceland</td>
<td>49 4</td>
</tr>
<tr>
<td>Ireland (including Northern Ireland)</td>
<td>298 6</td>
</tr>
<tr>
<td>Latvia</td>
<td>292</td>
</tr>
<tr>
<td>Norway</td>
<td>2,000</td>
</tr>
<tr>
<td>Sweden</td>
<td>770</td>
</tr>
<tr>
<td>Switzerland</td>
<td>707</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,097</strong></td>
</tr>
</tbody>
</table>

1 In Hungary the function of supply is carried on by rural consumers' co-operatives; see table XVIII.
2 Includes co-operative societies for marketing, purchasing and processing.
3 Figures refer to 1940.
4 England (1941) and Wales (1940) only.
6 Includes at least 2 urban consumers' co-operatives and a number of agricultural marketing and processing co-operatives.
8 Includes 215 creameries with supply departments.

From tables XX and XXI combined it would appear that in Europe (except the U.S.S.R.) more than 44,500 co-operative societies serving rural areas may be counted upon for distributive purposes, in addition to the 18,000 to 20,500 societies, enumerated in tables XVIII and XIX, which serve mainly urban and industrial centres.

Fourteen other European countries also have agricultural co-operative societies with distributive functions:
TABLE XXI. AGRICULTURAL CO-OPERATIVE SOCIETIES WITH DISTRIBUTIVE
ACTIVITIES IN FOURTEEN EUROPEAN COUNTRIES IN 1935-37

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Number of societies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>1937</td>
<td>143</td>
</tr>
<tr>
<td>Belgium</td>
<td>1937</td>
<td>2,533</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>1936</td>
<td>1,315(^{1})</td>
</tr>
<tr>
<td>Estonia</td>
<td>1937</td>
<td>183(^{3})</td>
</tr>
<tr>
<td>Finland</td>
<td>1937</td>
<td>471</td>
</tr>
<tr>
<td>France</td>
<td>1937</td>
<td>20,673</td>
</tr>
<tr>
<td>Greece</td>
<td>1936</td>
<td>21(^{4})</td>
</tr>
<tr>
<td>Italy</td>
<td>1935</td>
<td>701</td>
</tr>
<tr>
<td>Lithuania</td>
<td>1936</td>
<td>180(^{3})</td>
</tr>
<tr>
<td>Luxemburg</td>
<td>1937</td>
<td>408(^{2})</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1937</td>
<td>500</td>
</tr>
<tr>
<td>Poland</td>
<td>1936</td>
<td>3,418</td>
</tr>
<tr>
<td>Rumania</td>
<td>1937</td>
<td>1,258</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>1936</td>
<td>1,900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>33,704</strong></td>
</tr>
</tbody>
</table>

\(^{1}\) At December 1936, according to official statistics.
\(^{2}\) Probably includes a few consumers' co-operative societies.
\(^{3}\) Figure applies only to the Central Co-operative Purchasing Society, Hankkija.
\(^{4}\) Figure derived from Statistique des Associations coopératives agricoles de Grèce (Banque agricole de Grèce, Athènes, 1940).

Rural Credit and Other Agricultural Co-operative Societies

A further addition to the list of co-operative distributive agencies would be those rural credit co-operatives which, in a number of countries, carry on a subsidiary trading activity. In Germany, for instance, two-thirds of the credit societies (14,000 out of 21,000) were engaged in trading operations before the war. Again, most of the 2,520 Bulgarian credit co-operative societies are of the "multi-purpose" type and perform distributive functions, while in Greece\(^{1}\) about a third of the credit societies (4,400 in 1938) carry on other transactions such as purchasing agricultural and household requisites, storage, and so forth.

Nor, in view of the complexity of forms exhibited by the agricultural co-operative movement, should other agricultural organisations be entirely overlooked. Thus there are agricultural marketing co-operatives which comprise distributive sub-sections; in Ireland, for example, practically all the 215 creameries have a supply department, and even in such a highly specialised movement as that of Denmark co-operative dairies may be found which distribute coal to their members, while marketing co-operatives, even if they have no distributive activities, generally have available warehouses, plants, trucks, or machinery.

\(^{1}\) People's Year Book, 1941 (Manchester, 1941).
CO-OPERATION AND POST-WAR RELIEF

Special Service Societies

A number of special service co-operatives could also play a useful part in relief operations.

Co-operative restaurants are found in several European countries, either as independent societies, or as departments of consumers' co-operatives. In Great Britain, for example, there are over 150 co-operative cafés; in Belgium, before the war, there were 375 maisons du peuple with inexpensive restaurants as part of their facilities, while Denmark had 33 societies, with 25,000 members, affiliated to the Union of Co-operative Canteens. In Switzerland, in 1941, there were 136 co-operative cafeterias and restaurants. In Finland, the Elanto society alone operated 15 restaurants in Helsinki, before the war. In France, cheap co-operative restaurants were run in most of the larger towns by the co-operative retail societies, in connection with the meat trade, while an Act of 9 September 1942 laid down provisions to facilitate the establishment and operation of factory canteens on a co-operative basis. In Sweden, before the war, there were over 80 restaurants and cafés, the chief of which were owned by the Stockholm society Konsum; more recently, the Swedish Co-operative Union (K.F.) has sponsored the "people's co-operative restaurants" to meet wartime needs for communal feeding. Since the beginning of 1943 Konsum alone has opened 15 new restaurants.

Health co-operative societies combining "the functions of a panel doctor, cottage hospital and sanitary inspector" have existed for many years in Yugoslavia and, to a smaller degree, in Poland. In 1942, there were 228 health societies operating in Serbia, with 32,436 members, about 50 per cent. of the pre-war total for the whole of Yugoslavia (65,586 members in 1938-39 with 136,000 persons receiving treatment). During the past year, compulsory establishment of health co-operatives was ordered for all Serbian municipalities with more than 4,000 inhabitants. Their activities at the present time are chiefly directed against tuberculosis, malaria, infantile mortality and children's ailments. Before the war, these societies operated 25 central health centres, most of which had accommodation for in-patients, 70 chemist shops and a travelling dental clinic. They also carried out vaccinations and other preventive measures. There were 12 such societies in Poland, while in Bulgaria there are a number of co-operative health societies and sanatoria, as well as a pharmaceutical and dentists' co-operative society. 1

1 Cf. pp. 79-80.
Co-operative hospitals have been established in a number of countries, e.g., the Krabbesholm Co-operative Hospital of the Co-operative Health Association in Denmark, the modern hospital of the consumers' co-operative De Volharding at the Hague in the Netherlands, and a hospital in Paris serving the 112,000 members of the Union des Coopérateurs. In Belgium, the co-operative insurance society, La Prévoyance Sociale, had health and social services which included "some of the country's most modern sanatoria, clinics, holiday and children's homes"¹, while the 90,000 members of Oeuvres Mutuellistes were served by 20 doctors. In Denmark, over 1,000 co-operative societies of different kinds, with a total membership of more than 194,000, maintain a sanatorium. In Bulgaria, the interesting co-operative hospital at Bourgas had a number of collective members (the State, municipality, people's banks, credit co-operatives and regional co-operative unions) as well as over 300 individual members.

Co-operative pharmaceutical wholesale societies have been established in Holland (Copharma, a wholesale for co-operative pharmacies set up by Haka and 60 co-operative sick benefit funds) and in Belgium (laboratory and wholesale supplying 30 co-operative dispensaries throughout the country). In Great Britain, co-operative societies affiliated to the Co-operative Union operate over 400 chemist shops (59 in 1943 for the 802,326 members of the London Co-operative Society), while most co-operative stores sell drug sundries through their grocery departments. In Switzerland, there is a Federation of Co-operative Distributive Societies for Chemical and Pharmaceutical Products.

These various co-operative activities in the field of health, while not constituting a network, may serve as valuable models for future development and at the same time play a useful part in the relief effort in the field of public health and hygiene.

Social Services of Co-operative Societies

Some contribution to the work of relief can also be expected from the social services of co-operative societies. In some countries, a number of co-operative societies have established holiday homes, hostels, children's homes and similar welfare institutions for the benefit of their members or staff, or of both. Such facilities have been developed in varying degrees in Finland, France, Germany, Great Britain, Italy, Sweden, Switzerland and Yugoslavia, as well as elsewhere.

¹ R. A. Palmer; Co-operation in Europe and Post-war Reconstruction, paper read at a Conference on Co-operative Systems in European Agriculture, London, 16-17 Apr. 1943, held by the British Association for the Advancement of Science.
In connection with these welfare facilities a few words may here be said about the plans of the Women's Co-operative Guild in Great Britain and the International Co-operative Women's Guild which has its headquarters in London. Both these organisations are keenly interested in the problem of post-war relief and are actively discussing and preparing for their part in the work. The Women's Co-operative Guild is a member-society of the recently formed Council of British Societies for Relief Abroad, while the International Co-operative Women's Guild is represented on the Standing Conference through which the Council maintains contact with other organisations having experience and advice to contribute in the field of relief work. The main contribution of the women's guild movement would seem to lie in the provision of trained relief workers for service in liberated countries. Among the most needed services which such workers might help to provide are: meals for schoolchildren, care of the sick, finding homes for children, reuniting families, and so forth. It has been suggested that those women unable to go abroad could give valuable help by making clothes, collecting money, giving hospitality to children brought from distressed areas, and other similar activities.

**Distribution Points and Personnel**

*Number of Stores and Warehouses*

More important, for relief purposes, than the number of societies is the *number of stores* and, in the case of the rural supply societies, *warehouses*, which constitute the actual points of distribution. In some countries, notably where the consumers' movement is an urban one, with large societies, shops are very much more numerous than societies.

In Great Britain, for instance, there are some 24,000 consumers' co-operative shops, of which over 18,000 are shops covering food departments. The average population per head of these shops is 2,088, while average population per shop in the whole country (750,000 approximately) is only 67. Of the total number of shops, 1,120 are travelling shops, useful, as has been proved, in emergency. In Hungary, the some 2,000 consumers' co-operative societies (affiliated to the Hangya organisation) extend, through their branches, to almost all the 4,000 villages of the country.

---

1 Cf. pp. 28-30.
3 Figures relate to the year 1936.
Before the war, there were over 7,000 retail co-operative stores in Czechoslovakia, and more than 8,000 in France. Other pre-war figures for retail points are: Belgium, 1,200; Denmark, 2,148; Netherlands, 1,350; Norway, 1,000; Poland, 2,800. In Finland in 1940 there were 2,877 shops (mostly in rural areas) of the 400 societies belonging to the central "neutral" organisation (Y.O.L.) in addition to some 2,500 stores and restaurants of the "progressive" organisation (K.K.). Sweden, in 1941, had about 5,300 stores, while in Switzerland, in 1942, there were 2,498 shops (2,485 in 1941) belonging to the 546 societies affiliated to U.S.C. (Co-operative Union and Wholesale Co-operative Society of Switzerland) alone.

The 292 Latvian societies affiliated to Turība have 1,500 shops, while in Lithuania, in 1938, there were 326 shops belonging to 197 societies. Altogether there are some 66,500 consumers' retail co-operative stores in the fourteen European countries, including Czechoslovakia, enumerated in the preceding three paragraphs.

The rural supply societies distribute either through shops or warehouses. It has been estimated that, before the war, there were 3,000 local supply warehouses in Denmark, 1,850 in Norway, 1,350 in the Netherlands, and 1,250 in Belgium. In the absence of reliable data, the total number of retail distributive points of the rural supply societies may be taken to be at least as large as that of the societies themselves, i.e., 44,500. The foregoing figures for the consumers' stores (66,500) and those for the retail points of the rural supply societies (44,500), both of which are incomplete, give together a minimum of 111,000 urban and rural co-operative distributive outlets available for use in relief operations.

By courtesy of the Committee on International Cooperative Reconstruction of the Cooperative League of the U.S.A., two maps prepared by the Committee to illustrate the extent of the co-operative distributive network in Denmark and the Netherlands are reproduced in Appendix V.

### Personnel

The consumers' co-operative societies and the agricultural supply and other societies, with their various wholesale organisations, are directed and staffed by a numerous personnel. This trained personnel forms a very vital part of the co-operative distributive network. While reliable data regarding the number of employees of the agricultural societies are not available, a few figures relating to the consumers' societies may be given for purposes of illustration.

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1 Consisting of 950 stores, 350 bakeries and 50 butchers' shops. Only the stores are shown on the map given in Appendix V.
In Great Britain, for instance, the consumers' societies in 1941 had 240,406 employees, with an additional 65,835 employed by the wholesale societies. Swedish consumers' co-operatives employed 17,000 persons in 1938, while the societies affiliated to the Co-operative Union and Wholesale Co-operative Union of Switzerland (U.S.C.) had 9,750 employees in 1942. In Denmark, the Co-operative Union and Wholesale Society of Danish Distributive Societies (F.D.B.) had 4,132 employees in 1941, while its affiliated societies employed 6,600 persons. The numbers of persons employed by some other European wholesales were, before the war: Czechoslovakia, 1,200; France, 1,200; Norway, 1,000; Netherlands, 800; Belgium, 500.

After this rough evaluation of the facilities offered by the co-operative distributive network for the distribution in Europe of relief supplies from overseas, it remains to try to gauge the proportion of the population — especially the low income families of the population — that can be reached through this network and the place occupied by co-operative organisations now or before the war in the distribution of the commodities principally concerned, i.e., foodstuffs. The first estimate to be attempted is that of membership of co-operative organisations.

### Population Reached

#### Membership of Consumers' Co-operative Societies

Recent figures for the number of members of consumers' co-operative societies are available for nine European countries. They relate to the year 1941 and are as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>104,992</td>
</tr>
<tr>
<td>Denmark</td>
<td>419,200</td>
</tr>
<tr>
<td>Finland</td>
<td>676,000</td>
</tr>
<tr>
<td>Great Britain and Ireland</td>
<td>8,773,255</td>
</tr>
<tr>
<td>Hungary</td>
<td>701,417</td>
</tr>
<tr>
<td>Norway</td>
<td>196,234</td>
</tr>
<tr>
<td>Sweden</td>
<td>736,508</td>
</tr>
<tr>
<td>Switzerland</td>
<td>443,425</td>
</tr>
<tr>
<td>Total</td>
<td>12,051,031</td>
</tr>
</tbody>
</table>

1. 8,803,971 in 1942. Irish (including Northern Ireland) membership in 1941 was 69,911.
2. 200,490 in 1942.
The number of members of consumers' co-operatives in European countries not included in the above table, as given in statistics for the year 1937, was as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>263,000 ¹</td>
</tr>
<tr>
<td>Belgium</td>
<td>510,068</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>805,544 ¹</td>
</tr>
<tr>
<td>France</td>
<td>1,695,000 ²</td>
</tr>
<tr>
<td>Germany</td>
<td>2,010,911 ¹</td>
</tr>
<tr>
<td>Italy</td>
<td>825,000</td>
</tr>
<tr>
<td>Latvia</td>
<td>2,992</td>
</tr>
<tr>
<td>Netherlands</td>
<td>325,368</td>
</tr>
<tr>
<td>Poland</td>
<td>373,516 ³</td>
</tr>
<tr>
<td>Portugal</td>
<td>19,000</td>
</tr>
<tr>
<td>Rumania</td>
<td>29,063</td>
</tr>
<tr>
<td>Spain</td>
<td>1,178,817</td>
</tr>
<tr>
<td>Turkey</td>
<td>11,265</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>86,983</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8,136,527</td>
</tr>
</tbody>
</table>

¹ Urban consumers' co-operative movement in Germany, Austria and Sudetenland liquidated by Decree of 18 February 1941.
² 1,800,000 in 1939.
³ 400,000 in 1939.

Omitting the figures for Austria, Czechoslovakia and Germany, the total number of members of consumers' co-operative societies in the countries of Europe (except the U.S.S.R.) is, at a rough estimate, 17 million at the present time. If Austria, Czechoslovakia and Germany are included, the total is raised to over 20 million.

*Proportion of Population Reached by Consumers' Co-operatives*

The proportion of the population reached by European consumers' co-operative societies varies greatly from country to country.¹

In Great Britain, for example, consumers' co-operative societies with a total membership of over 8,750,000 serve over 11 million persons.² While the movement handles about 12 per cent. of the total food and allied trade, the proportion of trade in some commodities rises very much higher. In July 1942 rationing registra-

¹ Cf. pp. 40-41.
² Estimate based on number of rationing registrations held. Many members ordinarily served by co-operative societies are now in the armed forces.
tions held by the movement covered the following proportions of the (estimated) civil population: 27 per cent. for sugar and preserves, 26 per cent. for butter, margarine and cooking fat, and for cheese, 24 per cent. for bacon and for milk, 18 per cent. for eggs, and 14.5 per cent. for meat. It handles about 20 per cent. of the coal trade. It supplies one-third of the nation’s milk and, some years before the war, sold bread representing more than 25 per cent. of the total bread consumption in Great Britain.

In Switzerland, where one out of every eight persons is a member of a co-operative society of one kind or another, about 45 per cent. of the population is reached by consumers' co-operatives.

The Swedish consumers' movement is estimated to reach nearly one-half of the population of 6,400,000; it handles from 20 to 25 per cent. of the nation’s food trade, and as much as 30 per cent. of Sweden’s consumption of crisp bread and margarine.

On the basis of four persons to a family, nearly 50 per cent. of Denmark's 3,500,000 people are served by consumers' co-operative societies. Before the war, the consumers' movement handled 30 per cent. of the country's retail grocery trade (1938). On the same basis, more than 784,000 people out of a population of 2,900,000 - almost a third of the nation - buy from co-operative stores in Norway.

The consumers' movement reached about 25 per cent. of the population in Belgium, 15 per cent. in the Netherlands and 10 per cent. in France before the war.

The total membership of consumers' co-operatives in Czechoslovakia, in 1938, is estimated to have been 1,000,000, serving 3,600,000 persons, i.e., almost one-quarter of the population. In Finland, between 50 and 60 per cent. of the population was represented by consumers' co-operatives, which handled 40 per cent. of the national trade in food and household commodities. Hungary is also well served, particularly in the rural districts.

The urban consumers' co-operative network is comparatively little developed in the Balkan countries and in Portugal. In Germany and Austria, as mentioned above, the movement no longer exists.

Membership of Agricultural Co-operative Societies

Membership statistics for 1941 are available for agricultural co-operative societies performing a distributive function in the following European countries:

1 The Co-operative Union Ltd.: communication to the I.L.O.
2 Kooperativa Förbundet: communication to the I.L.O.
**TABLE XXIV. MEMBERSHIP OF AGRICULTURAL CO-OPERATIVE SOCIETIES PERFORMING DISTRIBUTIVE FUNCTIONS IN NINE EUROPEAN COUNTRIES IN 1941**

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>19,939</td>
</tr>
<tr>
<td>Denmark</td>
<td>159,280</td>
</tr>
<tr>
<td>Finland</td>
<td>295,124</td>
</tr>
<tr>
<td>Great Britain</td>
<td>75,830¹</td>
</tr>
<tr>
<td>Iceland</td>
<td>18,600</td>
</tr>
<tr>
<td>Ireland (including Northern Ireland)</td>
<td>71,355²</td>
</tr>
<tr>
<td>Latvia</td>
<td>135,000</td>
</tr>
<tr>
<td>Norway</td>
<td>68,500</td>
</tr>
<tr>
<td>Sweden</td>
<td>59,200³</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>902,828</strong></td>
</tr>
</tbody>
</table>

¹ England (1941) and Wales (1940) only.
² 1940 figure. Includes 53,015 members of 215 creameries.
³ Of Svenksa Landlmannens Riksförsamling only.

For fourteen other European countries, less recent statistics, relating to the years 1935 to 1937, can be given:

**TABLE XXV. MEMBERSHIP OF AGRICULTURAL CO-OPERATIVE SOCIETIES PERFORMING DISTRIBUTIVE FUNCTIONS IN FOURTEEN EUROPEAN COUNTRIES IN 1935-37**

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Number of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>1937</td>
<td>126,025</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>1937</td>
<td>333,597</td>
</tr>
<tr>
<td>Estonia</td>
<td>1937</td>
<td>46,278</td>
</tr>
<tr>
<td>France</td>
<td>1937</td>
<td>1,752,861</td>
</tr>
<tr>
<td>Germany</td>
<td>1936</td>
<td>435,342</td>
</tr>
<tr>
<td>Greece</td>
<td>1936</td>
<td>1,050³</td>
</tr>
<tr>
<td>Italy</td>
<td>1935</td>
<td>750,000</td>
</tr>
<tr>
<td>Lithuania</td>
<td>1936</td>
<td>21,026</td>
</tr>
<tr>
<td>Luxemburg</td>
<td>1937</td>
<td>19,588</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1937</td>
<td>65,000</td>
</tr>
<tr>
<td>Poland</td>
<td>1936</td>
<td>367,257</td>
</tr>
<tr>
<td>Rumania</td>
<td>1937</td>
<td>123,153</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1937</td>
<td>110,000</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>1936</td>
<td>250,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>4,401,177</strong></td>
</tr>
</tbody>
</table>

¹ See table XXI, note 4.

Altogether, there are somewhere in the region of 5,250,000 people who are members of agricultural co-operative societies performing distributive functions in European countries. On the basis of four persons to the average farm family, this means that 21 million people are reached by these co-operatives.

Still other rural families are reached by the credit societies carrying on a trade activity, while the health and medical societies also have an appreciable membership.
There may, of course, be a certain amount of overlapping between the figures given for membership of consumers' co-operative societies and those for the agricultural societies. In some countries, e.g., Denmark, a person may be a member of two or even more societies at the same time. Subject to this, a broad idea of the number of persons in Europe who can be reached by the co-operative distributive network, as represented by the various types of society discussed above, can be obtained by adding together the membership of the consumers' societies (other than those of Austria, Czechoslovakia and Germany) and that of the agricultural societies with distributive activities — 17 million members and 5,250,000 members respectively — a total of 22,250,000 members.

In most countries, with the exception of Great Britain, each member may be taken to represent a family of four persons. On this basis, and estimating the number of persons reached in Great Britain at 11 million, the total number of persons in Europe (except the U.S.S.R.) reached by the co-operative distributive network is approximately 65 million, representing about 16 per cent. of the population. If the 3 million and more former members of Austrian, Czechoslovak and German consumers' co-operatives (representing over 12,250,000 persons) are included, the proportion of the population reached is over 19 per cent. This estimate may be regarded as conservative. If allowance is also made for the membership of the credit, marketing and other societies with distributive functions, the proportion of the population served may be as much as 25 per cent.

In the U.S.S.R. there is a network of rural consumers' co-operative societies, which by reason of its vast size and the special conditions of its development is best treated separately. It is estimated that there were 28,000 rural consumers' co-operatives in 1940, with over 36 million members. These societies, serving the needs of nearly the whole rural population, operated 172,000 shops, 33,600 stalls and kiosks, 19,000 rural universal stores and 2,700 district universal stores — a total of 227,300 distributive units. Among other enterprises the movement owned (in round figures): 26,500 bakeries (producing over 5,750,000 million tons of goods), 1,000 restaurants and 17,500 other eating establishments (dining-rooms, cafés, tea buffets).

Between 1930 and 1940 there has been a 50 per cent. increase in membership (from 24 million to 36 million). In 1935, at the time when the urban consumers' co-operatives were taken over by

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1 Cf. N. Barou: Soviet Agricultural Co-operation, paper read at a Conference on Co-operative Systems in European Agriculture, London, 16-17 April 1943, held by the British Association for the Advancement of Science.
the State trading organisation, the rural co-operatives were estimated to handle as much as 90 per cent. of the total rural trade of the Union. In 1940 the societies' trade turnover represented about a quarter of the total internal trade of the country.

The societies' activities are not confined to distribution, manufacture and processing. They also operate a number of kindergartens, sanatoria and rest homes. Before the war 870,000 persons were employed by the societies, which are centralised in Centrosoyus (All-Russian Union of Consumer Societies).

Three considerations must be borne in mind when interpreting the membership figures for the various European countries. The first is that the membership of the co-operative distributive organisations is principally drawn from people of the low income groups of the population\(^1\) who will have the most urgent need of the everyday and relatively less expensive commodities brought from overseas for relief distribution and will lack access to the more expensive, unrationed foods and other goods. Co-operative distributive organisations, therefore, through their members, will reach considerably more than 16 to 25 per cent. of that part of the population which will be chiefly affected by relief distribution.

The second consideration is that the stores of consumers' co-operative societies in most countries are open to non-members. This is subject, in certain cases, \(e.g.,\) Czechoslovakia before the war, Denmark and France (for a certain group of societies only), to non-essential restrictions or conditions regarding taxation, licences, eligibility for government loans, and so forth, but these could easily be removed by emergency regulation. Figures for Denmark, for instance, show that, in 1941, 47 per cent. of the consumers' co-operatives were dealing with non-members, while in Iceland non-members absorbed one-quarter of the consumer goods and agricultural requirements purchased by the co-operative selling and purchasing societies. In Switzerland, in 1942, the societies affiliated to \(U.S.C.\) served 529,340 customers of whom nearly 70,000 were non-members. In France, where there are a million members of consumers' co-operatives, many thousands more buy at the stores without being members. In Germany, however, where the consumers' movement now no longer exists, consumers' societies were strictly confined to business with members only.

Thirdly, co-operative societies are not closed organisations. Anyone, with the exception of persons seeking entrance with malicious intent, may join them.\(^2\) To the extent that co-operative

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\(^1\) Cf. pp. 41-42.

\(^2\) In a few countries there are federations of societies having members of a particular religious or political complexion, but these are exceptional.
organisations are used in relief operations and are seen by the people to give good service they will attract new members.

Inasmuch as the foregoing estimates tend to measure not only the membership but also other factors in the co-operative distributive network in European countries, a more general observation applies to them. The figures on which these estimates are based date back in most cases to six or seven years ago, and even the few more recent figures are not later than 1940-42. Therefore the estimates are not only conservative as regards the periods to which the figures refer (for the reasons stated above), but are decidedly under-estimates of the present situation, since the co-operative movement is steadily and everywhere advancing. The passage of a few years makes an appreciable difference in the figures. It may be assumed with some confidence that contemporary figures, if they were known, would in most instances be higher than those used as the basis of the estimates. Furthermore, even the present figures are likely to be lower — assuming the maintenance of reasonably normal conditions — than those which will be found to measure the co-operative distributive network in the immediate post-war period. This probability can perhaps best be gauged by a rapid glance at the trend of development of distributive co-operative societies, first in Europe during the last few decades as well as in and following the period of the first world war, and then in Europe and in other countries during quite recent years.

In Great Britain, for instance, the consumers' co-operative movement has gained approximately 2,000,000 new members every ten years since 1911:

<table>
<thead>
<tr>
<th>Year</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1911</td>
<td>2,640,191</td>
</tr>
<tr>
<td>1921</td>
<td>4,348,557</td>
</tr>
<tr>
<td>1931</td>
<td>6,590,120</td>
</tr>
<tr>
<td>1941</td>
<td>8,773,255</td>
</tr>
</tbody>
</table>

By 1942 the figure was still higher, namely 8,803,972.

The trend of development of the Swedish consumers' co-operative movement is shown by the following figures:

<table>
<thead>
<tr>
<th>Year</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1911</td>
<td>86,171</td>
</tr>
<tr>
<td>1921</td>
<td>255,181</td>
</tr>
<tr>
<td>1931</td>
<td>481,319</td>
</tr>
<tr>
<td>1941</td>
<td>736,508</td>
</tr>
</tbody>
</table>

1 The Co-operative Union Ltd.: communication to the I.L.O.
2 The growth of the liquid milk business of the British societies also illustrates the trend. In 1919 the co-operative movement handled no more than 2½ per cent. of the total liquid milk distributive trade in England and Wales. By 1930-31 the proportion had risen to 14 per cent. Today it handles one-third of the total.
3 *Kooperativa Förbundet*: communication to the I.L.O.
Membership of the Union of Swiss Consumers' Societies has risen from a little over 340,000 at the end of the last war to about 460,000 at the present time.

In Czechoslovakia, membership of the Central Union of Czechoslovak Co-operative Societies increased from 83,000 in 1917 to more than 490,000 in 1937. Over the same period the number of members of societies affiliated to the Danish Co-operative Union (F.D.B.) rose from 245,000 to 369,000. Total membership in the societies of the Co-operative Union of the Netherlands (C.B.N.V.) more than doubled between 1914 and 1937. Norway's Co-operative Union (N.K.L.), which had only 31,000 members in 1914, now has 196,000.

As an instance of the progress of agricultural co-operative societies with a distributive function, mention may be made of the Union of East Switzerland Co-operative Agricultural Societies, which was formed in 1886 with 16 affiliated societies and comprised 328 member societies in 1942.

It is interesting to note that the progress of co-operative organisations continues in times of war, despite or even because of difficulties.

In the first world war, for instance, membership of the Czech Central Union rose from 14,250 in 1913 to 150,000 in 1918, a very remarkable increase; that of the Central Union of Austrian Distributive Societies from 298,600 in 1914 to 367,500 in 1917; that of the Central Union of German Distributive Co-operative Societies from 1,700,000 to 2,200,000 between 1914 and 1918. In Great Britain, the consumers' movement gained not far short of 800,000 members in 1914-18, while in Denmark, Sweden, Norway and the Netherlands the expansion in the membership of the consumers' federations mentioned above was considerable in those years.

Except where political conditions have been hostile, the same tendency can be observed in the present war. In Great Britain, the consumers' movement has gained over 150,000 new members since 1939; its total membership is now close on nine million. In Sweden, "during the first three years after the outbreak of war the Swedish co-operative movement gained 100,000 families as new customers". The largest consumers' society in Denmark, Hovedstadens Brugsforening, Copenhagen, reports a membership increase of 30 per cent. since the war began. Despite the difficult conditions, the society had an increase of 10,000 members in the three-year period 1938-39 to 1941-42, compared with an advance of 6,000 in the pre-war period 1935-36 to 1938-39. In Switzerland, the membership of societies affiliated to U.S.C. rose from 443,425...
in 1941 to 461,344 in 1942. Membership of the Co-operative Union and Wholesale Society of Norway (N.K.L.) rose from 181,000 in 1939 to 196,000 in 1941. During the first eight months of the war — up to May 1940 — sales of the consumers' societies in France increased by 20 per cent. Only in the Netherlands has expansion of the consumers' movement been somewhat slow in recent years.

It is difficult to draw a comparable picture of the trend operating in the case of the agricultural societies with distributive functions, as the necessary data are lacking. But, generally speaking, the trend is upward.

The oldest of the Swedish agricultural federations, Svenska Landmännens Riksförbund, which embraces non-specialised purchasing and selling societies, had 59,000 members in 1941, or over 9 per cent. more than in 1940 (and 51 per cent. more than in 1935). Its volume of trade was 928,000 tons in 1941, compared with 873,900 tons in the previous year. In Switzerland, the volume of trade of the Union of East Switzerland Co-operative Agricultural Societies (V.O.L.G.), covering eleven central and eastern cantons, rose from 57,555,500 francs in 1940 to 75,300,000 francs in 1942, of which 28.4 million were for household goods. This represents a considerable increase, even allowing for a rise in prices.

In Bulgaria, membership of co-operative societies for marketing, purchasing and processing increased by 25 per cent. between 1939 and 1941, and that of credit co-operatives, most of which are multi-purpose in character, by over 16 per cent. in the same period.

The same trend may be observed in countries outside Europe where conditions have been more normal.

In Canada, the aggregate membership of consumers' co-operative societies affiliated to the Co-operative Union doubled between 1931 and 1937, and again between that year and 1941. Agricultural co-operative societies (some of which supply members with articles needed in the household) have more than doubled in number since 1933 (1,395 with 451,685 members in 1941 compared with 686 with 342,369 members in 1933), while sales of supplies rose from $8,779,000 to $25,895,000 over the same period. In Newfoundland, where the co-operative movement is comparatively young, membership of the consumers' co-operative societies increased by almost 16 per cent. between 1939 and 1941.

In the United States, membership of the associations affiliated to the Midland Cooperative Wholesale grew from 66,078 in 1939 to 77,465 in 1941 (in which year there were also nearly 78,200 non-member patrons) and to 110,000 in 1942, while its sales rose from $615,387 in 1931 to $3,760,150 in 1939 and $6,949,509 in 1942.

1 At Minneapolis, Minnesota. Number of affiliated societies: 37 in 1927, 92 in 1932, 170 in 1937, 281 in 1942. (Communication to the I.L.O.)
The number of member societies affiliated to Central Cooperative Wholesale (Superior, Wisconsin), which was established in 1917, rose from 48 in 1921 to 130 in 1942, and 85 additional local co-operatives which patronise the Wholesale are earning their membership through their purchases. The Wholesale's sales increased from $1,500,000 to over $5,000,000 between 1931 and 1942.

Consumers Cooperative Association¹, which had 22 affiliated member societies in 1929, the year of its establishment, had 592 members in 1942, while its total transactions grew from $309,890 to $14,826,585 over the same period.

The total purchasing (farm supplies as well as consumer goods) of agricultural co-operative societies in the United States rose from $190 million in 1929-30 to $369 million in 1940-41 and $480 million in 1941-42.

In Mexico, the number of members of consumers' co-operative societies rose from 86,700 in 1937 to at least 205,000 in 1942. In Argentina, membership of consumers' societies had grown from 50,000 in 1933 and less than 70,000 in 1937 to 90,000 in 1941; Brazil, with only 9,000 members of such societies in 1937, now has nearly 43,000 in three States alone; and in Chile, membership of consumers' co-operatives grew from 63,700 in 1937 to 74,500 in 1940 and over 87,000 in 1941. In Colombia, where the co-operative movement only began in 1931, there were 74 co-operative societies with a consumer section in 1941, as well as 21 societies with a supply and marketing section, having a total estimated membership of 20,000. In Peru, Uruguay and Venezuela, and also in the Central American republic of Costa Rica, consumers' co-operation is beginning to take root.

Even in Africa and Asia, where consumers' co-operation cannot be said to play a very important role as yet, there has been considerable progress in certain countries and regions. In Egypt the young consumers' co-operatives increased tenfold both in number and membership over a period of three years (1937-40). In the Union of South Africa, membership of consumers' co-operatives almost doubled in the same period.

In China, where consumers' co-operatives were rare a very few years ago, there were 2,448 in 1942. In India, membership of consumers' co-operative societies, although still very small, increased by over 400 per cent. between 1937 and 1940 and continues to rise rapidly; in Mysore, as a result of the war, there are about 300 co-operative store societies with perhaps nearly 50,000 members².

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¹ At North Kansas City, Missouri. Number of affiliated societies: 107 in 1931, 481 in 1941. Total transactions for C.C.A. and subsidiaries: $981,490 in 1931, $10,080,802 in 1941. (Communication to the I.L.O.)

while progress has been particularly notable in Madras, where the number of societies rose quickly from 73 at the end of June 1938 to 844 at the end of April 1943.\(^1\) In Ceylon, the number of members of consumers' co-operatives grew from 9,200 in 1937 to over 17,500 in 1942.

These trends are so well marked, continuing and universal as to justify the expectation that as soon as present hampering conditions, political and economic, are removed, the co-operative distributive organisations in Europe, in common with those elsewhere, will constitute an even closer network than that described in the preceding pages, and that they will play an increasingly important role in the post-war economy.

III. Co-operative Organisations as Sources of Supplies

In the investigation of the part that co-operative organisations can play in the provision of supplies, only Europe will be considered as an area of relief operations. This is not, of course, because there is no relief problem on other continents, particularly in parts of Asia, but because the problems there assume a different form and can be dealt with more conveniently later in connection with rehabilitation.

Since, in the foregoing chapter, European countries have been treated as a destination of relief supplies, sources of supply within the continent will not as a rule be taken into account, and consequently no mention will be made here of the very important European agricultural marketing societies which before the war had an estimated annual trade of some £450,000,000. Their role in the restoration of Europe's food production will likewise be considered when dealing with rehabilitation.

Nevertheless, the possibility that the European co-operative movement may be able to make some contribution as a source of supplies cannot be entirely overlooked. Such a contribution is most likely to come from countries in which the movement has been less directly affected by hostilities, as was the case after the first world war.

In September 1919, for instance, the English Co-operative Wholesale Society despatched a cargo of wearing apparel for distribution among co-operators in the Kuban district of south Russia; the Rostov-Don Co-operative Society acted as agents and distributors on behalf of the All-Russian Central Union of Consumers' Societies. The Co-operative Wholesale Society also

made loans of nearly £3 4 million pounds to co-operative organisations in European countries which suffered from war distress, enabling them to obtain food and dry goods, especially wearing apparel for men, women and children, from the English movement. The Belgian, Czechoslovak, Polish, Rumanian and Serbian co-operatives were among those helped in this way.

In all cases the loans were to be met either by cash payments or by supplies of raw materials or manufactured goods to be delivered to the C.W.S. Thus the way was paved for the resumption of normal economic life.

It is not unlikely that similar arrangements could be made after the present war, particularly as the English and Scottish Co-operative Wholesale Societies were already supplying Belgian, Danish, French, German and Italian co-operatives with tea, biscuits, soap, dress materials, and other goods before the war.

In the same way it is possible that the Swiss co-operative dairies might be in a position to resume supplies of cheese to co-operatives in other countries, when Switzerland is no longer directing all her surplus produce to Germany.

Co-operative organisations in Sweden have expressed the view that owing to the supply situation Sweden's help to its devastated neighbours and to other countries in Europe will have to take the form of funds for the purchase of foodstuffs from overseas, rather than of sending Swedish foodstuffs (with the possible exception of limited amounts of meat products), but that the Swedish movement will be able to deliver equipment such as shop machines, cash registers, and shop fittings to Sweden's Scandinavian neighbours and to other countries.

The main source of supplies, however, will be non-European overseas countries where food is normally produced for export.

In the armistice and reconstruction periods after the last war, relief deliveries consisted of shipments of grain, flour, beans, peas, rice, pork products, milk, cocoa, sugar and miscellaneous food, United States Army foods (of unspecified kinds), soap, clothing, medicine, and other similar articles. It has, however, been suggested that these supplies were defective in composition from a dietetic standpoint, and that in any future relief operation supplies should include some of the protective foods in view of the experience gained in 1919-24 and of the more advanced state of nutritional knowledge today. Accordingly, consideration will be given to a more extended list of commodities than that given above, including dairy products, fruits and vegetables.

2 Ibid.
In order to estimate the role that the co-operative movement can play as a source of supplies from overseas, it is proposed to select the principal commodities of vegetable or animal origin from which the more common foodstuffs, soap, clothing, and other necessaries are derived, and then to indicate, commodity by commodity, first the principal overseas countries engaged in their export or production, and, secondly, to what degree (if at all) each commodity is handled by co-operative organisations in the countries mentioned.

Except where otherwise stated, the type of co-operative organisation concerned may be taken to be the agricultural marketing society, which usually processes and then sells the produce of its members. In dealing with fish, reference is made to fishermen's co-operatives and, in the case of tea, to the productive undertakings of consumers' wholesale societies.

The commodities selected are cereals, meat and meat products, fish, dairy produce, sugar and honey, fruits and vegetables, cocoa, coffee and tea, tobacco (which may be regarded as a psychological necessity), and cotton, wool, flax and other textile fibres.

**Cereals**

The principal grains entering into international trade are wheat, maize (corn) and rice, while barley, oats and rye are of less importance. Excluding rice, which comes mainly from the Far East, the chief grain exporting countries are Canada, the United States, Argentina and Australia, with the Union of South Africa as a subsidiary source of maize.

In Australia the co-operative movement wields a strong influence in the wheat trade, but as recent statistics for the country as a whole are not available it has been omitted from the table. Well-developed wheat handling and marketing organisations are found in Western Australia and South Australia, and, to a less degree, in Victoria. At one time two-thirds of the Australian wheat harvest was in co-operative hands.

In the 1937-38 season co-operative wheat organisations in Western Australia handled 83 per cent. of the marketed portion of the harvest: 76 per cent. in bulk and 7 per cent. in bags. They

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1 In view of the fact that China and many other Asiatic countries are at present war areas, attention will be mainly confined to Africa, America and Oceania.
2 In the case of some commodities, producing as well as exporting countries are included, where, owing to special circumstances (e.g., abnormal wartime production, military position), they may be in a position to provide exports for relief purposes.
4 Cf. p. 58.
handled 84 per cent. in bulk and 4 per cent. in bags of the 1938-39 wheat harvest. In 1941-42 Co-operative Bulk Handling Ltd., which has been appointed receiving agent in the State for the Australian Wheat Board, handled 95 per cent. of the State wheat crop.¹

The following table indicates the part played by co-operative organisations in the marketing of grains in the chief exporting countries, with the exception of Australia.

**TABLE XXVI. GRAIN MARKETING BY CO-OPERATIVE ORGANISATIONS**

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Number of societies</th>
<th>Membership</th>
<th>Percentage of national trade</th>
<th>Sales of products in national currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>1940-41</td>
<td>47¹</td>
<td>202,234</td>
<td>44</td>
<td>$137,115,846²</td>
</tr>
<tr>
<td></td>
<td>1941-42</td>
<td>2,389</td>
<td>380,000</td>
<td>35-40¹</td>
<td>$524,000,000*</td>
</tr>
<tr>
<td>Argentina</td>
<td>1941-42</td>
<td>126²</td>
<td>42,880</td>
<td>3-4</td>
<td>71,302,639 (pesos)</td>
</tr>
</tbody>
</table>

¹ With 1,716 elevators (1,091 in Saskatchewan alone).
² Includes sales of grains and seeds (with wheat as the principal item).
³ Estimate based on crop year 1936.
⁴ Includes sales of grain, dry beans, rice (with wheat as the principal item).
⁵ Agricultural general purpose co-operatives, one of the main functions of which is the marketing of their members' wheat.

After the outbreak of war, the Overseas Farmers' Co-operative Federations Ltd. was chosen by the Australian Commonwealth Government to act jointly with it in undertaking the marketing in Europe of the Australian wheat crop.

The very important part played by co-operative organisations — the wheat pools — in the three prairie provinces of Canada is well known. The grain growers are the most highly organised of Canadian producers in the various commodity groups. Nearly 44 per cent. of all grain delivered in 1940-41 at country elevators was handled through co-operatives. The storage capacity of these co-operatively owned elevators is 35 million bushels. The three wheat pools also operate 9 large terminal elevators, 8 of which are owned outright. Including the temporary storage built to meet wartime needs, these pool terminals have a total capacity of 109,500,000 bushels.

In the United States about one-fourth of the nation's 13,000 to 14,000 country grain elevators and warehouses are estimated to be operated by farmers' organisations. According to a nationwide survey made in 1937, the volume of sales of specified grain and related products by co-operative organisations was as follows:

¹ The Co-operative Federation of Western Australia: communication to the I.L.O.
Commodity | Associations | Net total sales (1,000 dollars)
--- | --- | ---
Wheat | 2,116 | 142,589
Corn | 1,476 | 96,269
Oats | 1,637 | 22,565
Barley | 821 | 14,319
Rice | 15 | 11,390
Miscellaneous *(including soybeans and dry beans, flaxseed, rye, etc.)* | — | 16,558
Unclassified | — | 27,522
Total | 331,212

Wheat thus made up more than two-fifths of the grain sales of co-operatives, with corn second in importance, followed by oats and barley. However, the lead of wheat over corn is far less pronounced in terms of bushel volume.

A co-operative organisation — the Farmers’ Union Grain Terminal Association — by a recent purchase has become by far the largest grain handling concern in the United States.

According to an official source, in 1937-38, 106 mixed co-operative societies in Argentina had a membership of 31,931, representing 17.65 per cent. of the total number of grain producers in the country. During the five-year period 1932-33 to 1936-37 their total trade averaged 29.1 million pesos a year, of which 22.7 million pesos were for grain. They were responsible for 197,770 tons out of 5,794,462 tons of wheat sold, *i.e.*, 3.41 per cent., and for 254,962 tons of maize (representing 3.16 per cent. of the total sales). Although these co-operatives have developed considerably during the past five years, the extent of their present facilities for export trade is not known.

There is some co-operative marketing of maize in Australia, in South Africa (where the Union Grain Co-operative Company had a trade of over £1,000,000 in 1935), and in Northern and Southern Rhodesia.

Rice is principally grown in the Far East, but in order to make this review as complete as possible mention may be made of the rice growers’ co-operatives in Brazil, Ecuador (60 in 1941) and Sierra Leone (5 in 1939), as well as of those in the United States (see table above).

Reference may also be made here to two non-cereal starches; manioc (from which tapioca is prepared) is marketed co-operatively in Brazil (36 societies in 1942), and arrowroot in Australia and the West Indies.

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1 Of the St. Anthony and Dakota Elevator Co. of Minneapolis and the Brown Grain Co.

Meat

The chief overseas exporters of meat and meat products are Argentina (beef, mutton, lamb, pork), New Zealand (mutton, beef), Australia (mutton, beef), United States (beef, pork), Canada (pork), Brazil (beef, mutton, lamb, pork) and Uruguay (beef, mutton, lamb).

In Argentina, by far the largest exporter of beef before the war, the co-operative marketing of meat and livestock is not much advanced. Nor is meat, though a major product and export, extensively handled by co-operative organisations in Australia as a whole. Nevertheless co-operatives affiliated to the Co-operative Federation of Western Australia1 are responsible for 20 per cent. of the total livestock sales of that State.

In New Zealand, the N. Z. Co-operative Pig Marketing Association had a gross turnover of over £750,000 in 1942-43 and marketed more than 84,000 pigs, 319,500 calves and nearly 7,300 cattle on behalf of dairy farmers. With regard to mutton and lamb, the chief meat exports, no absolute figures are available, but before the war nearly half of the imports of these products by the English Co-operative Wholesale Society from New Zealand were obtained direct from co-operative freezing companies or their federations.

In Canada, “organisations of live stock producers handled 20 per cent. of the total marketings of cattle, hogs and sheep and lambs”2 in 1940-41, an increase of nearly 8 per cent. over the 1937-38 figure. In the year ended 31 July 1941, 53 livestock associations with more than 50,650 members had sales amounting to over $25 million. The United Farmers' Co-operative Co. Ltd. of Ontario operates the largest livestock commission business in the Dominion, accounting for a substantial part of the $15 million business which the association handled in the year ending September 1942.

In 1942-43, Alberta Livestock Co-operative Ltd. handled 447,399 hogs, 40,533 head of cattle, including calves, and 9,024 sheep, with a gross value of $14,450,000. Canadian Livestock Co-operative (Western) Ltd.3 had a record year in 1942-43 and handled 90,661 head of cattle, 233,347 hogs and 26,352 sheep, with an aggregate value of $12,080,000. Sales of livestock by the Coopérative Fédérée de Québec amounted to over $4 million

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1 The Co-operative Federation of Western Australia: communication to the I.L.O.
3 Selling agency of Manitoba Co-operative Livestock Producers Ltd. and Saskatchewan Co-operative Livestock Producers Ltd.
in 1942. Hogs are processed into bacon and other pork products by the First Co-operative Packers of Ontario Limited.¹

In the United States, livestock co-operatives constitute the third largest group of farmers' marketing associations; before the war they handled about 20 per cent. of all the livestock marketed. Their sales in 1941-42 amounted to $337 million, an increase of $45 million over the figure for the previous year.

In Brazil, which exports beef, mutton and lamb, hog products and lard, there are some 150 co-operative societies handling livestock, Cooperativas Agro-Pecuarias, together with 3 co-operative sheep breeders' associations and 15 co-operative societies dealing with meat and meat products, but information on their economic importance, facilities, and so forth is lacking.

For the purposes of this chapter, it is perhaps permissible to include Iceland as an overseas producer, despite the fact that it is in Europe. In normal times Iceland exported 2,500 tons of lamb annually, besides wool and sheepskins. The Federation of Icelandic Co-operatives controls the entire export of frozen mutton and about 90 per cent. of the total meat export.

Fish and Shellfish

International trade in fish has been expanding in recent years and war-time dislocation of European and Japanese fisheries has given added importance to American fisheries. The two leading regions are the North Pacific coasts of Alaska, Canada and the United States and the North Atlantic coasts of Labrador, Newfoundland, Canada and the United States. There are also fishing grounds along the coasts of Mexico and Brazil, and also of India.

In 1940-41 there were altogether 91 fishermen's co-operative societies, with an estimated total membership of 6,436, in Canada: 63 in the Maritime Provinces, 9 in the Magdalen Islands, 14 (with 1,916 members) on the Quebec mainland², and 5 on the Pacific coast.

In the Maritimes "a large number of co-operative groups, owning 37 lobster canning plants, have been doing an annual business of over a million dollars in canned and live lobsters. A large volume of co-operative business is also done in the

¹ Since Sept. 1939 Canada has exported to the United Kingdom bacon (and other pork products) representing over 17 million hogs and having a value of $406,113,466, which is more than the total amount received for these products over the 20-year period 1919-39. Canada now supplies 85 per cent. of Great Britain's bacon requirements, compared with 20 per cent. before the war.

² Seventeen societies, with 2,064 members, in 1943.
processing and marketing of other fish, such as mackerel, smelts, cod, swordfish, oysters and salmon.\footnote{M. M. COADY, Director of Extension Department, St. Francis Xavier University, Antigonish, Nova Scotia: Cf. Special Committee on Reconstruction and Re-Establishment, Minutes of Proceedings and Evidence, No. 12, 13 May 1943 (Ottawa, 1943). Dr. COADY also said: "It is quite possible that in a few years the fishermen of eastern Canada will process and market nearly all the fish in these varieties" (p. 295).}

In British Columbia, the net sales of fish for 1942 by the Prince Rupert Fishermen's Co-operative Association amounted to 3,839,721 pounds; since the war this association has supplied the British Government with dogfish liver oil and salmon.

The federation of Quebec fishermen's co-operatives, Pêcheurs-Unis de Québec, shipped a little over 5,000,000 pounds of finished products to markets in 1942: fillets of cod came first with 2,500,000 pounds; dry codfish second with 7,500 cases; and pickled fish, 5,350 quintals. Twenty-one per cent. of the fillets were despatched to Great Britain. The total trade in the same year amounted to $707,395 and a surplus of nearly $166,500 was distributed to the federation's members.

The total volume of business done by Canadian fishermen's co-operative associations in 1941 was close to $3 million.

Since the co-operative shipment of fish was inaugurated in Newfoundland in 1938, some 1,200 fishermen have been organised in marketing societies, which have marketed lobster to the value of some $350,000 since their inception. In 1941 alone, 1,000,000 pounds of fresh lobster, as well as a considerable quantity of salmon, were marketed co-operatively.

In the United States, according to a survey made in 1936\footnote{By the Fish and Wildlife Service, U.S. Department of the Interior.}, some 60 co-operative associations, comprising 12,500 fishermen either as members of the co-operatives or as personnel on members' vessels, marketed fish with a value of about $9 million. This business represented about 24 per cent., by weight, of the fish produced by the fisheries of the United States and about 10 per cent. of their first-sale value. Co-operative activities are also reported among fishermen in Alaska.

There are also fishermen's co-operative societies in Brazil (36), Mexico, and, outside America, in India, where 120 societies, with over 6,000 members, are to be found in Bengal alone.

Eggs and Poultry

Poultry and eggs are conveniently treated together as both products are generally handled by the same type of co-operative marketing association. Poultry is hardly likely to figure among
relief supplies, but there may be some call for live birds for re-stocking purposes in the later stage of rehabilitation. Before the war huge quantities of eggs, both in the shell and extracted from the shell (either as whole eggs, or as yolks and whites separately, frozen or in tins) were sent from China, but this trade, and that of Egypt, another exporter, was handled through ordinary commercial channels. Less important sources of supply are Argentina, Australia, Canada (with a marked increase of egg exports due to the war) and the United States.

There do not appear to be specialised egg marketing co-operative societies in Argentina, but some of the numerous agricultural general purpose co-operatives may handle them. In Australia there is a considerable co-operative sale of eggs, but no figures are available, except in the case of Western Australia, where a co-operative organisation — Westralian Farmers' Ltd. — accounted for 31 per cent. of 24,160 cases of eggs exported from the State during 1938.

In 1939-40, sales of poultry and eggs by Canadian co-operative marketing associations amounted to more than $3 million\(^1\), while in the United States 178 egg and poultry co-operatives, with a membership of 115,000, had a trade in 1941-42 of $105 million, an increase of more than $20 million over the previous year.

*Dairy Produce*

Dairy produce is exported in the form of butter, cheese and dried or canned (condensed and evaporated) milk. The leading overseas producers and exporters of these products are New Zealand, Australia, Canada, and the United States, with Argentina and the Union of South Africa as minor sources of supply.

New Zealand is the largest overseas exporter of butter and cheese, and dairy produce is its most important article of co-operative manufacture and trade; 90 per cent. of its butter output and 92 per cent. of its cheese output are handled by co-operative organisations. Eighty-seven per cent. of New Zealand's butter exports were derived from co-operative organisations before the war. Primary co-operative dairies are grouped in two federations, the New Zealand Marketing Association and the New Zealand Co-operative Dairy Company.

In Australia, the second largest overseas exporter of butter, agricultural co-operative organisations before the war handled 90 per cent. of the national butter output, while the proportion in

\(^1\) The 45 co-operative hatcheries of Quebec produced 83 per cent. of the 6,000,000 chicks raised in 1943.
the case of cheese was 91 per cent. Co-operative dairy companies in Western Australia, which were only little developed in 1921, now manufacture 55 per cent. of the dairy produce of that State.  

In Canada, co-operative dairies are the most numerous among the marketing societies; in 1941 there were 386 dairies with 53,420 members and sales amounting to more than $23,500,000. In 1939 their sales represented 12 per cent. of the total marketings of dairy products of the country; in Quebec the co-operative share in butter production was 20 to 25 per cent. of the whole for that province.

Dairy products constitute the most important group of co-operatively marketed commodities in the United States where over 2,300 dairy co-operative organisations had sales to a value of $815 million in 1941-42. It has been estimated that they handle approximately 48 per cent. of all the fluid milk, 39 per cent. of all the butter, 25 per cent. of all the cheese, and lesser amounts of other items of the national dairy output. In 1936, when the last national survey was made, liquid milk accounted for about 45 per cent., butter for about 37 per cent., and cheese for less than 4 per cent. of the total co-operative sales of dairy products, which included cream, dried and condensed milk, ice-cream, casein, skimmed milk, buttermilk, whey, and cottage cheese.

There are also co-operative dairies in Argentina (121 with 6,785 members), in Brazil (89) and also in South Africa.

Citrus Fruit

The principal overseas exporters of oranges in the years immediately preceding the war were (in order of importance) Palestine, the United States, Brazil and the Union of South Africa, with the United States as the largest world producer (followed by Spain and Brazil). Other orange exporting countries are Algeria, Australia and the West Indies. Far the largest overseas exporter of grapefruit and lemons was the United States, with Palestine, Puerto Rico, the Union of South Africa, Cuba and Jamaica as subsidiary sources of grapefruit and Australia, Union of South Africa and Syria of lemons. Limes (Mexico and the West Indies), tangerines (United States and Algeria), and satsuma oranges (United States) are commercially important to a minor extent.

1 The Co-operative Federation of Western Australia: communication to the I.L.O.
3 Up to 1936, 62.3 per cent. of the orange exports (of 6 exporting countries) were accounted for by Spain.
4 The largest producer of lemons before the war was Italy.
In Palestine, more than half the 3,500 to 4,000 citrus growers, with about two-thirds of the area planted with citrus trees, are co-operatively organised. Co-operative sales of citrus fruit — 7 million cases in 1939 — comprised 75 per cent. of the total Jewish crop exported. The most important of the orange marketing co-operative societies, Pardess, exported 35 per cent. of the total orange production of the country.

Approximately 60 per cent. of all the citrus fruit produced in the United States is marketed by co-operative organisations. In the California and Arizona area the proportion marketed co-operatively reaches 85 per cent., with the California Fruit Growers' Exchange handling 74 per cent. of the total production of the two States. This organisation does not control the same relative proportions of oranges, grapefruits and lemons: the approximate percentages are 72 per cent. of the oranges, 67 per cent. of the grapefruit, and 89 per cent. of the lemons. Its volume of business is well over $100 million a year and it is the largest fruit marketing agency in the United States.

There are 14 citrus growers' co-operatives in Brazil, where the establishment of an export trade in oranges was largely made possible through co-operative organisation, while in the Union of South Africa over 70 per cent. of the growers of citrus fruit are organised co-operatively, about 50 per cent. of all fruit grown being marketed by the Fruit Growers' Co-operative Exchange.

In Algeria, 25 per cent. of the output of oranges and tangerines was handled by a single co-operative organisation before the war; in Australia citrus fruit is handled co-operatively to some extent; and in the West Indies there is a citrus fruit growers' association in Trinidad, a co-operative lime factory in Tobago, and an association selling lime oils for growers in Trinidad and St. Lucia. There are a few citrus producers' societies on the Gold Coast.

**Apples and Pears**

The leading exporter of apples and pears is the United States, followed by Canada, Australia and New Zealand. Pears are also exported by the Union of South Africa.

In the United States, sales of apples and pears by co-operative organisations represented over 10 per cent. of the national production of those fruits before the war.¹ There are large apple growers' associations in the North-West. The Apple Growers Association of Hood River, Oregon, for example, has been active in promoting brands and developing markets at home and abroad; it handles

¹ $15,623,000 out of $144,754,000 in 1936.
70 per cent. of the fruit produced in the Hood River Valley.\textsuperscript{1} There are also two large fruit growers' co-operatives in the State of Washington. But in general fruit and vegetable co-operatives, owing to highly seasonal production, have restricted activities and rely chiefly on private agents for selling, while concentrating on the better handling of the crop and similar activities.

The two main apple producing regions of Canada are Nova Scotia and British Columbia. In the former province over 40 per cent. of the apples produced are marketed co-operatively, while the Associated Growers of British Columbia Ltd., with sales in 1941 totalling $3,777,619, controls 45 per cent. of the fruit (and vegetables) produced in the Okanagan Valley\textsuperscript{2}; the chief commercial apple growing region of western Canada. Nearly 20 per cent. of the total amount of fruit and vegetables sold in the Dominion and exported for sale overseas is marketed co-operatively.

The co-operative sale of apples and pears is also well developed in Australia. In Western Australia, for instance, over 45 per cent. of the apples, pears (and grapes) exported to Europe in 1939 were co-operatively handled, and the percentage has risen to 60 in 1942.\textsuperscript{3} In parts of New South Wales as much as 95 per cent. of the fruit crop has been marketed co-operatively in certain years. It will also be recalled that Australian co-operative organisations participate in the Overseas Farmers' Co-operative Federations Ltd., the London marketing agency of the farmers' co-operative organisations of Australia and New Zealand, and South Africa, Rhodesia and Kenya.

In New Zealand, the N.Z. Fruit Growers' Federation held a virtual monopoly in the marketing of fruit, essentially apples and pears, before the war.

\textit{Grapes, Raisins and Wine}

Fresh grapes and raisins are derived from Australia, South Africa and the United States, while these countries, together with Palestine, Argentina and Chile, export wines. Wines are also produced in Algeria and Morocco. With regard to Australia, it is enough to say that dried fruits are marketed co-operatively on a large scale: before the war the Australian Dried Fruit Association included 90 per cent. of the producers of raisins. In the Union of South Africa, which exported 452,000 quintals of grapes and 32,000 quintals of raisins in 1934, 50 per cent. of the total output of fruit, as already mentioned, is marketed co-operatively; there is a

\textsuperscript{1} American Cooperation 1941, p. 169.
\textsuperscript{2} Associated Growers of British Columbia Ltd.: communication to the I.L.O.
\textsuperscript{3} The Co-operative Federation of Western Australia: communication to the I.L.O.
co-operative wine growers' association with over 5,000 members (in 1938).

In the United States, 90 per cent. of the California raisin crop was handled co-operatively before the war. Co-operative sales of grapes, raisins, grape juice, wines and brandy amount to over $17 million annually.¹

Before the war, 80 per cent. of all the wine produced in Palestine was marketed by the Société coopérative vigneronne, which had a cellar capacity of over 2,113,000 gallons.

There are wine marketing co-operatives in Argentina (26 for fruit, vegetables and wine) and also in Brazil (48 grape growers' and wine producers' societies), especially in the State of Rio Grande do Sul, where 16 societies handled 60 per cent. of the total wine production of the State in 1939. Before the war there were 168 wine producing co-operatives (with over 2,000 members and a cellar capacity of some 2 million hectolitres) in Algeria and a few in Morocco.

Bananas

Before the war, Europe obtained bananas chiefly from the West Indies, Central and South America and the Canary Islands. Hawaii sent large supplies to the United States. Bananas are also grown to some extent in Australia.

Up to 1937 bananas were marketed co-operatively in Jamaica (British West Indies) by the Jamaica Banana Producers' Association, but in that year the Association was compelled to transform itself into a private trading company, though the capital is still owned by banana growers. In Colombia, the Banana Producers' Co-operative of Magdalena (since 1942 the Agricultural Co-operative of Magdalena)² handled 30 per cent. of the bananas grown in the Magdalena region before the war, while in Costa Rica a banana marketing co-operative, La Cooperativa Bananera Costariquense, was founded in 1929.

For some years there was 'compulsory co-operation' among the banana growers of New South Wales in Australia, but the Banana Marketing Board was dissolved by a small majority in a poll of producers, in 1938. The Royal Commissioner on the Fruit Industry, in commenting on the dissolution, declared: "So outstanding and commanding is the organisation of the banana industry, and so

¹ Farm Credit Administration: A Statistical Handbook of Farmers' Cooperatives (Washington, D.C., 1938).
² This co-operative is reported to have done notable work in combating the disease which recently attacked the banana trees and in helping to replace banana trees by other crops in certain areas since the wartime disruption of the banana trade.
successful have been the operations conducted by the Board, that
the decision to dissolve the Board can only be regarded as a
tragedy".¹ There are some banana producers' societies in Brazil (3)
and in the Gold Coast (18), and banana plantations of co-operative
settlements in Palestine (several thousand acres in 1937).

_Dried Fruits_

The principal overseas supplier of dried prunes, apricots and
peaches is the United States. Australia and the Union of South
Africa also produce dried fruits for export. Iraq and Tunis are
important sources of dates.

In the United States, 85 per cent. of the Californian output
of prunes was handled co-operatively before the war. Co-operatives
also sold appreciable amounts of peaches ($4\frac{1}{2} million) and apricots
($1\frac{3}{4} million) and relatively small quantities of figs and dates,
though not all of these will have been for drying. In 1942, the
California Prune and Apricot Growers Association handled
142,500,000 pounds of dried prunes, 11,750,000 pounds of dried
apricots and 6,550,000 pounds of dried peaches. Dried fruits are
handled co-operatively in Australia and South Africa to some
extent.

Dates do not appear to be marketed co-operatively in either
Iraq or Tunis.

In the United States² most of California's olives are processed
and marketed by co-operative organisations. There are a few
olive-growers' co-operative societies in Algeria and Tunis.

_Nuts and Almonds_

The chief overseas source of nuts (principally walnuts) and
almonds is the United States where, in 1941-42, 46 nut marketing
co-operatives with 44,000 members had sales amounting to
$39,300,000. Before the war 82 per cent. of the Californian walnut
crop and 60 per cent. of the almond crop were accounted for by
co-operative organisations; it is estimated that to-day 90 per cent.
of the Californian walnut crop moves through co-operative channels.
Eighty per cent. of the national crop was co-operatively handled
in 1934-35. Another considerable exporter of almonds is Palestine,
where before the war almost the entire almond harvest was handled
co-operatively.

¹ As reported in *Year Book of Agricultural Co-operation, 1940* (P. S. King and

² Sales of olives and olive oil by co-operative marketing associations in the
United States amounted to $1,249,000 in 1936.
Copra and Palm-Oil

Copra, the dried flesh of the coconut, is derived from the West Indies, Maláya, the islands of the Pacific, e.g., Fiji, West Africa, Ceylon, and elsewhere.

Although there are some copra marketing co-operatives in the other places named, the chief development of this type of society has been in the West Indies. In Jamaica, over 25 per cent. of the island's output of coconuts, some 80 million nuts a year, was co-operatively marketed by the Jamaica Cocoanut Producers' Association before the war, while the Trinidad and Tobago Coconut Growers' Association controlled 50 per cent. of the coconut production of these two islands in 1936.

Palm-oil, the fruit of the African oil-palm, is co-operatively marketed by a few societies in Southern Nigeria.

Vegetables

Fresh vegetables are unlikely to be included among relief supplies, but in view of their importance as sources of vitamins and minerals, canned and dehydrated products should not be overlooked. The main non-European countries with a vegetable industry are Canada and the United States.

Statistics do not show the co-operative marketing of Canadian vegetables separately from fruit, but as already mentioned, nearly 20 per cent. of the Dominion's total output of fruit and vegetables is handled co-operatively. In 1941 sales of fruits and vegetables by co-operative organisations amounted to $9,354,000.

In the United States, 1,048\(^1\) fruit and vegetable associations, with 157,000 members, had an estimated business of $274 million in 1940-41, of which perhaps some $47 million\(^2\) are attributable to the 24 or more different vegetables handled. Potatoes were the most important commodity, followed by lima beans, peas, celery and tomatoes in that order. Californian producers of lima beans sell 85 per cent. of the State's crop through co-operative organisations. One consumers' co-operative wholesale has recently decided to enter the field of vegetable dehydration\(^3\); at least three such wholesales already operate canning plants.

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\(^1\) Excluding 48 nut marketing associations.
\(^2\) $47,661,000 out of $273,092,000 in 1936.
\(^3\) Consumers' Cooperative Association, Kansas City, Missouri. A number of farmers' co-operative associations also operate fruit and vegetable dehydration plants.
Cane Sugar

The three most important producing countries before the war were India, Cuba and Java, but only the two last named countries were exporters. Other sugar producing areas are the United States (Louisiana), Brazil, Peru, the West Indies, and also Australia (Queensland) and South Africa.

In India there are co-operative societies for the marketing of sugar-cane in the United Provinces, Hyderabad and Bihar. Some 800 primary cane societies in the United Provinces supplied 70 per cent. of the cane crushed by the factories in 1940; in Hyderabad there were 148 sugar-cane growers' co-operatives in 1940, with some 2,500 members; Bihar, with some 2,000 societies, having nearly 18,000 members in 1941, supplied 14 per cent. of the provincial crush.

In Cuba and Java sugar appears to be handled entirely through ordinary commercial channels, but there is some co-operative handling of it in other less important producing areas: 13 farmers' marketing co-operatives dealing in sugar cane and products, with sales of about $3,500,000, in the United States\(^1\), 8 sugar growers' co-operative societies in Brazil, 6 co-operative sugar factories in the Barbados and 1 each in Antigua, St. Kitts and British Honduras.

Cane sugar is one of the commodities handled by the co-operative marketing boards of Queensland in Australia and by the co-operative marketing societies of South Africa.

Beet Sugar, Honey, Maple Products

Co-operative organisations in Canada accounted for 29.8 per cent. of the maple sugar and syrup marketed in 1937-38, with sales of maple products amounting to $839,282 in 1941, an increase of 67 per cent. over the previous year. In 1941 co-operative sales of honey amounted to over $700,000, \(i.e.,\) 28 per cent. of the total commercial production. At one time 85 per cent. of Ontario's honey output was handled by the Ontario Honey Producers' Co-operative Ltd.

In the United States, according to the survey made in 1937, farmers' marketing co-operatives had sales of sugar-beet amounting to over $22,750,000, as well as small sales of honey and maple products. Honey is co-operatively marketed in Australia and New Zealand to some extent.

Before the war the main exporters of beet sugar were European countries, and in one of these — the Netherlands — 65 per cent. of the national output was in co-operative hands.

\(^1\) In 1936.
Cacao, Coffee, Tea and Tobacco

Cacao.

Cacao from which are derived cocoa and chocolate, is exported principally from the Gold Coast, from Nigeria and the Cameroons, from Brazil, Venezuela and the West Indies. It is also grown in Ceylon.

Cocoa is the co-operative mainstay of West Africa. In the Gold Coast co-operative societies for the grading and marketing of their members' cocoa, with a membership of about 10,000 out of a total of 300,000 native cocoa growers, marketed 3 per cent. of the crop in 1937-38, compared with 2.6 per cent. in the previous year. In Nigeria and the British Mandated Territory of the Cameroons there were 156 co-operative cocoa marketing societies in 1941, with nearly 10,500 members (compared with under 1,500 members in 1931). The tonnage of cocoa sold in 1940-41 was 6,503 tons, representing almost 12 times the amount (551 tons) sold in 1930-31. It has been suggested that a third of the crop could be marketed by co-operative organisations if the movement were given encouragement.

Cocoa growers' co-operative societies are also to be found in Brazil and Ceylon.

In the West Indies, there are five co-operative fermentaries in Tobago, while in Trinidad large estate owners market co-operatively through their Cocoa Planters' Association.

Coffee.

The bulk of the world's coffee is produced in South and Central America; the State of São Paulo in Brazil alone produces about half the total world output. Colombia, Ecuador and Venezuela in South America and Costa Rica, El Salvador and Guatemala in Central America also have a considerable production. Kenya, Java and Jamaica are also exporters of coffee to a smaller extent.

In Brazil there are 17 coffee growers' co-operatives; 15 of these are in São Paulo, where there is a union of coffee marketing co-operative societies.

In Ecuador, the co-operative coffee marketing society of Jipijapa with 1,148 members in 1942, is one of the two most important co-operative societies of the country, while in El Salvador, where there are no coffee marketing co-operatives, rural credit co-operatives aid the industry by providing their members with storage facilities for coffee and other products.

1 The societies in the Cameroons ferment their members' cocoa.
2 Comprising 276 estates in 1936.
Coffee has been described as the co-operative mainstay of East Africa. In Kenya, the Kenya Planters' Co-operative Union, with a membership of more than 500 coffee planters, was handling 51 per cent. of the Kenya coffee crop in 1941. There is one co-operative association of European coffee growers in Tanganyika, together with a native organisation\(^1\) whose co-operative credentials are somewhat in doubt. In Northern Rhodesia there is a co-operative society for the marketing of the entire coffee crop, while a small scale experiment in co-operative marketing of coffee has been made in Nyasaland, and also in the Gold Coast.

**Tea.**

The great tea producing countries of the world are British India, Ceylon, China, Japan and Java. Mention may also be made here of the South American maté or yerba tea, grown especially in Argentina and Brazil.

Tea is not marketed co-operatively by producers, but the co-operative wholesale societies of England and Scotland jointly own (through a joint society)\(^2\) tea estates in Ceylon, South India and Assam. This society, which is the largest grower and distributor of tea in the world, had tea plantations covering 35,250 acres and a total crop of over 7,500,000 pounds in 1939.

With regard to maté, there are 15 maté (and tobacco) marketing co-operatives in Argentina, with a membership of nearly 4,000, and 49 maté societies in Brazil, where recently (in the State of Paraná) the production of maté has been placed on a co-operative basis.\(^3\)

**Tobacco.**

The greatest single overseas exporter of tobacco is the United States, while cigar tobacco comes from Cuba and special types from the Dutch East Indies, Brazil, Canada, Rhodesia, and elsewhere. Some tobacco is grown in a large number of countries; for instance, in Algeria, Argentina, Ceylon, East Africa, and the Union of South Africa.

At one time the quantities of tobacco collected, graded and sold by co-operative societies in the United States represented over 34 per cent. of the national tobacco harvest, but high prices for tobacco in the late nineteen-twenties led to a diminution of interest in co-operative action. However, as a result of the decline in prices after 1929 seven regional tobacco co-operatives were

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\(^1\) The Kilimanjaro Native Co-operative Union.

\(^2\) The English and Scottish Joint Co-operative Wholesale Society.

\(^3\) By Decree of 4 November 1942.
organised, five of which, in addition to older associations in Maryland and Wisconsin, were still in existence in 1940. In 1940-41 sales of tobacco by 10 farmers’ tobacco marketing co-operatives amounted to $14,400,000, a figure representing about 6 per cent. of the total farm value of the 1940 production.

In Canada, where a tobacco crop with a value of nearly $19,500,000 was harvested in 1939, co-operative organisations handle nearly 90 per cent of the total production.²

A few tobacco co-operative marketing societies are found in Brazil, Argentina, Northern and Southern Rhodesia, and at least one in Tanganyika and Ceylon.

More important is the Union of South Africa, where 10 tobacco marketing societies, with a membership of 12,000, were affiliated to Central Co-operative Tobacco Company of S.A. Ltd. in 1938. In Algeria, before the war, there were 3 co-operative tobacco warehouses with 12,000 members and a total capacity of nearly 200,000 quintals.

Fibres

Cotton.

The chief cotton exporting country is the United States, followed by British India and Egypt. Smaller quantities are exported by China and Peru and there is some production in Australia, East and West Africa, Rhodesia, the Union of South Africa, as well as in Argentina and Mexico.

In the United States, approximately 10 per cent. of the entire cotton crop was handled by the American Cotton Co-operative Association between 1929 and 1940, and in most years this Association handled the largest volume of cotton of any American organisation.

In 1941-42 there were altogether 556 cotton marketing associations (mostly in Texas and Mississippi) including cotton gins and cotton seed oil co-operatives, with sales of cotton products amounting to $138 million.

In Argentina there are 25 and in Brazil 6 cotton growers’ co-operatives. Outside America, there is co-operative marketing of cotton to some extent in India, Egypt, China, Australia and the Union of South Africa.

Wool.

The five principal wool exporting countries are (in order of importance) Australia, Argentina, the Union of South Africa,

¹ $15,200,000 in 1941-42.
² The proportion was 89.8 per cent. in 1937-38.
New Zealand and Uruguay. There is also a considerable production in the United States and Canada.

Figures are not available for Australia as a whole, but in Western Australia 20 per cent. of the wool export is handled by co-operative organisations. Wool does not appear to be co-operatively handled to any appreciable extent in the other main exporting countries, with the exception of the Union of South Africa, where about 26 to 27 per cent. of the total wool clip is handled by the Farmers' Co-operative Wool and Produce Union Ltd.

There is, however, considerable co-operative handling of wool in the United States. During the five years 1934-38 the average annual volume of fleece wool handled by co-operative wool marketing associations was about 13,750,000 pounds. During this period the percentage of the total clips of fleece wool marketed by co-operatives ranged from 10 to 23 per cent. In the year 1938 the co-operative associations affiliated to the National Wool Marketing Corporation marketed 19,227,000 pounds of wool. Between 1929-30 and 1941-42 co-operative sales of wool (and mohair) more than doubled: from $10,800,000 to $23,300,000.

In Canada, wool is handled by a national organisation, Canadian Co-operative Wool Growers Ltd., which accounted for 23.4 per cent. of the national output in 1937-38. Sales in 1941 amounted to $1,192,700, an increase of nearly $350,000 over the previous year. To meet wartime demands, consideration has been given in Saskatchewan to plans for the organisation of co-operatives to operate summer pastures for sheep. The province already has 3 sheep farming co-operative associations in which the sheep are owned by the association and not by the individual members.

In Iceland, 80 per cent. of the wool exports (amounting in normal years to 600 tons of wool and 500,000 unclipped sheepskins) is in the hands of the Federation of Icelandic Co-operatives.

Flax and Other Fibres.

Fibre flax is grown in the United States and in Canada, where recently farmers of the Fraser Valley in British Columbia joined co-operatively to grow 1,000 acres of flax, while in Quebec 22 co-operative flax processing mills have been set up to meet wartime needs.

Jute, which comes almost exclusively from India, is co-operatively marketed on a fairly large scale. A few hemp growers' co-operative

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1 The Co-operative Federation of Western Australia: communication to the I.L.O.
2 Communication to the I.L.O.
3 Cf. James M. Coon: Co-operative Marketing of Fleece Wool (Farm Credit Administration, Washington, D.C., 1939).
societies are found in Brazil. Raw silk, before the war, was mostly derived from Japan, where 9 per cent. of the total output was produced by co-operative societies in 1934.

CONCLUSION

In the light of the facts and figures given above, it can be said that in quite a few countries, and for some important commodities, the co-operative movement will almost automatically play a part as a source of relief supplies. In the United States, for instance, the 7,824 agricultural marketing associations with a membership of 2,430,000 in 1941-42 had a volume of business totalling $2,360,000,000. It is estimated that agricultural marketing co-operatives handle from 25 to 30 per cent. of the nation’s foodstuffs, and that they are supplying approximately one-third of the total ‘Lend-Lease’ food shipments to the United Nations.

In Canada (1940-41), 31 per cent. of the total commercial production of Canadian farms, with an aggregate sales value of $214,425,733, was handled by co-operative organisations comprising nearly half of the farmers in the Dominion.

In Australia and New Zealand, co-operative organisations have a preponderant share in the trade in dairy products — 90 per cent. or over — while they are not unimportant in the fields of fruit and grain.

Agricultural marketing co-operatives have an appreciable place in the rural life of Argentina, where, in 1941-42, 315 co-operative marketing and agricultural general purpose co-operatives, embracing over 60,000 members, had a combined turnover of more than 117 million pesos; in Brazil, which is characterised by a great diversity of specialised marketing societies covering no less than 35 different products; and in a number of other countries of Latin America.

Co-operative marketing of agricultural produce is also found on the other continents. In Africa, there are interesting examples in Egypt and also in East and West Africa, but the principal development has taken place in the Union of South Africa, where over 10 different products are co-operatively handled. In 1938-39 the value of produce sold by South African co-operative organisations amounted to nearly £17,500,000. Co-operative marketing is being increasingly adopted in the British colonial possessions.

Within Europe itself, Iceland is of some importance as a possible co-operative source of supply (of wool and meat), owing to its geographical position. In Asia, the same is true of Palestine (for

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1 In June 1940 there were 140 co-operative marketing organisations with 72,963 members.
fruit, almonds, etc.), but the other Asiatic countries, in some of which there is considerable co-operative marketing of agricultural produce, may not so readily be able to contribute supplies for relief operations in Europe.

Before the war annual sales by agricultural marketing co-operatives in the British overseas empire and in other non-European countries totalled more than £400 million.¹

IV. Overseas Connections of European Consumers’ Co-operative Organisations

It has already been observed that consumers’ co-operative organisations display a tendency to reach back to the ultimate sources of production of the commodities in which they deal.² It is intended in this section to examine the operation of this tendency between European consumers’ co-operative organisations and non-European overseas producing countries, with particular reference to the commodities discussed in the foregoing chapter on supplies.³

In 1936 the consumers’ co-operative wholesale societies of Europe imported goods to the value of $186,214,460, drawn from all continents: Europe, $71,764,844, America, $47,889,648; Australia, $30,908,676; Asia, $26,238,512; Africa, $9,412,780. Over 78 per cent. of the imports were made by the English Co-operative Wholesale Society. The Scottish C.W.S. accounted for almost 10 per cent., so that the share of all the other European countries was only about 12 per cent. As imports by the continental European countries were predominantly intra-European, the present section will be mainly concerned with the overseas connections of the English C.W.S. In 1936 rather more than a third of the total C.W.S. imports were bought direct from foreign co-operatives (in Europe and other continents), a further sixth direct from other sources and the rest from merchants in Great Britain.

Co-operative wholesale societies in general, and the English C.W.S. in particular, have endeavoured to get into direct contact with overseas sources of production in three main ways: (1) by the establishment of depots or agencies abroad for direct purchases from producers (whether commercial or co-operative); (2) by

¹ Margaret Digby: op cit., p. 71.
³ The chief sources drawn on in the preparation of this chapter have been reports of co-operative organisations and, more particularly, publications of the International Co-operative Alliance, enquiries by the International Committee for Inter-co-operative Relations relating to the egg, butter and fruit trades, and Margaret Digby’s authoritative work: Producers and Consumers: A Study in Cooperative Relations.
engaging themselves in the production of foreign produce; and
(3) by the development of inter-co-operative relations through
direct trade with overseas co-operative marketing organisations.
Such inter-co-operative relations are themselves divisible into
three main stages: (1) ordinary commercial transactions between
two co-operative organisations; (2) contracts or agreements
between two co-operative organisations covering a fixed period
of time or a series of transactions; and (3) the establishment of
permanent joint undertakings by the importing co-operative
wholesale society or societies and the exporting farmers' co-
operative organisation or organisations.

In addition, European consumers' co-operative wholesale
societies have associated to form international co-operative organ-
isations for the furtherance of inter-co-operative trading and for
the improvement of the conditions under which they purchase
their supplies. Recently one or two organisations have been
formed to encourage and develop co-operative trading between
particular countries, e.g., Great Britain and China. There has
also been a proposal (in the United States) for an elaborate inter-
national co-operative trading and manufacturing agency.

**Depots**

Depots or purchasing agencies in overseas countries have been
developed chiefly by the English C.W.S. Besides a number in
Europe (before the war), it possesses depots in Canada (Montreal
and Vancouver), the United States (New York), South America,
Australia (Sydney and Adelaide), New Zealand (Wellington),
West Africa (Freetown, Accra, Lagos, etc.), India and Ceylon.

Before the war the Montreal depot was handling principally
grain, bacon, livestock and dairy products; the New York depot
purchased fruit, fats for the manufacture of margarine and other
commodities. Cocoa, ground nuts and palm oil were obtained
through the West African depots and tea and rice were bought
through the depots in India and Ceylon. The Scottish C.W.S.
maintains a depot in Winnipeg, mainly for the purchase of wheat;
it possesses at present fifteen elevators in Manitoba and Saskat-
chewan. Owing to the war, direct purchases by these agencies
for their principals have practically ceased. The English and
Scottish Joint Co-operative Wholesale Society Ltd., which deals
in tea, coffee, cocoa and chocolate, and colonial produce, has
depots at Accra, Calicut and Colombo, together with a number
of buying stations in West Africa and India.

The Co-operative Wholesale Society (Haka) in the Netherlands,
the French and Belgian co-operative wholesales, and the Inter-
national Co-operative Wholesale Society used the C.W.S. agency in New York as an intermediary for their purchases of fruit in the United States.

It may also be mentioned here that the English C.W.S. acted before the war as an agent of the co-operative wholesale organisations of the Baltic States, Finland, Iceland and the Netherlands for the purchase of such commodities as dried fruit, sugar, etc.

Overseas Productive Enterprises

In the case of tea the effort of consumers' co-operatives to reach back to the source of production has taken the form of establishing tea plantations. As already mentioned, the English and Scottish Joint Co-operative Wholesale Society owns large estates in India and Ceylon.¹ In 1941 this society had a trade of £8,700,000. Tea sales accounted for £6,613,250, coffee for about £150,000, and cocoa and chocolate for £180,000. In addition to its overseas estates and depots, it has a chocolate works at Luton, a coffee factory in London, a wharf on Thames-side, and tea factories in London, Manchester, Glasgow, Bristol, Northampton and Newcastle.

Before the war co-operatives in Belgium, Denmark, France, Germany and Italy, and also in the United States and Canada, obtained some of their tea requirements from the English and Scottish wholesale societies.

Inter-Co-operative Relations

For the purchase of a number of commodities, direct relations had been established before the war between European co-operative wholesale societies and overseas producers' marketing organisations. This development has been mainly between the English C.W.S. and co-operative organisations in the British Dominions and, to a less extent, the United States, but similar links have also been developed in a few instances by other European co-operative wholesale societies.² In France, for instance, the French co-operative wholesale society was in direct contact with groundnut growers' marketing societies in West Africa, through a Société de décorticage d'arachides established for the purpose. The Hungarian co-operative wholesale society Hangya obtained a considerable proportion of its supplies of oranges from the Pardess orange

¹ Some of these have rubber growing potentialities.
² Before the war the consumers' co-operative wholesale societies of Bulgaria, Estonia, France, the Netherlands, Scotland and Sweden were obtaining petroleum products direct from a regional consumers' wholesale — the Consumers' Co-operative Association of North Kansas City in the United States.
growers' co-operative society in Palestine. In Switzerland, the co-operative wholesale U.S.C. endeavoured to get a part of its imported fruit (half of which was citrus fruits) and also some wine direct from producers' co-operative associations abroad. Direct trade has also taken place from time to time between consumers' movements in Czechoslovakia, Germany, Italy and Switzerland and co-operative butter exporting organisations of Australia, New Zealand and South Africa, as well as of European countries. In 1932 nearly 85 per cent. of the butter imported by the central co-operative organisations of Belgium, Czechoslovakia, France, Germany, Great Britain and Switzerland was derived from three countries (Denmark, New Zealand and Australia), where 90 per cent. of the total output of butter is produced by co-operative dairy organisations.

Direct relations with overseas co-operative marketing organisations, however, have been most systematically cultivated by the English Co-operative Wholesale Society (followed at a considerable distance by the Scottish C.W.S.).

Before the war 46 per cent. of the C.W.S. supplies of six principal commodities (wheat, bacon, meat, eggs, butter and cheese) were obtained direct from producers' co-operative organisations (in Great Britain, Europe, or overseas).

**Wheat**

In the years before the war about two-thirds of the total imports of wheat by the English C.W.S. were obtained from Canada and nearly half of the total was from the Canadian wheat pools.

The second great source of C.W.S. wheat supplies was Australia, which accounted for almost one-fifth of the total. Though the C.W.S. financed the movement of the wheat crop by the West Australian wheat pool for a number of years, its purchases of Australian wheat were principally made through commercial firms in Great Britain. A proportion of this wheat, however, may have been handled co-operatively at some stage.

After Canada and Australia, Argentina was the most important supplier and 30 per cent. of the C.W.S. imports from this country were bought direct from co-operative organisations.

The United States does not appear to have been a regular source of wheat supplies to the C.W.S., but in 1938-39 the Society imported almost 2,000,000 bushels of Oklahoma wheat purchased directly from a regional marketing co-operative in Enid.

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1 See Margaret Digby: *Producers and Consumers*, especially chapter V, for a more complete study.
Wheat was also imported direct by the Scottish C.W.S. At least one-third of its wheat purchases — from Canada — were co-operative in origin. In 1936 its Winnipeg depot supplied wheat to a value of £738,950. At one time the Society had wheat producing estates of its own in Canada.

Bacon and Meat

Before the war the British co-operative movement handled 12 per cent. of the national import of bacon. Europe was the main source of supply (two-thirds from Denmark), but Canada and the United States also contributed substantial amounts. Only a small proportion, however, of Canadian and American supplies was directly co-operative in origin.

The principal source of the C.W.S. supplies of meat was Argentina, which supplied nearly one-half of the total imports. A small proportion came direct from co-operatively organised producers.

New Zealand came second as a source of C.W.S. meat supplies; nearly half of the mutton and lamb obtained by the C.W.S. from that country was bought direct from co-operative freezing companies or their federations. Australia was another large supplier of meat to the C.W.S., but direct co-operative purchases hardly existed. Over 40 per cent. of the relatively small meat supplies from Canada were co-operative in origin. The Canadian Livestock Co-operative (Western) Ltd. sold cattle on the hoof to the C.W.S. in England through the latter’s Montreal depot.

Eggs

After Denmark, the chief source of C.W.S. egg imports was Australia, but the supply was almost entirely from commercial firms. The small Canadian supplies, on the other hand, were almost wholly derived from co-operative organisations.

Butter

Before the war nearly 40 per cent. of C.W.S. imports of butter were from Denmark (almost wholly co-operative). New Zealand was the next most important supplier, accounting for almost one-quarter of the total. As already mentioned\(^1\), 87 per cent. of New Zealand’s butter exports came from co-operative sources.

The C.W.S. representative in Sydney arranged for direct shipments of Australian butter from co-operative creameries, but

\(^1\) See p. 122.
these represented only a small fraction of the total supplies from Australia.

Most of the comparatively small imports of Canadian butter came direct from co-operative sources, while the considerable supplies from Argentina were not visibly co-operative.

**Cheese**

The leading source of C.W.S. cheese supplies was New Zealand, where 92 per cent. of the national production of cheese is co-operatively handled.\(^1\) A minor source of supplies was Australia, the dairy co-operatives of which accounted for almost an equally high percentage of the total cheese output. Imports from Canada, which was the second largest supplier, contributing over 25 per cent. of the total C.W.S. cheese supplies, were 86 per cent. co-operative in origin. The C.W.S. had an arrangement with the Coopérative Fédérée de Québec, under which weekly shipments of cheese were made throughout the season. The C.W.S. also bought cheese from co-operative organisations in Ontario.

**Citrus and Other Fruits**

Both the English C.W.S. and the Scottish C.W.S. were in touch with the large co-operative fruit organisations of California (U.S.A.).

The English C.W.S. had also established relations with the orange growing co-operatives of Palestine and had provided them with advances. It also made some purchases of hard fruit from marketing co-operatives in Canada, and other parts of the British Empire.

**Dried Fruit**

Before the war over 20 per cent. of the C.W.S. imports of raisins and figs came from a Turkish federation of agricultural marketing co-operative societies; outside Europe, both the English and the Scottish C.W.S. were also in touch with the London marketing agency of the Sun-Maid Raisin Growers of California (U.S.A.), which handles about 90 per cent. of the Californian raisin crop. They also had relations with co-operatively organised producers of dried fruit in Australia and South Africa, through Overseas Farmers' Co-operative Federations Ltd.

\(^1\) See p. 122.
Tobacco

At various times the C.W.S. bought a small proportion of its tobacco supplies direct from growers’ co-operatives in the United States. It has its own tobacco factory in England.

Reciprocal Trade and Advances

In addition to making purchases from overseas co-operative organisations, the C.W.S. sometimes exported goods to them. It had a considerable trade of this kind with New Zealand, especially in tea, and also in clothing, boots, canned fruits, bicycles, household articles and seeds for farmers, who bought through the National Dairy Association of New Zealand, which acts as agent for the C.W.S. in that country. It has also made exports to New Zealand through Overseas Farmers’ Co-operative Federations Ltd.

There has been inter-trading between the C.W.S. and the New South Wales Co-operative Wholesale Society Ltd. in Australia, while in Canada, the C.W.S., besides being a member of the Cooperative Union of Canada, has been in touch with retail co-operative societies and established a collective buying agency in British Columbia with fishermen’s co-operatives, which combine the marketing of fish and distributive functions. The principal consumers’ co-operative society in Argentina is a member of the English C.W.S. and has obtained goods from it. The Scottish C.W.S., before the war, was supplying tea, blankets, shoes, biscuits and other commodities to consumers’ co-operatives in Canada.

Another activity has been the making of advances to producers’ co-operative organisations. Reference has already been made to those in favour of organisations in Palestine and Western Australia. Advances by the C.W.S. Bank to organisations in Australia between 1924 and 1929 amounted to £17,250,000; over the same period advances to New Zealand organisations totalled £10,250,000.

An International Joint Undertaking

Co-operative inter-trading between the C.W.S. and overseas co-operative organisations has led in the case of New Zealand dairy products to the establishment of a permanent joint undertaking by the parties involved.

In 1920 the English C.W.S. and the New Zealand Producers’ Co-operative Marketing Association Ltd. set up a jointly owned organisation, the New Zealand Produce Association Ltd.\(^1\), of

\(^1\) See p. 16 and Appendix IV.
which the Scottish C.W.S. later became a member. Its purpose is the sale of New Zealand dairy products (butter and cheese) in Great Britain. At one time this Association handled 10 per cent. of New Zealand dairy exports; in 1937 it had a trade of £1,423,000. As the law stood before the war, the Association was not in direct contact with its affiliates in New Zealand, but received produce according to the decisions of the Sales Department of the New Zealand Government, which carries on all export trade in butter and cheese.

The C.W.S. (and S.C.W.S.) was not required to buy its butter from the New Zealand Produce Association unless it wished to, nor was the Association bound to sell to the C.W.S. However, the C.W.S. was a considerable purchaser from it; in 1936, for instance, it accounted for 69 per cent. of the butter sales and 57 per cent. of the cheese sales of the Association.

Though it is not a joint association of consumer and producer organisations, reference may be made here to the Overseas Farmers’ Co-operative Federations Ltd., since it is both a member and a supplier of the C.W.S. It dealt principally in wheat, maize, butter, cheese, eggs, honey, dried and fresh fruit, meat, wine, coffee and wool, which it marketed in Great Britain and on the Continent.

A subsidiary, Empire Dairies Ltd., deals in dairy products, drawn from the countries represented by its parent association and also from Canada and Ireland. It had a turnover of £6,000,000 in 1937.

INTERNATIONAL TRADING ORGANISATIONS OF CONSUMERS’ CO-OPERATIVES

Since 1918 the co-operative wholesale societies of Denmark, Finland (O.T.K. and S.O.K.), Norway and Sweden have been members of a regional international wholesale, the Scandinavian Co-operative Wholesale Society (Nordisk Andelsforbund), which imported jointly for its member societies. It was in direct contact before the war with co-operative fruit marketing associations in the United States and made purchases of oranges, apples, prunes and apricots directly from them. It also had direct contacts with coffee producing and exporting firms in Brazil, Java and Central America. Grain and flour, rice, sago, tapioca, and vegetable oils were its other principal items of trade.

More fully international is the International Co-operative Wholesale Society, which was established at Manchester in 1924, and represents the principal co-operative wholesale societies of Belgium, Bulgaria, Denmark, Estonia, Finland, France, Great
Britain, Hungary, Latvia, Lithuania, the Netherlands, Norway, Palestine, Poland, Spain, Sweden, Switzerland, the United States and the U.S.S.R. Austria and Czechoslovakia were also formerly members. The Society is essentially a non-trading institution for bringing the national wholesale societies together and for establishing a statistical record of their international transactions. It is also designed to encourage co-operative trading and before the war had done much to bring about the joint purchase of dried fruit through the agencies of the English C.W.S. in New York and the Near East.

For commercial transactions there exists the International Co-operative Trading Agency Ltd., which was established in 1937 and acted as a purchasing agent for its members — co-operative wholesale societies in Czechoslovakia, Denmark, Belgium, Bulgaria, Estonia, Finland, France, Great Britain, the Netherlands, Palestine, Poland, Sweden and Switzerland — and negotiated the sale of co-operatively produced merchandise and raw materials. Before the war it was doing a small but growing volume of international trade. Its operations have, of course, been seriously curtailed by the war.¹

**RECENT DEVELOPMENTS**

Since the war began the Anglo-Chinese Development Society Ltd. has been formed in Great Britain to encourage and promote inter-trading between Great Britain and the Chinese industrial co-operatives. It will finance trade by raising loans, and the Chinese Government has agreed to discharge any obligation which the Chinese industrial co-operatives are unable to meet. Spinning machines have already been sent to China through this new organisation.

Early in 1943 a joint committee for Sino-American co-operative relations was established in the United States for the purpose, *inter alia*, of furthering "the principles of co-operation as applied to co-operative trade between China and the United States".

Further evidence of a growing interest in the problems of inter-co-operative trade is provided by an American proposal² for the establishment after the war of an "International Cooperative Trading and Manufacturing Association", which would develop and rationalise relations already begun before war broke out. It is suggested that such an association should handle both consu-

¹ See Appendix II.
² Made in a report of June 1943 to the Board of Directors of the Cooperative League of the U.S.A., by its Committee on International Cooperative Reconstruction.
mer goods and agricultural supplies and produce. Its function would be to act as agent, wholesaler and manufacturer, with offices in various parts of the world. In order to combine the advantages of both centralisation and decentralisation, sectional organisation on a geographical basis is contemplated. A beginning would be made with a North American-European Division dealing in petroleum products and also in food, feed and fertiliser.

Other divisions (Canadian-European, South American-European, Pan American, American-Chinese, Eurasian, and Eurafrican) would be established later.

These achievements and plans in the field of international inter-co-operative relations are indicative of a trend of which account may well be taken even in the earliest phases of post-war reconstruction in view of the economy of procedure which these methods represent.
FINAL OBSERVATIONS

President Roosevelt, addressing the representatives of 44 nations at the creation of the United Nations Relief and Rehabilitation Administration, spoke of the "magnitude of the needs" of the people requiring relief and of the "immediate and urgent" nature of the work confronting those entrusted with its administration.

The problem is indeed tremendous, as regards both the distress to be alleviated among millions in Europe and Asia, and the huge and varied supplies which will have, with all possible speed, to be gathered in the more fortunate countries, carried across the oceans and distributed ultimately to the sick and hungry. Besides the vastness of the task and its physical urgency, there are the psychological factors of human relations and social perspective. Humanitarian aims have to be harmonised with the practical demands of efficient and business-like administration. And for psychological as well as for economic reasons, in the words of Mr. Herbert Lehman, "a careful balance must be maintained between relief by outright gift and relief by sale and exchange". In the interest no less of those that receive than of those who give, a task which is philanthropic in its ends has to be performed by means consistent with the maintenance of self-respect and with the earliest resumption of normal economic and social life.

The relief problem is both a part of, and a preparation for, the work of rehabilitation. Relief operations must not destroy or hinder the capacity for self-help; on the contrary, they should encourage and foster it. The measures taken in the period of emergency have to be the first stage of the struggle to win lasting "freedom from want".

Among the manifold problems involved in the administration and provision of relief are those of discovering throughout the world the readiest sources of supplies and of devising or finding the fittest channels of distribution. It is to the solution of these two problems alone that the present study has sought to make some contribution, and then only under a single aspect: co-operative organisations as sources of supplies and as a distributive network.

The co-operative movement has been shown in these pages to merit attention as much for psychological reasons as for the practical considerations that it is widely spread over many countries and has an important economic position both as distributor and source
of supplies. Deeply rooted in the lives of the people, it represents at once a spontaneous and an organised advance towards that "freedom from want" named by the Atlantic Charter. In the view of many, besides possessing great possibilities for the work of rehabilitation, co-operative institutions and, more broadly, co-operative principles and methods might well be introduced as an integral part of the rebuilding of those dismantled national economies which will have to be designed almost anew.

This survey, containing as complete a documentation as is possible under present circumstances, owes much to the regular contacts which the International Labour Organisation has maintained, for more than twenty years, with the national and international co-operative organisations. These contacts have developed into a close and cordial relationship of trust, based on knowledge of personalities and institutions as well as of facts and figures. In a sense, therefore, these chapters are also a testimony by the International Labour Office to the social and economic constructiveness it has found within these co-operative organisations and the co-operative movement as a whole.
APPENDICES
APPENDIX I

THE INTERNATIONAL CO-OPERATIVE ALLIANCE:
ITS AIMS, ACTIVITIES AND RULES

A. AIMS AND ACTIVITIES

The conception of co-operation as a universal social idea and as an international movement towards economic democracy, as well as the realisation that all national co-operative movements have common interests, the defence of which demands common action and international solidarity, constitute the ideological basis of the constitution of the International Co-operative Alliance. The universality of co-operation is implied in the first two objects of the International Co-operative Alliance as laid down in its Rules — propaganda of co-operative principles and methods, and promotion of co-operation in all countries — while the next four objects: the maintenance of friendly relations between the members of the Alliance, the safeguarding of their common interests and of those of consumers in general, the dissemination of information and the encouragement of co-operative studies, and the promotion of international co-operative trading relations — express the need for international solidarity and common action.

Common action on the international plane is, however, only possible if the national movements in their joint effort relegate into the background all problems which can give rise to serious differences and the solution of which is not absolutely essential to the progress of co-operation. The Rules of the International Co-operative Alliance, therefore, state that "the Alliance concerns itself with neither politics nor religion. It regards co-operation as neutral ground on which people holding the most varied opinions and professing the most diverse creeds may meet and act in common." Thus the Alliance has made the Rochdale Principle of Neutrality a law for the conduct of its own affairs, while conformity with the four essential principles of the Rochdale Weavers — open
membership; democratic control; dividend on purchase; and limitation of interest on capital — is a condition for the affiliation of consumers' societies.

The principles of open membership and democratic control are applied in the International Co-operative Alliance as in other co-operative organisations. Membership is open to all types of co-operative organisations: national and regional unions or federations of co-operative societies, federations of unions, co-operative societies, and auxiliary organisations, irrespective of their legal constitution as long as they are genuinely co-operative. The members of the Alliance, through the Congress which is convened normally at intervals of 3 years and constitutes its highest authority, determine its general policy and elect the Central Committee; the Central Committee in its turn elects the Executive, a President and two Vice-Presidents, and appoints the General Secretary who, at the head of the office of the Alliance, is responsible for implementing the decisions of all the authorities.

The Alliance has created auxiliary organisations for special tasks. The first of these, the International Co-operative Trading Committee, set up by the Cremona Congress in 1907, was transformed after the last war into the International Co-operative Wholesale Society, and under its auspices an International Co-operative Trading Agency was established in 1937 as an independent trading organisation. The other auxiliaries are the International Co-operative Banking Committee — whose work was temporarily suspended in 1934 — and the International Co-operative Assurance Committee.

The main achievement of the International Co-operative Alliance has been in the field of organisation. In 1933 its membership covered 30 countries and represented over 107 million organised co-operators, 73 million of whom were members of the All-Russian Union of Consumers' Societies, Centrosoyus. Before that period the Alliance had lost the Italian co-operative movement as a member, when the Fascists seized power in Italy and imposed their control and ideology upon the movement. Further losses followed and seizure of power in Germany by the Nazis in 1933. The membership of the Alliance was also affected by the transformation of the town co-operative societies in the Soviet Union into State enterprises, which reduced consumer co-operative membership in the U.S.S.R. to about 55 per cent. of its 1932 strength. Nevertheless, there were still more than 71 million co-operators organised in the International Co-operative Alliance in the last year before the outbreak of the war, as the following table shows:
1. **Western Europe:**

<table>
<thead>
<tr>
<th>Country</th>
<th>Members (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Britain</td>
<td>7,852</td>
</tr>
<tr>
<td>France</td>
<td>3,636</td>
</tr>
<tr>
<td>Switzerland</td>
<td>483</td>
</tr>
<tr>
<td>Belgium</td>
<td>351</td>
</tr>
<tr>
<td>Holland</td>
<td>257</td>
</tr>
<tr>
<td>Spain</td>
<td>147</td>
</tr>
</tbody>
</table>

2. **Northern Europe:**

<table>
<thead>
<tr>
<th>Country</th>
<th>Members (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>1,620</td>
</tr>
<tr>
<td>Finland</td>
<td>618</td>
</tr>
<tr>
<td>Sweden</td>
<td>585</td>
</tr>
<tr>
<td>Norway</td>
<td>149</td>
</tr>
<tr>
<td>Iceland</td>
<td>9</td>
</tr>
</tbody>
</table>

3. **Central and South-Eastern Europe:**

<table>
<thead>
<tr>
<th>Country</th>
<th>Members (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yugoslavia</td>
<td>1,205</td>
</tr>
<tr>
<td>Hungary</td>
<td>1,071</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>467</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>425</td>
</tr>
<tr>
<td>Rumania</td>
<td>198</td>
</tr>
</tbody>
</table>

4. **Eastern Europe:**

<table>
<thead>
<tr>
<th>Country</th>
<th>Members (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>1,430</td>
</tr>
<tr>
<td>Latvia</td>
<td>168</td>
</tr>
<tr>
<td>Lithuania</td>
<td>116</td>
</tr>
<tr>
<td>Estonia</td>
<td>41</td>
</tr>
</tbody>
</table>

5. **Soviet Union:**

<table>
<thead>
<tr>
<th>Country</th>
<th>Members (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40,837</td>
</tr>
</tbody>
</table>

6. **America:**

<table>
<thead>
<tr>
<th>Country</th>
<th>Members (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.A.</td>
<td>614</td>
</tr>
<tr>
<td>Canada</td>
<td>46</td>
</tr>
<tr>
<td>Argentina</td>
<td>12</td>
</tr>
<tr>
<td>French West Indies</td>
<td>9</td>
</tr>
</tbody>
</table>

7. **Asia:**

<table>
<thead>
<tr>
<th>Country</th>
<th>Members (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>6,198</td>
</tr>
<tr>
<td>India</td>
<td>4,500</td>
</tr>
<tr>
<td>Palestine</td>
<td>90</td>
</tr>
</tbody>
</table>

8. **Africa:**

<table>
<thead>
<tr>
<th>Country</th>
<th>Members (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>2</td>
</tr>
</tbody>
</table>

**National Movements Lost:**

<table>
<thead>
<tr>
<th>Country</th>
<th>Members (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy (1922)</td>
<td>1,150</td>
</tr>
<tr>
<td>Germany (1932)</td>
<td>2,901</td>
</tr>
<tr>
<td>Austria (1937)</td>
<td>317</td>
</tr>
<tr>
<td>Czechoslovakia (Sudeten German) (1938)</td>
<td>239</td>
</tr>
</tbody>
</table>

Geographically the highly developed consumers' movements in Great Britain and the Scandinavian and western European countries naturally form the backbone of the membership of the International Co-operative Alliance which, up to the present, is predominantly a consumers' organisation. For the past 25 years — and especially since the Stockholm Congress in 1927 — efforts have been made, not without some success, to make the Alliance an organisation of all types of co-operative activity. In Denmark the co-operative movement as a whole is affiliated through an apex organisation which, as far as internal and international collaboration is concerned, seems the ideal solution of the problem of co-ordination of co-operative action. In Switzerland and Poland agricultural
organisations are individually affiliated, though in neither case do they represent the whole of the national agricultural co-operative movements. In south-eastern Europe the representation of consumers' and agricultural interests through co-operation goes often hand in hand, especially where the consumers' movement is mainly rural in character as, for instance, in Hungary. The movements outside Europe are still mainly agricultural or are finding their main support in the agricultural and rural population. Even the growing consumers' movement in the U.S.A., the largest non-European member of the Alliance, is still predominantly a rural movement. In India, with very large numbers of small peasants' and artisans' co-operative societies with a large aggregate membership, the interest in international co-operation is great, and the same applies to China. In India the apex organisation, the All-India Co-operative Institutes' Association, and some provincial organisations are in the Alliance, but the Chinese movement is not yet affiliated. In Asia, as in South America, where the Argentine movement is represented in the membership of the International Co-operative Alliance, in New Zealand, Australia and South Africa young and healthful co-operative organisations already exist, while in many parts of the world there are still great possibilities of co-operative development which have as yet been hardly utilised at all. One of the tasks of the International Co-operative Alliance will be to promote the exploration and development of these possibilities, and to make its membership world wide.

In the field of co-operative documentation, information, propaganda and education, the Alliance has done much to promote mutual understanding and to disseminate information and knowledge, by means of its publications—particularly its monthly organ The Review of International Co-operation, and its series of monthly News Services, Co-operative, Economic and Digest of the Co-operative Press; by the organisation of international co-operative press and education conferences, and especially by its annual schools, which before the war had become one of the outstanding features in co-operative education, and represented an important step towards a permanent international co-operative college. International Co-operative Day, inaugurated in 1923 and observed each year on the first Saturday in July, has become a world manifestation of international co-operative solidarity, and the Rainbow Flag is the symbol of co-operative unity.

In international and world affairs, notably since the armistice of 1918, the Alliance has exerted considerable influence in promoting peace and collaboration between the nations. In fact, its activities as a whole constitute a continuous campaign for political and
economic peace and understanding. Although the Constitutions of the League of Nations and the International Labour Organisa-
tion did not permit of the International Co-operative Alliance being
represented in these bodies, it has kept the co-operative point of
view on world economic and social problems and the co-operative
solution constantly before the authorities of the League and before
all the conferences convened by the League.

In its international activity the Alliance has collaborated with
other international organisations, notably the League of Nations,
the International Labour Office, and the International Federation
of Trade Unions. Very close contact was maintained with the
Co-operative Section of the International Labour Office.

On many occasions the Alliance has manifested the spirit of
solidarity and mutual help, which is inherent in the co-operative
idea, by organising relief for national movements in times of distress
and by assisting their struggle against adverse economic conditions
and government encroachments on their freedom of organisation
and action. For instance, it helped in the rehabilitation of the
Serbian movement after the last war, and, through the direct
intervention of its General Secretary, the late H. J. May, with
the Austrian Government, was instrumental in restoring full
autonomy to the Austrian movement in 1935. Its direct relief
action includes: in 1919, the raising of a fund for societies in the
war devastated countries of Europe; in 1921, a Russian and Georgian
famine relief fund; in 1925, a fund for Italian co-operators, victims
of Fascist aggression; in 1936, a fund for Spanish co-operators,
victims of the Civil War; and in 1938, a fund for Sudeten and
Czehoslovak co-operators. Its greatest relief effort is the raising
of a fund of at least £500,000 to assist in the rehabilitation of the
movements in the occupied countries.

Although the Alliance has become more and more representative
of all types of co-operative societies, consumers' organisations still
predominate in its membership. After the present war, when
economic life generally will be in a state of transition to some form
of international planning, the movement will be called upon to
perform many different and complex tasks which can only be
satisfactorily fulfilled by co-ordinated action of all branches of
cooperation. As a result, a greater cohesion of the different types
of organisation and closer collaboration between them, especially
between consumers' and agricultural producers' organisations, will
be imperative in the sphere of national and international economic
and social policy.

One of the factors which will probably help the Alliance in
unifying the movement internationally is that the fulfilment of the
important role which the co-operative movement should play, and the tremendous duties it should perform in post-war relief and reconstruction, will demand, and very largely depend upon, co-ordinated and unified effort. If the national movements are conscious of their international duty and are prepared to make a really determined effort to achieve the aim of a united world co-operative organisation, they will not only succeed in making a major contribution to the solution of the stupendous problems of post-war relief and reconstruction, but will, at the same time, be moving towards the final goal — an International Co-operative Commonwealth.

B. RULES

(As Amended by the Fifteenth International Co-operative Congress at Paris, September 1937)

SECTION I. CONSTITUTION

Article 1. Name

The name of this Society, which was founded in London, 1895, is the International Co-operative Alliance (Alliance Coopérative Internationale; Internationaler Genossenschaftsbund).

The International Co-operative Alliance, in continuance of the work of the Rochdale Pioneers, seeks, in complete independence and by its own methods, to substitute for the present competitive régime of private enterprise a co-operative system organised in the interests of the whole community and based upon mutual self-help.

Article 2. Constituent Members

The Alliance is an international association formed of national unions or national federations of co-operative societies; national federations of co-operative unions; regional unions or regional federations of co-operative societies, co-operative societies, and recognised national auxiliary organisations of the affiliated national unions of federations having national dimensions.

Article 3. Objects

The Alliance has the following objects:

(a) The ascertaining and propaganda of co-operative principles and methods.

(b) The promotion of co-operation in all countries.
(c) The maintenance of friendly relations between the members of the Alliance.

(d) The safeguarding of the interests of the co-operative movement and consumers in general.

(e) The provision of information and the encouragement of studies concerning co-operation.

(f) The promotion of trading relations between the co-operative organisations of the various countries.

**Article 4. Methods**

The Alliance seeks to attain its objects:

(a) By the convening of periodical international congresses.

(b) By the issue of a journal and of other publications.

(c) By the collection of all publications, documents, designs, photos, etc., concerning the co-operative movement.

(d) By the carrying out of enquiries and the preparation of international statistics.

(e) By organising the collection and dissemination of information on the economic needs of the different countries with a view to the formation of an organisation for international exchange on a co-operative basis and, in addition, by establishing relations with the international commercial organisations which may be entrusted with that task.

(f) By special collaboration with other international organisations pursuing aims of importance to co-operation.

(g) By any other suitable and legal means.

**Article 5. Official Languages**

English, French, and German are regarded as the languages to be used by the authorities of the Alliance in their communications and publications.

The communications and publications of the Alliance may also be issued in other languages if the members interested bear the expense, or if the Central Committee so decide.

**Article 6. The Seat of the Alliance**

The seat of the Alliance shall be situated in such country and at such place as the Congress may determine from time to time.

**Article 7. Neutrality**

The Alliance concerns itself with neither politics nor religion. It regards co-operation as neutral ground on which people holding
the most varied opinions and professing the most diverse creeds may meet and act in common.

Such neutrality, on which the unity of the international co-operative movement depends, shall be maintained in all the meetings and in all the publications of the Alliance and its authorities.

SECTION II. MEMBERSHIP

Article 8. Eligibility

The following are eligible to be admitted as members of the Alliance:

(a) National unions or national federations of co-operative societies.
(b) National federations of co-operative unions.
(c) Regional unions or regional federations of co-operative societies.
(d) Co-operative societies.
(e) Recognised national auxiliary organisations of the affiliated national unions or federations having national dimensions.

The following are considered as co-operative societies in the sense of Article 2 irrespective of their legal constitution:

I. Consumers’ co-operative societies which conform to the principles of Rochdale, particularly as to:
   - Open membership.
   - Democratic control (one man, one vote).
   - Distribution of the surplus to the members in proportion to their transactions.
   - Limited interest on capital.

II. All other associations of persons that have for their object the social and economic amelioration of their members by the promotion of undertakings on the basis of mutual self-help, and which in practice observe the principles established by the rules of the I.C.A. and the resolutions of its congresses.

Article 9. Applications for Membership

Organisations desirous of joining the International Co-operative Alliance must apply to the Executive Committee, on the proper form (to be obtained from the General Secretary), sending two copies of their rules and of their last annual report and balance sheet. Except in the case of societies recommended by unions already members of the Alliance, the Executive shall enquire of the members of the Central Committee representing the country to which the applicants belong as to their suitability for admission.
Organisations under sub-sections (c), (d) and (e) of Article 8 must apply through a national union or federation, member of the Alliance, in the country to which they belong.

In any country where no such union exists, application may be made direct to the Executive Committee.

_Article 10. Right of Appeal_

If the Executive Committee declines to admit any organisation it has the right of appeal to the Central Committee.

_Article 11. Cessation of Membership_

Membership ceases:

(a) _By voluntary resignation, notice of which is to be given_ at least three months before the end of the financial year.

(b) _By non-payment of subscriptions._ A member which has been requested in two successive years to send in its subscription and has not done so shall be removed from the list of members.

(c) _By resolution of the Central Committee, members which act contrary to the interests or rules of the International Co-operative Alliance, or whose activity is inconsistent with the principles of the Alliance, may be excluded._

_Article 12. Rights of Members_

The rights acquired by admission to the Alliance can be exercised by the members as soon as they have fulfilled their obligations to the Alliance.

The members of the Alliance are entitled:

(a) To take part in the congresses and to submit motions through their delegates elected in accordance with these Rules.

(b) To use the institutions established by the Alliance in accordance with the regulations prescribed.

(c) To receive the publications of the Alliance gratis, except such as the Executive may decide to issue for special payment.

_Article 13. Obligations_

The members of the Alliance are required:

(a) To pay an annual subscription according to the provisions of Articles 15 and 16.

(b) To supply the Alliance with their annual reports and their other publications free of charge.

(c) To supply, as far as possible, such information as may be desired to the authorities of the Alliance.
SECTION III. FINANCE

Article 14. Financial Year

All subscriptions are due on 1st January in each year. Organisations admitted to membership after 30th June in any year shall only be required to pay one-half of the annual subscription in respect of that year. The financial year ends on 31st December.

Income

The income of the Alliance is derived from:
(a) The subscriptions of the members.
(b) The receipts derived from the sale of the publications of the Alliance.

Article 15. Subscriptions

Every member of the Alliance shall pay an annual subscription in proportion to its development and economic importance. The amount of this subscription shall be left to the members themselves, provided that it shall not fall below the minimum fixed in Article 16. The subscription must be sent, without deduction for postage, to the office of the International Co-operative Alliance.

Article 16. Rate of Subscriptions

I. The subscription payable by any union, federation, or society admitted to membership of the Alliance shall be fixed at a rate per cent. of the turnover, but with a different rate for retail and wholesale societies.

The date at which this basis shall come into operation and the rates of subscription shall be decided by the Central Committee. Until the Central Committee so decide the subscription shall be calculated as follows:

Individual Membership

II. The minimum subscription for each national organisation admitted under sub-sections (a) and (b), regional organisations admitted under sub-section (c), and national auxiliary organisations admitted under sub-section (e) of Article 8 shall be £20.

The minimum subscription for each society admitted under sub-section (d) of Article 8 shall be in accordance with the following scale:
### Collective Membership

III. Collective membership — or the admission of a national union or federation with all its constituent members on a basis that accords the privileges of membership to each of the latter — is acquired by a minimum subscription of £20 in respect of the union or federation concerned, and a further £10 in respect of each national organisation included in its membership, with the addition of a contribution for each other constituent society member in accordance with the following scale:

<table>
<thead>
<tr>
<th>Membership Range</th>
<th>Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,001 to 3,000</td>
<td>£20</td>
</tr>
<tr>
<td>3,001 to 5,000</td>
<td>£30</td>
</tr>
<tr>
<td>5,001 to 10,000</td>
<td>£50</td>
</tr>
<tr>
<td>10,001 to 25,000</td>
<td>£100</td>
</tr>
<tr>
<td>25,001 to 50,000</td>
<td>£200</td>
</tr>
<tr>
<td>50,001 to 100,000</td>
<td>£500</td>
</tr>
<tr>
<td>Over 100,000</td>
<td>£1,000</td>
</tr>
</tbody>
</table>

IV. The standard of all subscriptions shall be the £ gold.

### SECTION IV. GOVERNMENT

**Article 17. Authorities**

The authorities of the Alliance are:

(a) The Congress.
(b) The Central Committee.
(c) The Executive Committee.
(d) The General Secretary.

**Article 18. Congress Convocation**

The Congress shall be convened, as a rule, at intervals of two to three years. The meeting place of Congress shall be decided, when possible, by the previous Congress; failing that by the Central Committee.

The date and the agenda shall be decided by the Central Committee.

Notification of the date and place of the meetings of Congress, together with copy of the agenda, the report of the Central Com-
mittee to Congress, and special reports approved by the Central Committee, and all resolutions sent in to the General Secretary under Article 23 (a), together with printed forms for returning the names of delegates, shall be issued to every member of the Alliance three months before the assembling of Congress. All propositions and amendments on any of these matters must be sent to the General Secretary not less than seven weeks before the Congress, in order that they may be distributed to each delegate at the same time as the final agenda.

The return of the names of delegates must be received at the office of the Alliance at least one month before the Congress.

**Article 19. Powers**

The Congress is the highest authority of the Alliance. It has especially the following powers:

(a) To elect the Central Committee from the candidates proposed by the representatives of the different countries.

(b) To confirm the reports and accounts.

(c) To decide the seat of the Alliance and the place of the next Congress.

(d) To decide upon alterations of rules and the dissolution of the Alliance.

(e) To establish the principles of the Alliance.

(f) To decide upon the proposals submitted by the Central Committee and by the members of the Alliance.

**Article 20. Constitution**

The Congress consists of:

(a) The delegates of the constituent members of the Alliance.

(b) The members of the Central Committee.

The Central Committee is empowered to grant other persons admission to the Congress, but such persons shall have no right to vote. Under special circumstances, however, they may, with the consent of the Congress Committee, take part in the discussions.

**Article 21. Representation**

Representation at Congress, subject to the full discharge of all obligations to the I.C.A., shall be accorded on the following basis, provided that no country or union of countries shall exercise more than one-fifth of the total voting power of the Congress:

1. National organisations admitted under sub-sections (a) and (b) and national auxiliary organisations admitted under sub-section (e) of Article 8, and on the basis of 'individual membership', Article 16 II, shall be entitled to appoint two delegates to Congress.
2. Organisations admitted under sub-sections (c) and (d) of Article 8 shall be grouped nationally, and each national group accorded representation at Congress on the basis of one delegate for each complete 25,000 members.

3. National organisations admitted under sub-sections (a) and (b) of Article 8, and on the basis of collective membership, Article 16 III, shall be entitled to appoint two delegates in respect of membership and one additional delegate for each complete 25,000 members belonging to their affiliated societies.

Provided that, when the Central Committee decide that the subscriptions to the Alliance shall be based upon turnover, as provided in Article 16 I, the basis of representation at Congress shall be changed from membership to subscription.

Article 22. Voting

Each organisation shall be entitled to one vote for each delegate appointed under Article 21.

Organisations which are entitled to more than one vote may entrust all their votes to one or more delegates, provided, however, that no delegate may hold more than ten votes.

Article 23. Motions

(a) Motions of constituent members which are to be dealt with at the Congress, to be included in the preliminary agenda issued under Article 18, must be presented in writing to the Executive Committee at least four months before the meeting of the Congress.

(b) The Executive Committee may admit additional motions for the agenda of Congress which are received at least one month previous to the assembling of the Congress.

(c) Matters of urgent importance arising subsequently may be submitted to the Congress Committee, who shall decide whether they are in order and of sufficient urgency and importance to be submitted to the Congress.

Article 24. Congress Reception Committee

The national unions or federations, members of the Alliance, of the country in which the Congress is to be held shall appoint a reception committee to make all the necessary arrangements for the Congress. This committee shall include the representatives on the Central Committee of the country in question and such other officers of the Alliance as the Executive may deem necessary.
The Central Committee shall consist of representatives nominated by the affiliated national organisations in the different countries or unions of countries and elected by the Congress. Each such national organisation, subject to the full discharge of all its obligations to the Alliance, shall be entitled to one representative in respect of its membership, and one representative for the first complete £100 of subscription. It shall have an additional representative for each further £100 of subscription, provided that no country or union of countries shall have more than nine representatives.

Any number of representatives of any country or union of countries, not exceeding the maximum to which it is entitled, may exercise the full voting power of the country or union of countries. If more than one national organisation in any country is admitted to membership of the Alliance the allocation of the representation on the Central Committee shall be calculated with regard to the total subscription in respect of that country. In such cases the representation shall be divided proportionately between the national organisations.

All cases of dispute as to the allocation of representatives shall be decided by the Executive, subject to appeal to the Central Committee.

At each Congress the members of the Central Committee shall retire, but shall be eligible for re-election.

The Central Committee has the following duties:

(a) To decide the agenda and the date of the Congress and to report on all matters submitted to it.

(b) To confirm the budget and programme of work of the Alliance.

(c) To elect the Executive Committee, to appoint the General Secretary and other principal officials, and to fix their remuneration.

(d) To deal with appeals and grievances and the exclusion of members.

(e) To confirm agreements which impose permanent obligations on the Alliance.

(f) To decide the dates and places of the Central Committee meetings.
(g) To appoint the auditor to examine the accounts.

(h) To decide on any matters not provided for in the Rules.

(j) To appoint a congress committee, who shall decide on the admission of urgent motions submitted under Article 23 (c), and shall assist the President in any matters of procedure which may arise during the deliberations of the Congress. The congress committee shall consist of the President, the two Vice-Presidents, and three other members of the Central Committee.

All questions on which the Central Committee vote shall be decided by a bare majority of the votes cast.

Article 27. Meetings

The Central Committee shall meet at least once a year, also:

(a) On the proposal of one-fifth of its members and if the majority voting agree to the proposal.

(b) On the resolution of the Executive Committee.

(c) Compulsorily, at the request of one-third of its members.

The Central Committee must hold a sitting immediately before and after every Congress.

It may take decisions by means of correspondence.

Article 28. Election of Officers

The Central Committee at its meeting immediately after each Congress shall elect from amongst its members a President (who shall be President of the International Co-operative Alliance and who shall preside over the Congress) and two Vice-Presidents.

Article 29. Executive Committee

The Executive Committee shall consist of the President, two Vice-Presidents, and eight other members elected by the Central Committee from amongst its members immediately after each Congress. Any member who is prevented from attending a meeting of the Executive may appoint a substitute, who must be a member of the Central Committee.

Article 30. Duties

The Executive Committee has the following duties:

(a) To admit new members into the Alliance.

(b) To prepare and organise the Congress.

(c) To convene the Central Committee and prepare the agenda for its meetings.

(d) To draw up the budget and to control expenditure.
(e) To decide on any matter not provided for by the Central Committee.

**Article 31. Meetings**

The Executive Committee shall meet as often as the circumstances demand, but at least every three months.

It shall fix at each meeting the date and place of the next meeting.

It is empowered to take decisions by means of correspondence, which shall be reported to the Central Committee.

It shall submit to the Central Committee an annual report on its work, and on the co-operative movement in all countries.

**Article 32. The General Secretary**

The General Secretary is charged with the execution of the decisions of the Congress, the Central Committee, and the Executive, and with the conduct of the current business of the Alliance in the intervals between the meetings.

He is responsible for the preparation of the minutes of all meetings, and has in particular the following duties and obligations:

(a) To take part in the meetings of the authorities of the Alliance, with power to give advice but without a vote.

(b) To conduct the office work of the Alliance.

(c) To edit the organ of the Alliance.

(d) To manage the funds according to the budget.

(e) To appoint the office staff.

(f) To furnish an annual report of his work.

**Article 33. Powers of National Unions and Federations**

The Committees of the national unions and federations in the various countries are to be consulted by the authorities of the Alliance concerning all matters which affect their respective countries.

They have in particular the following obligations and powers:

(a) To propose to the Congress the representatives to the Central Committee to which their country may be entitled under Article 25.

(b) To nominate substitutes for those members of the Central Committee who have retired before the expiry of their term of office, or whose mandate has been withdrawn by their organisation with the consent of the Central Committee, or who are prevented from attending a meeting.

(c) To act as channels of communication between the Alliance and their own members and ensure the fulfilment of their duties.
(d) To accredit delegates to Congress as representatives of their organisation.

(e) To nominate correspondents for the journal of the Alliance.

(f) To make suggestions to the Central Committee as to matters to be dealt with at the Congress.

(g) To furnish a yearly report on their work and on the general situation of co-operation in their country.

Article 34. Expenses of the Authorities

The expenses incurred by the members of the Central Committee and of the Executive by taking part in the meetings and attending Congress must be defrayed by the organisations which they represent, until such time as the Alliance is able to bear the expense.
APPENDIX II

CONSTITUTION AND WORK OF THE INTERNATIONAL CO-OPERATIVE TRADING AGENCY, LTD.¹

In June 1937, the Executive Committee of the International C.W.S. decided that an agency should be established in London under the name of the “International Co-operative Agency Ltd.” (later changed to “International Co-operative Trading Agency Ltd.”), and the Agency has now been duly registered as a co-operative society under the Industrial and Provident Societies Acts of England.

Membership

At the present time, the membership of the Agency consists of the co-operative wholesale societies of the following countries:

<table>
<thead>
<tr>
<th>England</th>
<th>Scotland</th>
<th>Austria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czechoslovakia</td>
<td>Finland</td>
<td>Palestine</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Belgium</td>
<td>Sweden</td>
</tr>
<tr>
<td>Poland</td>
<td>Holland</td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td>France</td>
<td></td>
</tr>
</tbody>
</table>

Each of these national wholesale societies will contribute, to provide the initial capital of the Agency, a sum which, it is estimated, will suffice to cover its expenses until such time as it has created sufficient revenue for this purpose. A scale of commissions will be charged on all business transacted through the Agency, and will thus provide the revenue necessary to meet its working expenses. Any surplus resulting from the operations will be distributed to members as dividend pro rata to the commissions charged on goods purchased through the Agency by its member societies.

Owing, however, to the operation of English law, approximately two-thirds of the total capital has had to be raised in the form of loan capital.

The Agency will be democratically controlled by the member societies, and the board will comprise members appointed by the general meeting.

The establishment of the International Co-operative Agency consummates an ideal which co-operative wholesale societies in

¹Information supplied to the International Committee for Inter-Co-operative Relations by the International Co-operative Wholesale Society.
membership with the International C.W.S. have cherished for many years, namely, the creation of a central co-operative organisation through which the members may effect their purchases of goods of overseas origin.

The main function of the Agency will be:

1. To act as selling agents and representatives of overseas shippers for co-operative trade.
2. To act as brokers and/or general purchasing agents.
3. To act as selling agents of member societies.

At the present time, goods imported by the majority of national societies are, in general, purchased through local or European agents of overseas shippers. By purchasing these commodities through the Agency, it is hoped to establish closer and more co-operative contact with sources of supply, and at the same time to increase the purchasing and bargaining power of the individual members. Efforts will be made to obtain for the Agency the direct representation for co-operative trade in Europe of as many overseas suppliers as possible, and thus to replace the multitudinous European agents through whose hands this co-operative trade is now passing. In those cases where it is found impossible to obtain such representation, the Agency will act in the ordinary way as broker, that is, it will receive enquiries from its members and seek to obtain suitable offers from suppliers.

The Agency under no circumstances will buy as principal or sell on credit terms, but will act as agents, that is, on definite instructions of member organisations. Each member will be required to place in it funds wherewith to meet any commitments entered into by which financial liability may be incurred.

In countries where currency and other restrictions prevent the members from supplying funds as indicated, the Agency will endeavour to arrange for financial accommodation from its bankers, or others, for the member on whose account the purchase or transaction is to be undertaken.

In its capacity as selling agent, the Agency will endeavour to dispose of goods which members have for exportation and which the Agency is in a position to handle.

The management of the Agency has been entrusted to Mr. W. Dykstra of the Coöperatieve Groothandelsvereeniging, De Handelskamer, Rotterdam, and the registered office has been established at the Port of London Authority Building, Tower Hill, London, E.C. 3. Given the support of the member societies, the success of the Agency appears to be assured. A new and vital organisation has been created in the sphere of international co-operation.
APPENDIX III

RULES OF THE INTERNATIONAL COMMITTEE FOR INTER-CO-OPERATIVE RELATIONS

Article 1

On the joint initiative of the International Co-operative Alliance and the International Commission of Agriculture, a Mixed Committee is hereby constituted for promoting the development of moral and economic relationships between agricultural co-operative societies and distributive co-operative societies.

This Committee shall further act as a liaison body between the co-operative movement as a whole and international institutions, in particular the Economic Organisation of the League of Nations, the International Labour Office and the International Institute of Agriculture.

Article 2

The Committee shall consist of:

(1) Fourteen members (i.e., seven appointed by each of the two foundation organisations);

(2) An independent chairman chosen by the representatives of the two organisations outside their own number.

Each member may be replaced or assisted by a substitute.

The substitute members, as well as the regular members, are regularly appointed by the two foundation organisations.

Article 3

Representatives of institutions, official or otherwise, whose technical or moral assistance may be considered of value by the Committee, shall be invited to attend the meetings of the Committee.

Article 4

The Committee shall appoint the following officers: a chairman, two vice-chairmen, one appointed by each of the constituent organisations, and the secretaries of these organisations.

The officers shall take all the necessary steps to prepare for the meetings of the Committee and to carry out its decisions.
APPENDIX IV

THE NEW ZEALAND PRODUCE ASSOCIATION LTD.,
1921-1939

The establishment of joint marketing relations between the consumers' co-operative movement in England and the Co-operative Dairy Farmers of New Zealand was initiated by the New Zealand dairy farmers and inaugurated by the visit of a delegation from the English Co-operative Wholesale Society to New Zealand in the year 1920.

The producers' movement in New Zealand is represented by the New Zealand Producers' Co-operative Marketing Association Ltd., the export marketing organisation for some 94 co-operative dairy companies which constitute a substantial percentage of the total number operating. These companies are registered under the Companies Act, with limited liability, and are owned and controlled entirely by dairy farmers. Each company owns one or more butter or cheese factories according to which product they are manufacturing. The total New Zealand export production of both butter and cheese is now manufactured by co-operative dairy companies.

The consumers' movement in Great Britain is represented by both the English and Scottish Co-operative Wholesale Societies which represent 1,255 co-operative retail societies with an individual membership of over eight million shareholders.

To link the producers and consumers the New Zealand Producers' Co-operative Marketing Association and the English Co-operative Wholesale Society together in 1921 formed the New Zealand Produce Association Ltd., with offices in the centre of the dairy produce market in Tooley Street, London. At a later date the Scottish Co-operative Wholesale Society became a shareholder and was admitted as a partner in the Association.

The New Zealand Produce Association Ltd. was formed to function as the actual selling agent in the United Kingdom for those co-operative dairy companies in New Zealand, both shareholders in the New Zealand Producers' Co-operative Marketing

1 Information supplied to the International Committee for Inter-Co-operative Relations.
Association Ltd., and non-shareholders who wished to market their produce through a co-operative marketing organisation.

The Association, therefore, became a direct competitor with other firms of importers, for consignments of produce, and, by their service and the prices returned to factories, caused considerable concern amongst these British importing firms which had hitherto a virtual monopoly of the business. Shareholders' factories were not bound to consign any, or all, of their produce through the Association, but the full returns which they received, plus certain savings in agency commission charges, resulted in very considerable quantities of produce being handled by the Association.

The New Zealand dairy farmer has always been much concerned with the wide fluctuations in the market prices for dairy produce, and had for many years been seeking some means for stabilising prices from year to year. With the coming into power of the New Zealand Labour Government in November 1935, it was decided that as a Government measure the dairy farmer should be protected, as far as possible, from the effects of these wide fluctuations in the world market prices. This was to be achieved by a guaranteed price for all butter and cheese produced, whether sold for export or for local consumption.

To give effect to this proposal it was found necessary to empower the Government to acquire ownership of all dairy products. In taking this authority the Government were also empowered to acquire ownership of all primary products so that they could extend the system of guaranteed prices to other primary products should it be deemed advisable to do so. In May 1936, the Government passed the Primary Products Marketing Act. This Act provided for the purchase by the Government of all primary products at prices to be fixed from time to time. In effect it has so far been applied only to butter and cheese which, by virtue of the Act, have now passed under the control of the Dairy Produce Export Division and, in the case of local sales, of the Internal Marketing Department, both of which have been specially set up to provide the necessary organisation to handle the business.

One important result of this legislation has been the fundamental change in the marketing of New Zealand butter and cheese in the United Kingdom. Previously this was carried out by importing houses who sold at their discretion and made their returns direct to the dairy company owning the produce. Under the present system of Government ownership with control right up to time of sale, the importing houses have to work under close supervision of the Dairy Sales Division, which is the name adopted for the London office of the Dairy Produce Export Division. The Dairy
Sales Division allocate the produce to the various importing houses who sell to their customers on the same terms as in the past. The importing houses, however, now receive a reduced rate of commission and are subject to very close supervision. All returns and account sales are made direct to the Dairy Sales Division.

This development has removed, to some extent, the direct relationship between the New Zealand Produce Association Ltd., and the Co-operative Dairy Companies in New Zealand, as represented by the New Zealand Producers' Co-operative Marketing Association Ltd., but the fact remains that the co-operative producers' organisation still retains a real and active interest in the direction of policy by virtue of its nominees on the Board of Management, and by the financial interest which it still retains. It also still receives the producers' share of the net savings effected which are distributed amongst those co-operative dairy companies, the product of whose factories it is still marketing under the new system.

In actual practice the new system of close supervision by the representatives of the New Zealand Government of the handling of the produce has materially assisted to demonstrate the value of the close co-operation between producers and consumers in a joint marketing organisation. The prompt and effective clearing of shipments at full market prices plus the joint participation in the savings in the cost of distribution has resulted in a position that should, and it is reasonable to believe will, encourage increased use of the service of the Association both by the co-operative consumers' organisations and the present shippers of the produce.

Finance and Administration

The New Zealand Produce Association Ltd., is registered in London as a joint stock company with a capital of £10,000 in £1 shares. This capital is more or less of a nominal nature as the conduct of the Association's business does not call for large capital requirements. The shares are all of one class, namely, £1 ordinary, and are held in the proportion of two-fifths each by the New Zealand Producers' Co-operative Marketing Association Ltd. and the Co-operative Wholesale Society, and one-fifth by the Scottish Co-operative Wholesale Society.

The management of the Association is vested in a board of directors, six in number, three of whom are appointed by the New Zealand partners, two by the C.W.S. and one by the S.C.W.S. The chairman is appointed annually and usually alternates between the representatives of the partners. The detailed management is
delegated to a managing director who, as in the past, is one of the producers' representatives on the board.

In the past the New Zealand Produce Association Ltd. relied entirely on a close working arrangement with the Banking Department of the Co-operative Wholesale Society for the financing of all consignments and purchases. This arrangement worked admirably and proved highly satisfactory to all shippers, as well as profitable to the C.W.S. Bank. Under the present system, whereby the New Zealand Government is responsible for the handling of the goods right up to the point of delivery, the Association has now no responsibility by way of advances against the produce, or for transport costs.

In common with all other importing houses the New Zealand Produce Association Ltd., now functions as a selling agent for the Government of New Zealand on a strictly commission basis. Out of this commission all overhead expenses are met and the balance is distributed to the producer and consumer partners on a mutually agreed basis. The consumers' share in the disbursements represents their share in the saving of distribution costs, while the producers' share represents to them the benefits of a co-operative marketing organisation of which they are partners.

**Working Arrangements**

The New Zealand Produce Association Ltd., selling strictly on a commission, has a primary responsibility to the owners of the produce handled by it. This responsibility is the selling of the goods at full market price. Close co-operation with the consumer partners has resulted in the prompt sale at full market prices of all produce allocated to the Association.

While a certain amount of trade is still done outside of the C.W.S. and the S.C.W.S., the growing and increasing demands of the consumer partners' requirements now take the major portion of the produce handled, with every prospect of their percentage increasing.

The Association has in the past also acted as agents for the C.W.S. in the purchase of New Zealand lamb and mutton, the turnover in this branch of the business reaching some £500,000 per annum. With the rapid expansion in the C.W.S. meat business, it was found more practicable for this department to be absorbed into the C.W.S. meat department, and this has now been put into effect.
Some Results Achieved

In the eighteen years that the New Zealand Produce Association has been in operation the gross value of the dairy produce handled has reached the impressive figure of £18,894,364 sterling. The commissions earned have totalled approximately £410,000 sterling. After payment of working expenses a substantial proportion of this sum has been distributed between the producers and consumers, thus diverting to the producing and consuming partners a considerable sum which would otherwise have gone to the profit of importing firms.

Reciprocal Transactions

It is worthy of mention here, that, while the New Zealand Produce Association Ltd. is providing the link in passing the producers' produce to the consumer, the National Dairy Association of New Zealand Ltd., is providing a somewhat similar service in New Zealand by distributing the C.W.S. productions to the dairy farming industry, and to the growing numbers of co-operative retail societies which it has helped to form, and is fostering.

The National Dairy Association of New Zealand Ltd., is also the central purchasing organisation for the supply of all dairy factory equipment and manufacturing requisites. It is in a position to service the dairy factories with all their requirements, and for this purpose maintains branches and depots throughout the main dairying centres, as well as a purchasing office in London.
APPENDIX V

CO-OPERATIVE DISTRIBUTION POINTS IN DENMARK
AND THE NETHERLANDS

CO-OPERATIVE DENMARK
Area: 16,000 sq. mi.
Population: 3,500,000

The dots on this map represent the number and approximate location of ultimate co-operative distribution points.
CO-OPERATIVE HOLLAND

Area: 12,000 sq. mi.
Population: 9,000,000

The dots on this map represent the number and approximate location of ultimate co-operative distribution points.
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(Monthly, English, French, and Spanish editions)

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