

Society for Co-operative Studies

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Co-operative Development Agency

1. Congress Resolution 1970

"This Congress notes that the economic policy of the Government provides for generous assistance to private industry where this is deemed socially desirable. Financial help has also been promised to trade unions to assist them in amalgamations, which would lead to a more effective structure.

"Co-operative organisations are socially owned and offer opportunities for large scale participation by the community in their activities. Despite the fact that they have an important place in a democratic society, Co-operation has been weakened in this country as a result of the fiscal policies of the Government.

"We accept our own responsibility to create an effective and efficient organisation through amalgamations and rationalisation of our activities. At the same time, we call on the Government to recognise the significance of this Movement and welcome the declaration by the Labour Party Executive in support of the establishment of a Co-operative Development Agency and urge that this be translated into official Government policy."

2. Joint Statement: Co-operative Union Central Executive and Labour Party National Executive Committee

This statement, first agreed by the Central Executive and. then by the Labour Party NEC, was published in May 1974: -

"The idea of a Co-operative Development Agency first appeared in the thinking of the Labour Party prior to the 1970 election. A number of meetings have since taken place between representatives of the

Labour Party and the Co-operative Movement. Extensive references to the creation of a Co-operative Development Agency appeared in "Labour's Programme 1973" which was endorsed by the annual conference of the Party.

"The Labour Government should, we believe, now take steps to set up a Co-operative Development Agency to encourage rationalisation, modernisation, and innovation in the Co-operative sector of the economy. The Agency should have at its disposal sums adequate to carry out its tasks for the Co-operative Movement, on a basis comparable to those made available by the last Labour Government for the Industrial Reorganisation Corporation to perform this task in private industry. Investment should be available in the form of loans and grants for approved schemes of Co-operative development.

"A major task for the Agency will be both to stimulate research and finance methods of restructuring existing societies on a more efficient basis. Secondly, to assess and help develop new Co-operative ventures in the consumer field.

"The Agency should also consider ways in which Co-operative principles may be applied in, for instance, such fields as the construction industry; publishing; the motor trades, including vehicle and petrol distribution; leisure activities and credit unions. We note that encouragement is already given to the application of Co-operative principles in the field of housing and in agriculture and horticulture. We envisage the Agency helping to bring about an increased liaison between the various forms of Co-operative enterprise.

Industrial Democracy

"We note the recent developments in the industrial scene, whereby the application of Co-operative principles has been recognised by both

men and management as presenting a solution in certain circumstances. We have in mind the creation of Co-operatives by the workers of the Triumph motor Cycle works at Meriden. The Co-operative Development Agency will be a valuable instrument to further Co-operative industrial democracy.

"The terms of reference for the Development Agency will recognise the crucial importance of democratic machinery within the British economy. We therefore accept that grants and loans must be made in a way which recognises the importance of strengthening democracy as well as efficiency within the Co-operative sector. Additionally, they will recognise the important social role of Co-operatives.

"The Agency will make a significant contribution in providing research and management services for the whole field of Co-operation; helping the existing services in this field which are currently provided by the Co-operative Union and the Co-operative Wholesale Society. We envisage that the Agency would be run by a board appointed by the Government, with half the number being nominated by the Co-operative Movement and others from independent persons with wide experience of industry, technology, commerce, and financial matters ar.1d the administration and/or organisation of workers.

"Both the Labour Party and the Co-operative Movement are concerned about the way our society cares for those members of the community who are deprived or underprivileged; those who are sick, disabled, or needy. We are concerned to eliminate poverty wherever it exists; to bring about a fundamental and irreversible shift in the balance of power and wealth in favour of working people and their families. We are concerned to make power fully accountable to the community, to workers and the consumer. We are concerned to achieve far greater equality in our society - in income, in wealth, and in the living standards

of everyone. We are concerned to increase social equality by a substantial shift in the emphasis now put on job creation, housing, education, and social benefits.

"As Socialists and Co-operators, we are also concerned about extending democracy into the management of all enterprises in this country. We are concerned to encourage the full involvement of workers in the management and control of their firms and to see that the consumer interest is taken fully into account when decisions are taken. For these reasons we want to see the Labour Government give active and positive encouragement to the extension of Co-operative enterprise in preference to private enterprise.

"Just as the previous Labour Government established machinery to support and sustain private industrial enterprise, we want to see the present Labour Government establishing a Co-operative Development Agency to strengthen the Co-operative sector in Britain's social and economic life."

3. Congress Resolution 1971

"Co-operatives and Government Policy

"Congress welcomes the return of the Labour Government and the speed with which it settled the miners' strike, got the country back to the five-day week, and froze rent increases.

"It welcomes the pledge to repeal the Industrial Relations Act, to act firmly to restrain the increase in the price of essential foods; to re-negotiate the terms of Britain's entry into the Common Market and submit the final decision on this to a vote of the British people; warmly welcomes the proposals of the Government to give added protection to the consumer, and pledges its full support for the Government's efforts to create a fairer society based on the Co-operative ideals of social justice, but urges that the fullest possible use be made of the Co-

operative Movement' s unique knowledge of retailing and consumer affairs in developing and applying detailed Government policies.

"It strongly commends to the Government the Co-operative form of Public Ownership as being most appropriate for many economic activities and especially retail distribution, and therefore calls upon the Central Executive to initiate discussions aimed at the early establishment of a Co-operative Development Agency, on the lines already agreed in principle between the Co-operative Union and the Labour Party's National Executive. In this regard, it believes it essential that there should be substantial Co-operative representation on the Agency, which should be given adequate financial resources to encourage and assist the necessary Co-operative reorganisation and development."

Co-operative Development Agency

MOVING AND SECONDING THE 1970 CONGRESS MOTION

LORD TAYLOR OF GRYFE

and

MR. K. A. NOBLE

(Moving and seconding respectively the 1970 Congress motion; at that time Lord Taylor was President of the Scottish Co-operative Wholesale Society and Mr. Noble a Director of the CWS and a member of the central Executive of the Co-operative Union.)

Lord Taylor

"I am moving the proposal which covers three main headings. First it takes note of the assistance which is being given in large measure to private industry; secondly it draws attention to the social significance of the Co-operative Movement in our society, and thirdly it accepts our own responsibility to be more efficient but welcomes the idea of a Co-operative Development Agency. If I am critical of the Government in this speech it is not to bring comfort to its opponents, but good friends can always afford the luxury or frankness. I want to say, too, that I am not opposed to the Government assistance to private industry where this is socially desirable. This assistance takes a variety of forms - shares, loans grants, and so on. It is distributed by a variety of Government agencies - we all know the list. Shipbuilding, in order to avoid unemployment in certain areas gets substantial aid in the forms of grants and loans. A surprising addition to the list last week was the Rolls-Royce Company, obviously because it is important that Britain should have a stake in the aero-engine industry. Regional aid is also justified and assistance to firms to rationalise in vital industries should also be encouraged.

"In the case of Rolls Royce, the aid takes the form of two loans of £10 million each, £20 million, the interest rate is 7½ percent. I was discussing this with some Scottish retail societies the other night and they said to me 'Yes, and you charge us 8½ per cent on our overdue accounts after five weeks'. But 7½ per cent is not really the market rate. In the case of English Electric who are encouraged to acquire Elliot Automation in order to rationalise the industry in this important computer area, they received a loan, from IRC of £15 million, £5 million repaid on March 31st last together with interest on the whole at 5½ per cent. The remaining £10 million has been renegotiated for repayment by instalments at an effective rate of slightly less than 6 per cent. I am quoting from the IRC Annual Report.

"Another interesting case is the case of the Cunard Company who had to be encouraged to proceed with the building of a certain luxury liner. The 'Economist', quoting the deal that was negotiated by their Chairman, said that his greatest success had been to shift financial responsibility for the QE2 on to the Government by persuading 'the Government to lend Cunard £20 million at 4½ per cent. Interest on that sum reverts to the going Government lending rate after three years, against the security of the ships themselves, and if the ships did not earn sufficient to clear that interest charge they were to revert to the Government. Cunard have done rather well in fact and this is due to very good management on the part of the company. If you look at the shares, two years ago they went from 15s to 32s., and I see that this year they have gone from 32s. to 54s., but that company qualified, and probably rightly, for a substantial Government loan at 4½ per cent.

"Now, as I say, I am not opposing these grants. I know how necessary they are in certain industries. But I do suggest that the criterion by which these grants and loans are made is surely this, that that particular industry is socially desirable. That it is necessary for regional development, or to prevent large-scale unemployment, or to rationalise

in a particular sector of British industry. By the same criterion Co-operative societies should be regarded as socially desirable institutions. In support of this contention perhaps I should read to you an interesting quotation, here it is:

'An active interest in the affairs of a Co-operative society represents one way in which public spirited citizens can devote their gifts and their energies to their fellow men. It is important that this opportunity should exist, with the trends on all sides towards professionalism and bureaucracy, society needs more than ever the element of voluntary participation and acceptance of responsibility. It is a good thing for the men and women concerned, that feeling of social responsibility. They should have an outlet for exercising it constructively and it is a good thing for society that this willing endeavour on the part of people should be utilised, especially in a manner which gives fruitful training; both in economic realities and in democratic methods.'

"The quotation is from Anthony Crosland in his presentation of the Independent Commission Report. Now if it was right at that time to emphasise the importance of the Co-operative Movement as a social institution which involved people, which gave people a sense of ownership of their own institutions, and in which they exercised a democratic control over these institutions, I believe that that is an important element in a living democracy. I believe that it avoids the remoteness and bureaucracy of some of the large, nationalised institutions, and I believe it is necessary because it is based on a principle of people working together for mutual aid and mutual advantage. And that is an important element in any decent democratic society.

"If we examine the Industrial Relations Act we can see that there is a recognition by the Government of the trade union wing of the Labour Movement, because in order to assist amalgamation of two or more

unions, or to appoint additional officials, or to provide increased facilities for training, or the provision of new premises, or the provision of new facilities or services, or the improvement of existing facilities or services, under the Industrial Relations Act the Government has allocated £3 million to encourage these things within the Trade Union Movement.

"I want to be frank and generous about the Government and the Government has done a great deal to protect the consumer, but there has been scant regard for the social significance of the Co-operative Movement and while these figures that I have quoted of assistance to private industry, and while this additional allocation to the Trade Union Movement, which I applaud, goes *on*, as someone said from this rostrum, the Co-operative Movement in this country earns £35 million a year net on its trading - that is its net surplus on trading - and it pays £15 million on SET. This has been a crippling thing for this democratic institution, and I hope - that the declaration of Labour Party policy now recognising the wisdom and desirability of a Co-operative Development Agency will be translated into some practical form. We are not short of advice; we are not short of research. We have had many cases of where we have passed resolutions and we know what to do, but we are short of capital and we need it badly and I believe this country would be a poorer place if this Movement were to decline, and I do not mean poorer place in economic terms, I am talking about the lives of people and I am talking about democracy, I would hope that the Government, as they have recognised the significance of Co-operation in agricultural co-operatives with the moneys they have allocated for encouragement in that field, and in housing co-operatives, should similarly recognise the merit and importance of this Movement of ours."

Mr K.A. Noble

"In seconding the proposal on behalf of the Central Executive and the CWS Board, I think you will agree that Lord Taylor has covered the perhaps vital issues of this proposal in a most comprehensive way. He made a brief

reference, but a significant reference, to the question of capital and I would like to use the brief time at my disposal to sharpen the focus on the relevance, the vital relevance, of the setting up of a statutory Co-operative Development Agency to the pressing capital trade investment problem of the Co-operative Movement. Not that a Co-operative Development Agency would provide the complete, or even major answer to the problem. But even a global annual total, and I have got to be rather careful in quoting even conjectural amounts, of £20 million or £25 million, could be significant in enabling the Movement, for example, to respond more adequately to the emergence of new towns and population centres. In fact, in all those types of developments in which, apart from a general economic justification, there would be a social need for Co-operative presence, it is clear, I think, to us all that population changes, both in densities and locations in the 1970s and the 1980s will want much more capital in Co-operative terms than we are likely in normal predictable circumstances to have available. Even now, the present liquid capital shortages are resulting in our overall capital investment in trade development being woefully short in comparison with our share, which is between 8 per cent and 9 per cent of the national retail trade. I think we can safely assume that we spend on capital trade assets, including vehicles (not an unimportant inclusion when making statistical comparisons) about £20 million annually which excludes the two Wholesale Federations, which is incidentally provided up to about two-thirds by our depreciation retentions. This is little more than 5 per cent (and I think I ought to put in parenthesis here that Mr. Wilkinson, the Research Officer of the Co-operative Union, agrees with this statistic) of the capital investment of the distributive trades as a whole and the menace to our future viability of this fact is too obvious to need spelling out to a gathering of this sort.

"I think every informed and realistic Co-operator knows that we shall never attain the capital needed to maintain, let alone improve, our share of retail

trade from traditional sources of members' contributions and retentions from trade surpluses, and certainly little or no aid, very properly, from Pension Funds. We shall have to increasingly resort to leasing and other uses of external capital from investing institutions, perhaps even some or our own Pension Funds, as indeed is done increasingly by our large successful competitors.

"Also, of course, and I appreciate almost out of context with what I am saying, but will include it for emphasis, or re-emphasis, it is so urgent that we release capital, now tied up in both unpromising and unprofitable trade operations and concentrate our resources in very large and well-sited shops. Even with special, but acceptable conditions attached, the availability of capital in loan from public funds would recognise, as Lord Taylor has emphasised, our special worth in social and economic terms, but perhaps more important in the short term could be, as he also said, of great practical help. Reliance on withdrawable small savings, such as Co-operative Share Capital on the one hand, or the availability of speculative capital on the other, is becoming increasingly outmoded where community priorities subordinate capital provision to less than its traditional role of expecting a maximised profit return regardless of the public interest. I think, Mr. President, even sceptics of the prospects of a Co-operative Development Agency actually being established, or even then of its providing the Movement with material help, will share our hopes, I know, that should it eventuate, a useful and significant new aid to Co-operative viability and trade development will be provided.

"I have had the advantage personally of being party to the dissuasions between representatives of the Central Executive and the National Executive of the Labour Party and it is absolutely clear that the latter do not view a Co-operative Development Agency as some sort of political gesture or gimmick. Rather that it should show, in an effective and practical way, that Labour policy when in Government, will in the future, whatever complaints we make about the past, practice aid and support in material

terms to preserve and expand the social and economic justification of the Co-operative Movement to the community as a whole."

Co-operative Development Agency

MR. J.A.N. BAMFIELD

(Lecturer, Co-operative College)

The Co-operative Development Agency is one of the most important suggestions that has been put forward for years. Few of the readers of this Bulletin would be against it in principle or would oppose Co-ops being subsidised from the public purse. But on reflection, I feel that a CDA of the form normally envisaged would produce more problems than benefits. If it is decided to go ahead with a conventional CDA we must accept the problems (and risks) as the necessary price to be paid.

What then are the risks, and why should retail societies turn down a CDA?

1. Adverse Public Criticism

First, there is the possibility of adverse public criticism. There will be severe attacks on the motives both of the Labour Government in giving, and of the Co-op Movement in receiving, this support. The links between Co-operatives and Labour are fairly close and it is not difficult to impute scandal.

Similarly, people are likely to ask why Co-ops need the finance. Are they bankrupt? Or shaky like Rolls Royce, ICL, AEI, and other firms which have been in a similar client relationship with Governments?

If the motives are impugned, the way in which the funds are spent is likely to be even more condemned. Opponents can, and will, point to public funds being squandered in excessive rates of dividend, large(?) donations to the Co-operative Party, and any other weapon which comes to hand.

Co-operators may discount this sort of attack in advance, recognising its unfairness. They may even take a sort of perverse pride in doing what everybody is condemning. But whatever ought to be the case, Co-ops at present are desperately dependent upon being either praised or ignored by the media. The harm that only partly unfair comment can do us is beyond dispute. Most Co-op members cannot read a balance sheet and depend for information on Press, TV, and private discussion. The Millom episode shows what a shock can be caused Co-ops by even mild public exposures.

2. The CDA as IRC

The old IRC had a firm ideological and economic base (which incidentally recent research has shown to be largely illusory). Is there such a clear policy for Co-ops?

A policy certainly exists – the Regional Plans - but in view of the relative lack of success of Regional Plan I, it is unlikely that the second version commands enough real support to provide a CDA with a workable strategy. Experience does not show that Co-operators put in to practice the wishes of experts merely because they are experts (e.g., the Carr-Saunders Report (1938), Independent Commission (1958), JRC Report (1965). Simply because a CDA is set up does not mean that anything is going to happen.

One could imagine a CDA working with the CWS to set up national federal chain stores (e.g., department stores or superstores) but the Movement has turned its back on this form of re-structuring and is concentrating on an overall increase in the size of societies - for which there is no overwhelming support.

It is not shortage or finance that has held up society mergers, but lack of will. The formation of a CDA is therefore unlikely to change "ought" into "is".

3. Quid Pro Quo?

The Labour Party/Co-operative Union statement (Times, May 23rd; 1974) calls for sums "on a basis comparable to those made available by the last Labour Government for the IRC". The same edition of the newspaper gives Wedgwood-Benn's proposals for greater influence over industry as a prerequisite of state assistance. Without accusing anybody of wanting to make the British Movement into a sort of Centrosoyus, do we know what conditions (if any) the Government will make? Are these conditions negotiable? What sort of conditions will cause us to abandon a CDA? Or are we saying that we should accept a CDA at any price?

4. Finance

The CDA's methods are to be mainly financial. In spite of the optimism in the Labour Party/Central Executive statement, I cannot see large sums being made available. Just how desperate are Co-ops for money?

The Capital Resources Study Group shows that although traditional capital sources are drying up, there is no capital shortage as such. Finance can usually be found for viable investment projects. The most important finding of the Study Group is its emphasis not on our inability to raise money, but on the unwillingness of Co-ops to invest in new capital projects.

I therefore come to the conclusion that the conventional CDA would be undesirable. It would be an invitation to the media to savage Co-ops and put at risk the gains so painfully made over the past three years. We are in no great need of finance and do not put to proper use that which we have. Moreover, the amount of cash available is likely to be small. A CDA of the IRC type does not meet the conditions of the Movement: it is unlikely to be effective. Thus, a CDA combines the maximum of risk with the minimum chances of success.

A form of CDA would be advantageous in the non-retail sector, however. Here though (e.g., housing, credit, education, and Co-ops for industry and commerce) a merger type institution is not required, but a services department with the ability to make loans or grants for approved purposes. It could have a key role in this sort of Co-op endeavour. But if the CDA is to be this form of body, the Co-operative Union should not negotiate with the Government as though it is the sole representative of productive Co-ops, credit Co-ops, housing, and agricultural Co-ops, but involve these other bodies far more closely.

I cannot claim to be an expert on these subjects, but there is no agency which can encourage or help workers to set up their own Co-ops, and which can give help and advice. No one can grant-aid or arrange loan finance for the Triumph workers at Meriden, or similar co-partnerships. Similarly, there is no agency which could arrange finance, act as central banker, and be responsible for the solvency of credit unions. Such institutions need finance, encouragement, and help: pump-priming and not Government control. One could imagine a form of CDA being of great value in this role.

Non-CDA Alternatives

There is still plenty of help a Government can give Co-ops without setting up a CDA. This would be far less controversial and may be more acceptable. Two suggestions are made below: -

- (a) The taxes paid by retail and other Co-operative societies could be examined and reduced. The anomaly which prevents members of housing Co-ops getting tax relief (as owner-occupiers) could be easily abolished. Fiscal changes of this sort would be useful.
- (b) The State Holding Company could designate the CWS as its working partner in part of the food industry: - provide assistance; help in restructuring; and perhaps even acquire private firms on their behalf.

The CWS could be made the basis of a continuing British stake in our own food industry and helped on that account.

Although this would be a legitimate role for a State Holding Company (see the IRI* interest in food manufacturing), the CWS might well want to pass up this opportunity!

There is no need to labour this point, but there are alternative methods of helping Co-ops besides setting up CDAs. And it may be that we should find specific aid of this sort more useful in the long run, than the provision of a special agency.

*The Italian state holding company.

Co-operative Development Agency

MR. H. CAMPBELL

(General Manager, Newlon Housing Trust)

Perhaps one ought to begin by stating the obvious: that Co-operation and Co-operative development do not relate exclusively to Co-operative societies that operate in retailing and wholesaling: that three hundred or, for that matter, twenty retail societies and the CWS are not together synonymous with what is understood by "the Co-operative Movement".

But perhaps this is not so obvious. I get the feeling that a good deal of the talk about a Co-operative Development Agency does not get much beyond an argument for or against Government assistance in making unviable retail services viable. What is good for so-called capitalist enterprises that cannot survive unaided but are thought desirable for social and for political reasons - massive injections of public (taxpayers') money - must be good for socially oriented enterprises like Co-operative societies. Which is not an unattractive argument until you ask yourself the questions. What happens after moneybags has bailed you out? Who calls the tune then? How independent do societies claim to be? And how much of their independence would they be prepared to compromise to be accepted as part of a Labour Government's social ownership policy?

Or perhaps that's not it at all. Perhaps it is all just a ploy to coerce reluctant societies to conform to current Co-operative Union wisdom, which cannot distinguish between maximum and optimum where the size of retail societies is concerned, and no longer pays more than the most casual, if not cynical, regard to Co-operative democracy and Co-operative philosophy - those outmoded and outdated nineteenth century concepts before whose altar one genuflects with some embarrassment whenever one cannot avoid doing so.

“Flesh on the Bones”

Or, again, may be the CDA is just an idea seeking embodiment, or is like one of Pirandello’s characters in search of an author. If so, and I suspect it is so, let us take the idea and give it body; let us take this character and make it flesh, so that it may have a role to play in the plot as it unfolds. Not a cardboard character; please, stuck all over with dividend stamps, something more meaningful than that. For the co-operative idea is bigger by far than the CWS or the CRS or the XYZ CS, severally and collectively. Here in Britain, it has been cribbed, [cabined], and confined so as to stunt its natural growth and prevent it flowering into a pattern of life.

It is a thousand pities that J.T.W. Mitchell came to have such a dominating influence over the British Co-operative Movement in its salad days. At the beginning of the nineteenth century, there may have been some truth in Napoleon’s sneer that we were a nation of shopkeepers; but did British Co-operators subsequently have to justify it by building a movement of shopkeepers? Couldn’t our vision have stretched farther, our horizon wider?

Co-operative Housing and Credit Union

I have spent a lifetime in Co-operative activity. Much of it in the last three decades has been devoted to advocating diverse forms of Co-operative enterprise, from workers’ co-operatives to housing co-operatives. For the most part, the seed has fallen on stony ground. Is it possible that a Co-operative Development Agency could be set up which would really begin to develop co-operative forms of enterprise in the fields so far uncultivated? I suppose there is that chance. Just so long as it isn’t manned by latter-day Mitchell’s with blinkered minds.

There is certainly more than a chance for co-operative housing. Not because of a fillip from the Co-operative Establishment in this country; but because years of propaganda by the Co-operative Party and a few

others has at last, persuaded Governments to declare an interest in and to seek ways of fostering housing societies, with a genuine Co-operative content. A groundswell is beginning to be felt in the Department of the Environment, in the Housing Corporation and in the national Federation of Housing Associations. There is still time for the Co-operative Union to identify itself with this new movement as the Co-operative College has just begun to do. It will not need money from the Co-operative Development Agency. The new Housing Bill which should reach the statute book by August will see to that. But it would make excellent sense for the CDA to concern itself with activity on its behalf. For, at the moment, it is only a tiny, tender shoot, barely able to push its head out of the soil and will need all the loving and intelligent husbandry we can muster if it is to survive.

Yet, if there is now some hope for Co-operative housing in this country, there are other areas which are ripe for Co-operative penetration and in which the trustees of the Co-operative idea here in Britain have taken precious little interest - if any whatsoever. One of the most obvious is credit unions. Of course, the CIS may look askance at any suggestion that the Co-operative Development Agency should encourage a rival and more genuinely Co-operative and democratic form of mutual assistance and of saving and lending; and not only at the CIS. Heaven for- fend if it should catch on! There are strong vested interests among the established Co-operative institutions who will resist any attempt to extend the practical application of Co-operative principles where those interests may be thought to be sensitive to confrontation.

Forming Workers' Co-operatives

Workers' co partnerships or producers' co-operatives are another example. Damned with faint praise, their progress has in the past been blocked by those who choose to regard consumers' Co-operation as the only pure strain. The CDA will be a mockery if it fails to take up the cudgels on their behalf, too.

Let us take an example. In the building industry, one of the big problems currently is the effect of the so-called "lump" - the system by which individual building workers contract to work for building firms on a self-employed basis - which has thrown up many abuses. Both employers and trade unions have deplored the practice. Legislative action to prevent it has been mooted. An alternative that might be acceptable to all sides could be the formation of building workers' Co-operatives. These Co-operatives would be groups of self-governing workers of varying skills who would be sub-contractors of the main contractors. There have been isolated examples of such Co-operatives who have themselves acted as main contractors, tendering for a variety of building work. Those known to me have all failed for one reason or another. Perhaps they were too ambitious in expecting to combine the skills of management at the contractor level with the skills of craftsmen and labourers. But the individual self-employed worker has something to offer the employer, or the "lump" would not have become so extensive a practice. Where the individual can succeed, a group in the form of a genuine Co-operative should be at least as successful, while the abuses of the "lump" could be avoided.

I do not expect the consumers' Co-operative Movement in Britain to get excited by this idea. But the CDA might consider this a form of Co-operative enterprise worth exploring.

A New Start?

The International Co-operative Alliance has declared the 1970s a Decade of Co-operative development, in which all forms of genuine Co-operative development should be fostered where Co-operation is undeveloped. Apart from consumers' Co-operation, Britain is a Co-operatively undeveloped country. It is high time we put this right. I hope - somewhat sceptically, perhaps - that the proposed CDA will begin to do so.

Co-operative Development Agency

DR. T. F. CARBERY

(Senior Lecturer, Department of Economics; University of Strathclyde)

Following the defeat of the Labour Government at the 1970 Summer Election, some co-operators seemed more put out at the (temporary) demise of the having been proposed Co-operative Development Agency than they were at the loss of the Labour administration. Of course, the former was the consequence of the latter but whereas some Co-op Party activists and the like were distressed at the overall political repercussions of the Election, others, with varying degrees of frankness, let one know that they could have lived, and would live with equanimity on that score, although they were disappointed, if not positively peeved, at the eclipse of the CDA. As the months went by they continued to give occasional voice to their displeasure. Yet such chagrin and pique were misplaced; they would have spent the time more effectively had they started then the debate on what they would have had the CDA do. They did not, however, and it would appear they are still not discussing it. The gentlemen concerned may be discussing the possible role and policies of a CDA, but if they are, then not only are they refraining from so doing when I am around, but they are strangely uncharacteristically modest by giving no hint as to the nature of their deliberations.

Some of the politically active are thinking about the CDA - but not all. To some of the politically active what the CDA could do is of much less importance than the point that it is there at all. As seen by this school - and I do stress it is by no means all the politically active but merely a faction or school within that group and a more cynical or realistic school at that depending how one views them - the important point is not what the CDA does, far less whether it is successful, but the fact that it comes into being, for by its very existence, it would be a

living declaration of interest (if not of faith) by a Labour Government in the Co-op Movement. For my own part I am not going to scoff too readily at that point of view. Post-war Labour Governments have, by their lack of enthusiasm for co-operative media and institutions, created a situation wherein some such declaration of identification, endorsement, some such vote of confidence, is desirable - almost necessary - for the Co-operative psyche and the frayed relationship between these two wings of the Labour Movement. A monument does not do much, but it is there and by being there is an omnipresent declaration of faith. At its lowest so too could be a CDA - even an impotent or inactive CDA.

One would trust, however, that not only will the CDA come into being but that it will contribute more to the efficacy of the British Co-operative Movement than merely massaging the battered morale.

What Area of Aid?

But what? I suspect at the end of the day that it will not do all that much on the trading side. I would doubt whether it would, or even could, do much to inject or impose a more rational structure on the retail movement. Here, one should see an intriguing piece contrasting the CDA with the IRC, by my old tutor and Head of Department, Professor Noel Branton, which appeared in the June issue of "Co-operative Management and Marketing". If there are ways in which the retail side can be assisted I suspect that rather than occurring on the structure side, the CDA could best help with regard to investment or risk capital and the quality of management. Branton reminds us that "... it was no concern of the IRC to raise the general level of industrial investment... other sources of finance... had to be used". If, perchance, it was used, the IRC sought "the maximum return from a limited commitment". Just over a year ago, CWS and SCS spokesmen were telling us that there was no shortage of investment capital in the Co-op Movement. This gives rise to three comments. First, whatever that

meant, the situation has since deteriorated markedly. Secondly, even in early 1973 the observations called for and, occasionally received, qualification. Thus, it was not to be taken too blandly. What such spokesmen meant, and to be fair, invariably implied, and frequently stated, was that that abundance of risk capital was "for worthwhile ventures", but that in turn meant projects which were reckoned to be likely to give a return in the region of 13-15%. Thirdly, some very desirable Co-operative projects cannot and will not earn such a rate of return. Six or seven years ago I was stomping the country arguing that the real crisis in the Co-operative world would not be in democracy nor share or trade but in business finance. I am still of this view and the event of 1973 fortifies me in that belief. The overall effect then is that there is a shortage - possibly a grave shortage - of risk capital within the Movement. Were the CDA to make it available at favourable rates of interest this would be very helpful. Indeed, so helpful that one is tempted to ask where is the Co-op official who would not avail himself of it? But one must not ask such a supposedly rhetorical question. Thus George Gay, President of St. Cuthbert's Society in Edinburgh would, I expect, say that he would not want it. To him such subvention is the road to disaster for with the inevitability of the adage of the paymaster and the piper and the tune on the pibroch, the consequences of such aid avers George is Governmental influence and possibly control. That is an honourable view but the logic of it is that one wants nothing to do with a CDA. In which case this debate is short-lived.

The other area of positive aid to retailing is the already suggested one of quality of management. Here again is a situation wherein co-operative utterance and whistling in the dark do not hide the reality in our stores. The best Co-operative store in Scotland, indeed possibly that in the UK, is being managed by a young man in his middle twenties. Either he is a genius or his presence there is an indictment of his colleagues in the conurbation where he works. I suspect the latter. The Co-operative College is grossly under-utilised: the use of the

graduate Management Scheme is derisory. Ideally, the Co-operative College could be transformed into a Staff College for middle and senior management and if that in turn meant the engagement of new experienced on-the-hoof staff and markedly higher salary scales and the build-up of a substantial library of case studies genuine to the Movement, so be it. Not the least of the advantages here is that it would allow those at the CWS Staff Training Department, who are imbued with 'the spirit of Cecil Rhodes, to build their empire, which has a greater growth rate than the Japanese economy, amongst the hordes of Lord Allen's cohorts and their immediate supervisor. In such an exercise the CDA could become a sort of UGC to the Movement.

Other Areas?

These two areas apart, I cannot see it impinging on retailing. Co-operative housing associations could, however, benefit and a CDA could create a new different Housing Corporation, but apart from and in no way sub-servient to the existing Housing Corporation, which new body would deal exclusively with Co-operative housing.

But perhaps such a concept is asking too much of a Labour Government whose backbenchers, especially those from Scotland and the North, are much too unquestioning and myopic in their addiction to local authority housing. They would do well to converse with their new young exceptionally competent and experienced colleague Robin Cook, the Member for Edinburgh Central, who after four years as Convenor of Housing in Edinburgh, has a markedly more realistic appraisal of the limitations of traditional public sector housing than most of his colleagues.

The Co-op Press is another fascinating area of possible interest. A few years ago, as the Maxwell empire crumbled and trade union journals moved over to the new web-offset facilities of the Press, some directions were quoting Lord Thomson, he of the glasses like the bottom of beer mugs, that they too had a licence to print money. There

too the situation has changed markedly when constraints are of such a nature that the Scottish Co-operator has to close.

Another aspect here is that given that the Press is going to continue handling a considerable range of TV journals and the like, subvention to the Co-op Press could be at one remove subvention of the trade union world. Such arrangements should delight a Labour Government. To ostensibly help one friend while in actual fact helping one's more powerful friends - if not one's masters - is surely well-nigh irresistible.

Any Fears?

Is there then a fear in all this? The answer is yes - but that fear is not that a CDA could not find worthwhile things to do...On the contrary, my fears are, first, that in a year of nil growth in the economy - a situation which could continue for more than twelve months - and with other more urgent pressures from areas of public expenditure, e.g., mental health patients, nurses' salaries, and local authority rating subvention, a Labour Chancellor will say that he loves the CDA but it will have to go to the back of the queue. There will, should this occur, be observation about socialism and language and priorities and it will all have a certain déjà vu effect.

My second fear also has its déjà vu quality, but it is more recent. It is that the Labour Government will be as ill-advised as was Edward Heath on the timing of the election; that incensed by the defects of 19th/20th June, the left will pressurise them into going to the country; that they will lose, and the CDA will suffer from political abortion yet again.

Co-operative Development Agency
The IRC and the CDA

MR. R. G. DOUGLAS

(Formerly MP for Stirlingshire East and Clackmannan)

Back in January 1966, the Labour Government published a White Paper arguing the case for the Industrial Reorganisation Corporation.

This Paper put the need for more rationalisation and concentration to promote the competitiveness of British industry. Existing institutions, including merchant banks, did not match the need and Government proposed for its new corporation a set of criteria which included: -

- (i) Prospects of early returns in increased exports or reduced imports
- (ii) Regard to regional economic aspects of Government policies and
- (iii) The need to ensure the eventual viability of the projects.

Section 2(1) of The Industrial Reorganisation Corporation Act, 1966 set out the functions of the new body as follows.

The Corporation may, for the purpose of promoting industrial efficiency and profitability and assisting the economy of the UK or any part of the UK -

- (a) Promote or assist the reorganisation or development of any industry; or

- (b) If requested so to do by the Secretary of State establish or develop, or promote, or assist the establishment or development of any industrial enterprise.

Under the terms of the Act, the IRC could draw up to £150 million of public funds to carry out its statutory functions.

Before its demise in the wake of Tory Selsdon activity, the IRC had involved itself with more than fifty projects and about a hundred and fifty companies, paying out about £100 million of its funds in gross terms. Few would claim that its short life gave encouragement to the concept of this form of state interference but, in fairness, new models take time to operate and, by being saddled with a contradictory set of criteria like having regard to viability and regional policy, it made it difficult to operate.

However, it is a refurbished model of the IRC working in harness with a British version of the Italian IRI that Labour seems to be committed to in its National Enterprise Board, whose major function seems to be to improve the investment record of UK industry by, if necessary, public participation.

The problem for the Co-operative Movement seems basically to ask itself how it would react to a similar agency albeit specifically designed for co-operative purposes.

Objectives for a CDA

Looking at the many views on the topic, both for and against, most seem to lack a sound contemporary economic analysis.

What ought a Co-operative Development Agency seek to do?

First, it should take cognizance of the need to strengthen what J. Kenneth Galbraith calls the market sector of the economy. That is the sector which finds it difficult to pass on wage increases in the form of price increases because it does not have control of its demand curve.

Secondly, it should recognise that the dominance of large-scale enterprises has a sociologically inhibiting effect and thus a Co-operative Development Agency would have social as well as an economic purpose.

Thirdly, it should recognise that the concepts of Co-operative activity are not just related to distributive and allied productive activities but have a wider social and economic impact in terms of housing, education, and general co-partnership in industry and agriculture.

Fourthly, it should firmly establish that the development of the British Co-operative Movement is an essential part of our democratic process and thus, while Government assistance would be helpful, the price for such assistance should not be dominance.

The model for a Co-operative Development Agency, therefore, should not be some state-sponsored industrial enterprise, but rather the University Grants Committee. Since 1968, the UGC has had to give access to its books and records to the Comptroller and Auditor General, but it nevertheless acts as a "buffer" between the universities and the Department of Education and Science to preserve academic freedom.

No one would suggest that the Open University, which is not on the UGC's grant list, has its academic freedom interfered with by the DES, but it is prudent to preserve both the forms of freedom as well as the substances.

The Organisation Needed

Having set out some of the aims of a CDA, what organisational form might it take? Basically, it should be flexible and small and not try to

duplicate that which is already in existence. It should eschew the mania for Parkinson-type growth, which is the hallmark of too many public sector organisations.

To be valid, a CDA would have to merit its existence by results and not by the number on its staff. It should have power to commission research into the viability of present Co-operative enterprises, and to assess areas of possible future growth of Co-operative activity. It should be able to embark on feasibility studies of Co-operative projects submitted to it, and to give advice on the relationship between co-operative ownership and industrial democracy.

For the retail movement, it should be able to approve finance, both by grant and by loan to promote and assist the merging of societies; and to undertake studies of the costs and benefits of such proposals.

In terms of housing, while it should have links with a revamped Housing Corporation, a CDA should be able to build up expertise with local authorities as to how they can embark upon a number of experiments in turning rented local authority housing into housing Co-operatives. The present assistance offered by Government to local authorities to buy houses in the private sector presents an exceptional opportunity for such experiment. While the Housing Corporation's advice would be useful here, I feel that the CDA should have the control of the funds for such experiments.

Perhaps the most important area for the CDA is the relationship between industrial democracy and Co-operation. Since the end of the 19th century, co-partnership ideas have been on the decline, and it is obvious, if they are going to be re-established, they must be given some form of direct impetus. This means a permanent body to seek out opportunities for such ventures. Two examples come to mind, the Standard Triumph problem at Meriden and the closure of the Scottish Daily Express and the

Evening Citizen in Glasgow. Both these instances afforded opportunities for co-operative efforts in production. Instead of shopping around for information and guidance, the workers in such plants, given the existence of a CDA, would have been able to have access to a substantial and developing body of expertise and eventual finance which would have short-circuited the process of assessing the viability of these ventures.

Co-ordinating Government Investment in Industry?

There is another potential source of development related to Government investment in industry. Attention should be given to the Government taking a shareholding in enterprises and allocating such a stake in the form of workers' equity. While perhaps not directly involved, the CDA might act as the co-ordinating medium for such holdings; giving advice to the workers in these enterprises on the progress of the company, and perhaps itself being the channel which a Labour Government would use, linked with a National Enterprise Board, to be the overall holding agency for such investments. The relationship of this type of financial holding operation to small businesses (those employing under 200) could be extremely important.

Discussions about workers' ownership and control of enterprises have been bedevilled by fears or the abuse of producer power. This is another case where a dubious theory of classical economics has hindered necessary experiments in practice.

Producer power has not come about because the workers own and control enterprises, but because of the advances in technology. You will not make that power more responsible by further divorcing ownership and control of industrial enterprises from workers. Particularly in small-scale enterprises, there is an urgent need to tilt the market in favour of their continuance. There are many ways to do it, e.g., by paying a higher Level of REP to them, but in the longer terms, equity financed by Government and operated for workers by a CDA might be a more acceptable formula.

However, to be successful, a Co-operative Development Agency must first of all be a repository of knowledge of how to establish successful Co-operative ventures in a range of environments, and only after that a source of funds.

If the impression is given that it is a means of "cheap" state supplied capital, it will fail in Co-operative terms, because the state and others will naturally want to look closely at the use of its funds, and the defence will be related to the viability of enterprises rather than the experimental nature of the ventures and the return in social cost benefit terms.

What the co-operative Movement must seek to do in the debate around the Development Agency is to show to the Labour Movement that Co-operative ownership and control is a vital means of social ownership and is much more likely to produce responsibility and fairness in society than the other forms which have been tried.

Co-operative Development Agency

MR. T. R. EDMONDSON

(Secretary and Chief Executive Officer, Ipswich Co-operative Society)

"There is now a clear and urgent duty to consider what a CDA means and to work out how it would apply. The point is that almost five years after it was first proposed, no one knows precisely what is implied or, indeed, what the Movement would like to see from it" claims the Co-operative News leader on May 31st, 1974, (The leader could fairly have asked "what the Labour Party would like to see from it", too).

If, as I believe, the leader writer makes a correct assessment of the situation, how is it that the mere mention of a CDA at Co-operative delegate conferences appears to induce an overwhelming state of euphoria, leading to an inevitable "carried unanimously"? Have we here the newest phenomena; the verbal equivalent of LSD? Or is it just another expression of instant communication, the great non-think?

Were George Orwell alive today he, no doubt, would have explained this extraordinary behaviour as part of the essential conditioning process in the inexorable march towards 1984.

Yet, if we do not know "precisely what is implied", at least we should have little difficulty in deducing from the joint statement issued by the Co-operative Union Central Executive and the Labour Party NEC ("Platform", May 24th, 1974) and "Labour's Programme 1973", the general intentions of the authors and the probable consequences flowing from the establishment of a Co-operative Development Agency.

The Proposal and its Development

It would help if we look for the genesis of the idea. Upon reflection, it appears to have been the product of the fortuitous and concurrent emergence of two quite separate events: one, the expressed belief of a few Co-operative leaders that societies were unable to pursue programmes of development due to a lack of capital and, two, the action of the Labour Government in providing capital to industry through the medium-of the Industrial Reorganisation Corporation.

Given an acceptance of the first proposition - although I have yet to learn of one economically sound Co-operative development project being frustrated through lack of capital - and acting on the maxim that "what is good for the goose is good for the gander", it is easy to see how both parties supporting the idea of a CDA can find justification for their proposal. And this despite the evidence that the reasons given for launching the IRC have little in common with those now advanced in favour of a CDA.

Significantly, even the most vigorous supporters of a CDA cannot refrain from entering conditions; based, it must be assumed, upon their nagging doubts. Mr. David Ainley, moving the relevant motion at the 1974 Congress, is reported as saying, "It is our job to see that this (the establishment of a CDA) * will not infringe upon the fundamental rights of the Movement to determine its own policies and continue to fulfil the great purpose embodied in its principles." Magnificent sentiments, deserving of our unreserved support. But is not here revealed the rock upon which a CDA must founder?

What are those principles so essential to the fulfilment of our great purpose? In the simplest terms, open and voluntary (let us remind ourselves) association; one member, one vote; limited interest on capital; the return of the surplus pro-rata to purchases. In the particular case of that part of the Co-operative Movement for whom we speak at Congress,

we are also since the days of J.T. W. Mitchell - a consumers' movement. And this long established and ineradicable orientation is of major significance in our present political and social environment.

It is also of the greatest importance to recognise that, through experience, evolution, and a developing acknowledgement of the possible, we have long ago abandoned all cosmological myths and dreams and settled for a practical role in a limited sector of our national socio-economic structure. Only in such manner could we have preserved our principles; retained our independence; and fulfilled a positive and useful role in society.

Since we are agreed we must not put our principles and right to determine our own policies at risk; and since there is no evidence that we, as consumer Co-operative societies, need state financial aid, why the insistent and continuing clamour for a CDA? Who would be the beneficiaries? And what price would consumer Co-operative societies have to pay for such unnecessary and undesired largess? The answers are plain to see in Labour's Programme 1973, which informs us: -

"We (the future Labour Government) shall set up a CDA, to help provide capital for new and existing developments."

Apart from the fact that such capital is not needed; what would be the reaction of many, if not most, taxpayers to the discriminatory subsidisation of consumer Co-operative societies? Would they not vigorously object? Or, at best - and quite reasonably - demand that any preferential loans and grants carried with them conditions for supervision and control? What becomes then of "principles", "democratic control" and "self-determination of policies"?

And what manner of developments have the LP in mind? " new Co-operative ventures in areas such as construction, publishing, and the motor trades including petrol distribution". Construction? What on earth has that to do with consumer societies? Why not treat directly with the

Housing Associations and the building trade workers' organisations? Publishing? Surely the authors were hard-pressed for ideas? Motor trades? In only ten years, and from almost nothing, the Ipswich Co-operative Society has built up a turnover in the motor trade of £3½ million, including petrol sales of 3 million gallons per annum. And this serving a population of not more than 300,000 people. Who needs a CDA? Yet these are the sum total of the positive proposals put forward for a CDA, unless we include "farming and other (un-named) * ventures"!

The Price of the Proposals

But there is a fearsome price to be paid for that pitiful package of proposals. "We (the Labour Party - in this sense acting as the controllers of the State apparatus)' expect, however, that the Co-operative Movement will in return help us, by using its own powerful institutions to pursue policies which fit into a State 'socialist programme'."

"The public sector plays a valuable role even now in creating a base for Government planning. We believe that its improvement and extension (by incorporating a pliant Co-operative Movement?) * as we suggest can only benefit the community."

So, there you have it. It could not be plainer. There is a beneficiary - the Labour Party! The price? The total surrender of our independence in exchange for the subordinate role of providing "a base for Government planning"!

It is a proposal for the marriage of incompatibles. It is a proposal involving an admission of defeat - the failure of "our principles" to achieve "the great purpose embodied" therein. It is the final corroding and debilitating proposal guaranteed to ensure the demise of reality and the cynical substitution of a facade - a name... a cloak for a meaningless charade of what was once a great idea and inspiration; an idea founded on the belief that the integrity of the individual could be preserved within a

rational social organisation: that man could, by voluntary association, find self-help through mutual aid.

Should any believe I exaggerate, I suggest they visit the USSR and examine there the role and place of the "co-operative movement"; see what "creating a base for Government planning" really means - and learn what a zombie really is.

*Phrases in brackets added in explanation, of course, by the author.

Co-operative Development Agency

MR. DESMOND HOPWOOD
(Lecturer in Marketing, University of Lancaster)

and

MR. DUNCAN MCKELVIE
(Chief Executive Officer, Lancastria Co-operative Society)

This short article is solely concerned with the impact of the proposed CDA upon retail societies only and does not extend to cover its possible involvement with other types of Co-operative enterprise instead.

Supporters of the CDA scheme are apparently thinking in terms of a £20 million fund advanced by the state and administered by a board having a number of Co-operative representatives amongst its membership. A suggested model for the CDA to follow is the former Industrial Reorganisation Corporation set up by a Labour Government in 1966. Its objectives were set out in Command paper 2889 where it was stated, "it will need funds to help to put together new groupings on a sound economic basis. It may also need to provide capital for new projects or expansions of special importance to the economy. Some new groupings may initially have difficulty in raising finance, especially in the form of medium-term loans, and the Corporation will have to be in a position to make capital available ... for investment in a new plant, especially cost-saving machinery of modern design."

The IRC "will be able to acquire a stake in the ownership of new groupings or enterprises it helps to create or to expand. It will not, however, act as a general holding company, and will be able to dispose of its investments when the profits of rationalisation have been assured and it can do so to advantage. The faster it turns over its capital, the

greater will be its capacity to promote the objects for which it is being set up."

Although supporters of the CDA have not made this distinction clear, presumably they then intend that only the proposed new major groupings under the Regional Plan 2 will be eligible to apply for grants and/or loans under this state scheme. Otherwise there seems little point in using the IRC as a guideline towards the future role of a CDA.

To us, there is a real danger that the CDA scheme will be identified as a project solely supported by a Labour Government and therefore one to be quickly disbanded again on the occurrence of a change of Government. The political future of this country is very uncertain at the moment and at the time of writing (early June) the difficulties over the Irish question are such as to be likely to lead to the continuance in office of a minority Government for some time. Assuming a general election does take place within the next few months there is no guarantee that the present Labour Government will be re-elected to hold office. It should be remembered that the IRC was disbanded by an incoming Conservative Government despite a general recognition amongst many commercial and financial circles that it had managed to achieve a useful role for itself during its few years of active existence.

If the present minority Government debates and proposes the CDA issue for legislation, given the present delicate political situation, the controversy aroused is likely to lead to many consumers with no strong political affiliations at all identifying the retail Co-ops with the Labour Party alone. This trend may have harmful effects on trade in certain important geographical areas of the UK where although the Labour Party have little local political strength, the retail Co-ops are still a successful and growing local business enterprise.

Perhaps the ensuing controversy would be considered, by some Co-operators, to be worthwhile if it resulted in a large grant of public funds at relatively low interest rates. Is there any evidence that the Movement already lacks such a source of finance?

The Study Group - Capital Resources.

An influential study group reported on "Co-operative Capital Resources" to the Co-operative Congress in 1973. So great was the interest in this topic that the circulated questionnaire on financial sources and capital needs for the future was completed by only half of the societies in the UK and, in turn, only 57 of this latter group were able to supply capital budgets for at least three years ahead. (This out of a total of 240 societies in the UK.)

Projections based on these figures expanded to cover all societies estimated an annual rate of expenditure of about £30 million a year and it was expected that most of the required finance would come from retained profits.

The study group examined the availability of capital from the various Co-op national financial institutions. The CWS stated that they did intend to continue to make limited advances to certain large regional societies and to superstore development agencies, while the Co-operative Bank commented that "on the assumption that Co-operative moneys invested with the CWS would not be withdrawn and would remain deposited in the Banking Group, it was estimated that an additional £27 million could be advanced to retail societies over "he next five years, in the form of overdrafts, block discounting, etc." The Co-operative Insurance Society informed the group "in the past, requests from retail societies for finance had never reached a large enough scale for them to have to consider limiting the total amount of finance that could be provided and that in the past year or so the volume of requests had reduced. They therefore did not envisage that they would have any problem in future in meeting

calls from societies for finance for economically viable propositions.”

In a section headed “Preferential rates of interest” the study group discussed the availability of funds on terms better than the market rate. All the then national federations except the Co-operative Bank stated that finance could only be provided on commercial terms, with the then Scottish Co-operative Society emphasising that the provision of capital interest rates lower than market rates was a type of subsidy that obscured the correct interpretation of the profit flow”. The Co-operative Bank preferred to, talk in terms of “the most competitive terms”, but stressed that their terms could not vary far from the market rates if their bank was to continue to develop as a successful institution in a competitive financial economy.

The study group concluded from all these discussions “that if societies are prepared to pay market rates, then finance can be obtained for economically sound developments either from within the Movement or from outside of it. In this sense, there is no capital problem for the Movement; the problems are those of achieving and maintaining a satisfactory level of profitable operation and of ensuring that the developments undertaken by societies are economically viable. Opinion differed as to whether the national federations should always change the market rate, but we think it unlikely that a state fund instead would give loans at substantially lower rates of interest than this unless it were also accompanied by a great deal of control by civil servants over the investment schemes being financed by the proposed CDA.

Three Counter-Suggestions

All the foregoing comments are not, intended to give rise to an impression that we are complacent about the likely future pattern of financial sources for the Movement. We have three counter-suggestions of our own to put forward to the supporters of the CDA proposal.

1. Stage 3 of the Price Code which came into effect early in May this year only exempts 40 very small Societies (chiefly situated in the North of England) from additional controls on the profitability of retail organisations. Because of the 250,000 a year exemption, in practice most voluntary chain branches will not be affected by those new control procedures and it would seem only fair to the Co-ops if the Labour Government introduced similar concessions to cover, say, those of their branches achieving a turnover figure of less than £3,000 a week. This is because voluntary chain branches chiefly operate with retail societies in rural areas and small suburban shopping par des - locations almost completely ignored by the large multiple food chains. However unintentional its act, the Government has succeeded in this policy in largely discriminating against Co-op food stores alone in such retail centres.

2. We would also favour the in reduction of a lower 35% tax rate for those profits ploughed back in to Co-operatives in order to ensure that past profitable societies with a good record of trading success were given an advantage over the less successful societies in terms of ploughed back profits for further trade expansion.

3. Finally, rising wage rates in small turnover branches of, say, under £1,500 a week in rural village areas where, because of a limited catchment zone, there is little prospect of ever significantly improving the turnover to obtain productivity gains, perhaps call for special state and local authority measures of assistance if they are to be kept in existence as a social service to the local community as well as being an economic enterprise.

The report of the publicly owned National Bus Company for 1973 contained the following entries: "the following grants under the provisions of the Transport Act 1968 were received and receivable in respect of 1973 qualifying expenditure - Rural Bus Grants (Section 34) -

£1,565,000 (1972 figure £1,145,000)." These are discretionary grants made by local authorities to aid local bus companies in maintaining uneconomic routes of local significance and perhaps a similar scheme could be drawn up for rural stores in remotely populated areas. Such a scheme should be open to all retailers involved in this type of trading and, in this way, it could be operated irrespective of changes of Government. The scheme is relevant to retail societies since many of them collectively operate a large number of such stores in this country. Otherwise, a combination of rising wage rates and tighter margin controls will only result in a significant reduction of rural branches with all the social costs to many local communities that would be involved as a result of such a policy.

Co-operative Development Agency

MR GEOFFREY RHODES MP

(This was the basis for a presentation to the Annual Conference by Geoffrey Rhodes a few weeks before his death in June 1974.)

There are many ways of establishing social ownership in the UK and it is important to stress this, since far too many on the so-called "left" appear to run along the one-track mind of public ownership, with nationalisation as the model. There is a great deal of nationalisation which has little to do with "socialism" as such - the structure of some nationalised industries is bureaucratic and involves very little real partnership and involvement in the running of the concern either by the employees or by the consumers.

Co-operative forms of social ownership can and often do overcome these defects. The Labour Movement is just beginning to realise the role of the Co-operative Movement in the development of socialism in this country. The suggestion of a Co-operative Development Agency is part of this process and, if taken seriously (and eventually implemented), would represent a dramatic step forward. The idea of a CDA first appeared in the thinking of the Labour Party prior to the 1970 election. Extensive references to the creation of a CDA appeared in "Labour's Programme 1973" which was endorsed by the Annual Conference of the Party at Blackpool in October 1973.

The task of the Labour Government is to set up a CDA to encourage rationalisation, modernisation, and innovation in the Co-operative sector of the economy. The Agency should have at its disposal sums adequate to carry out its tasks on a basis comparable to those made available by the last Labour Government for the Industrial Reorganisation Corporation to perform this task in private industry. Investment should be available in the form of loans and grants for approved schemes of Co-operative development.

A major task for the Agency will be both to stimulate research and finance methods of restructuring existing societies on a more efficient basis. Secondly, to assess and help new Co-operative ventures in the consumer field. For example, the Agency should consider ways in which Co-operative principles may be applied in such fields as the construction industry; publishing; the motor trades, including vehicle and petrol distribution; leisure activities and credit unions. Encouragement is already given to the application of Co-operative principles in the field of housing and in agriculture and horticulture.

The terms of reference for the CDA will recognise the crucial importance of democratic machinery within the British economy. We therefore accept that grants and loans must be made in a way which recognises the importance of strengthening democracy as well as efficiency in the Co-operative sector. Additionally, they will recognise the important social role of Co-operatives, noting that traditionally, Co-operative enterprise has been geared to community service rather than profits.

The CDA would make a significant contribution in providing research and management services for the whole field of Co-operation, thus helping the existing services in this field which are currently provided by the Co-operative Union and CWS. Presumably, the Agency would be run by a Board appointed by the Government with, say, half the number being nominated by the Co-operative Movement and others from independent persons with wide experience of industry, technology, commerce, and financial matters and the administration and/or organisation of workers.

The Co-operative Parliamentary Group must remind the Labour Government of its pledges in this field. The idea of a CDA was submitted unsolicited by the Labour in a policy document; it arises naturally from the increasing involvement of the Government in the industrial and commercial spheres. The Labour Government of 1964-70 poured millions of pounds into the shipping and aircraft industries and gave grants to other industries which would have collapsed without such aid.

While the Co-operative MPs can press ahead with the idea of the CDA, the wider Co-operative Movement is now confronted with the task of spelling out more precisely than it has done so far, just what forms of assistance (and on what terms) it expects from the Labour Government.

Co operative Development Agency
Role of Government in Agricultural Co-operation

MR. F. H. WEBSTER

(Secretary, The Plunkett Foundation for Co-operative Studies)

Agricultural co-operation in this country has developed separately from the Consumer and Industrial Co-operatives and there are only informal links between the sections. The CWS has trading links with some of the requisites Co-operatives; the Plunkett Foundation for Co-operative Studies has close ties with Agricultural Co-operatives and the Co-operative Union, but there is no common pyramidal structure as in many other countries. Separate legislation applicable only to Agricultural Co-operatives has recently been passed, and pressure is being brought on the Government to pass a law creating an "agricultural association" which will encompass the existing Agricultural Co-operatives at present registered under either the Industrial and Provident Acts or the Companies Act.

The Agricultural Co-operatives have built up an important place in the agricultural economy as the following statistics for the year 1972/73 indicate: -

	No. of Organisations	No. of Members	Total Turnover £ millions
Supply Co-operatives	133	214,317	262
Marketing Co-operatives	290	335,825	223
Production Co-operatives	102	921	15
Service Co-operatives	32	15,296	1
Total	557	566,359	501

This represents approximately 16% of the supply trade and 11½% of marketing.

The functions of each type of Co-operative are not exclusive, and supply Co-operatives may market cereals, in addition to supplying their members with machinery, seeds, fertilisers, pesticides and so on. Equally, the marketing societies may provide a sales service to their members in addition to their main function of selling members' produce. The marketing societies specialise to a large extent, and the main divisions are eggs and poultry, horticulture, livestock, meat, and wool marketing. Partly because of this diversity and partly for historical reasons, apex trading organisations such as the CWS have not developed. There is a central organisation in each of England, Northern Ireland, Scotland, and Wales, however, which provide a range of services similar to those of the Co-operative Union.

Formation of Central Council

The role of Government in Agricultural Co-operation began when it was agreed that Co-operatives should be treated as extensions of the farmers' own business for grant-aid purposes. In 1967, the promotion of Co-operation in agriculture and horticulture became a positive aim of Government's policy for the improvement of the structure of farming. The organisation created to implement this policy (there being no suitable United Kingdom producer-controlled body in existence at the time), was the Central Council for Agricultural and Horticultural Co-operation (CCAHC). In the context of the current proposals for a Co-operative Development Agency, it is appropriate to look briefly at the consequences of this action.

With the general approval of the three main political parties, the Agriculture Act of 1967 was passed, which created the CCAHC, with the following functions: -

- (a) To organise, promote, encourage, develop and co-ordinate Co-operation in agriculture and horticulture.

- (b) To advise Ministers on all matters relating to Co-operation in agriculture and horticulture.
- (c) To administer a scheme of grants chiefly designed to aid Co-operation in production and marketing.

The fourteen members of the Council are appointed by the Minister of Agriculture: six are independent members, and eight are appointed from nominations made by the three Farmers Unions and the four central Co-operative organisations. The Council has nine regional officers who advise new groups of farmers wishing to form a Co-operative, or who would like grant aid to develop an existing Co-operative. Grants are available for a wide range of purposes as follows: -

	Maximum
Surveys and feasibility studies	75%
Formation costs of new Co-operatives	75%
Buildings for Agricultural Co-operatives	40%
Buildings and equipment for Horticultural Co-operatives	35%
Managerial salaries and expenses	33.3%
Management selection	75%
Training of managers	75%
Research	75%

The Central Council was empowered to give grant aid for various aspects of Co-operation in production and marketing, but it was not permitted to grant aid supply Co-operatives as this would have been considered to be aiding one sector of the trade at the expense of the others. This restriction on the Councils' role is still enforced. Its budget for the first year was £1½ million; by March 1973 it had approved 1540 of the 1904 applications it had received, and grants totalling £4.6 millions had been issued. The total value of the projects represented by these grants was £16.7 millions: an overall average of grant aid of 27%.

The General Consequences

There is no doubt that the activities of the Council have increased farmers' awareness of the value of Co-operation, or that the value of these benefits outweighs the cost of the grant aid and of the annual costs of the scheme. On the other hand, there has been a tendency for small Co-operatives to proliferate, due to the inability of the Council to refuse grant aid to a commercially viable scheme, whatever the existing Co-operative structure in an area.

The exclusion of supply Co-operatives has led to some ill feeling on their part. This is mainly because the long-established but loosely linked marketing schemes fostered by the supply Co-operatives, would not be eligible for grant aid. The same group of farmers, however, would be eligible for grant aid if they cut loose from the supply society and formed their own Co-operative.

However well administered and wisely applied, a scheme of grant aid generates a feeling of obligation. It is inevitable too that the dispensation of Government funds requires a periodic scrutiny of the results, at least during the period of the grant: this is inevitably resented in the same way as most people resent the intrusion of the Income Tax Authorities into personal affairs

In January of this year, CCAHC was given the additional responsibility to be matched by additional funds and staff, to set up a new marketing unit, within the Council, to be guided by a Marketing Policy Committee, instead of supporting a new organisation which had been proposed by producers' organisations. The aim of the new Committee is "to search out what markets want and what outlets there are for individual commodities" (Minister of State, Anthony Stodart).

The outcome, since the formation of CCAHC in 1967, is that it has become a powerful body in Agricultural Co-operation.

Its influence has expanded into all aspects of Agricultural co-operation, to a greater extent than a grant-aiding role would necessitate. This is partially due to default on the part of the existing Co-operative organisations, but also because the members of the Co-operatives see little reason to finance services which a Government agency is willing to provide free or with minimal contributions from the Co-operatives. This attitude has prevailed during a period of reasonably benevolent Government policy towards Co-operatives and has left the central organisations in a relatively weak position, as has been evidenced by the recent Government decision to enhance the powers of the CCAHC, rather than support on independent producer marketing body. Government naturally consults its own agency on Co-operative questions, and this has reduced the lobbying influence of the Co-operatives.

In conclusion it is difficult to evaluate the role of the CCAHC. There is no doubt that Agricultural Co-operative marketing and production have flourished during its existence, but it would probably have done so anyway as a result of the changing systems of marketing and the uncertainties connected with joining the EEC. The services and information system connected with Co-operation have improved, but at the expense of the taxpayer rather than the producer. The Co-operative member has become accustomed to having these facilities provided and if Government policy changes and the Central Council is abolished, it is possible that agricultural Co-operation may go through a period of considerable difficulty.

The Society for Co-operative Studies
 REPORT OF THE EIGHTH ANNUAL GENERAL MEETING
 29TH/30TH MARCH 1974
 AT THE CO-OPERATIVE COLLEGE, STANFORD HALL

1. Attendance

The following were present: those from an organisation in membership of the Society are indicated:

MR. D. AINLEY	London Society
MR. J. ARCHER	Mansfield and Worksoop Society
MR. J. BAGSHAW	Greater Nottingham Society
MR. J. A. N. BAMFIELD	Co-operative Union
MR. E. A. BENTLEY	Leeds Industrial Society
MR. J. BLAIZE	North Midland Society
MR. K. BRADSHAW	Leicestershire Society
MR. R. BRISCOE	Plymouth and South Devon Society
MR. L. E. BURCH	Co-operative Union
DR. T. F. CARBERY	
MR. S. P. CLARKE	West Yorkshire Society
MR. A. E. COBILL	Barnsley British CRS
MR. G. N. COOKE	North Midland Society
MR. K. COOPER	Derby and Burton Society
MRS. B. DAVEY	Plymouth and South Devon Society
MR. J. W. DEANE	Brightside and Carbrook Society
MR. P. L. DAWSON	
MR. T. R. EDMONDSON	Ipswich Society
MR. W. A. EDWARDS	Portsea Island Society
MR. L. C. FOX	Co-operative Union
MR. G. R. GAY	St. Cuthbert's Co-operative Association
MR. M. GIBSON	
MRS. M. GURDEN	Coventry and District Society
MR. R. HANKS	Brighton Society
MR. J. H. HEWITT	Barnsley British CRS
MR. C. C. HILDITCH	Co-operative Union

MR. D. G. HOPWOOD	
MRS. L. HOWE	Co-operative Press
MRS. KING	Central and East Fife Society
MR. D. LANE	Co-operative Union
MR. R. A. LEE	CRS
MR. P. A. LEGG	
MR. D. LOGAN	Hull and East Riding Society
MR. R. T. LOWE	Leicestershire Society
MR. J. McDONALD	CRS
MR. R. W. MACKIE	Central and East Fife Society
MR. R. L. MARSHALL	Co-operative Union
MR. J. D. MOORE	Greater Nottingham Society
MR. B. W. PARRISH	Greater Nottingham Society
MR. A. RHODES	CRS
MR. C. J. F. RINGROSE	Co-operative Union
MR. H. ROBINSON	Greater Nottingham Society
MR. B. J. ROSE	Co-operative Union
MR. W. SHEARER	Co-operative Union
MRS. H. B. SHORT	Plymouth and South Devon Society
MR. R. G. E. DE SILVA	Co-operative Union
MR. E. E. STEPHENS	CRS
MR. F. STYLES	Royal Arsenal Society
MR. E. W. TAYLOR	Harrogate and District Society
MR. C. THORPE	Mansfield and Worksop Society
MR. N. TURNER	CRS
MR. A. S. WALKER	Co-operative Union
MR. J. H. WALKER	Royal Arsenal Society
DR. A. WILSON	
MR. R. WILSON	Co-operative Union
MR. D. WILKINSON	Co-operative Union
MR. A. W. WOOD	North Midland Society
MR. J. H. WRIGHT	Leeds Industrial Society

2. Introduction by the Chairman

Mr. D. G. Hopwood welcomed members and noted with satisfaction the large attendance.

3 Apologies

Apologies were conveyed on behalf of various members, including Presidents of the Society, Mr. L. A. Harrison, Professor S. Pollard, and Mr. W. P. Watkins.

4. Report of the National Officers for 1973/74

The Secretary introduced the Report and noted that the membership had held, largely as a result of approaches to large societies, fourteen of whom had responded. On paragraph 4, "Other National Activities: Research": there had been no direct development during the year; on "Regional Developments": the Midland Region was the most active group, but in general, Regions were not managing to make the progress that had been hoped for.

Referring to the section on "Finance": the Secretary indicated that the increased subscriptions were a reflection of the recruiting drive; and on payments there had been a heavy increase in printing costs, but this burden would in future be reduced by having the "Bulletin" produced through the Co-operative Union's own printing service.

Although the Society's modest resources were, at the year end, even more modest, the prospects were not too forbidding.

5. Future Development of the Society

a. ARRANGEMENT OF THE AGM

The meeting considered a suggestion from the Midlands Region that more members and particularly those "Co-operatively" engaged, might attend the Society's Annual Meeting if it were held on a Sunday. The consensus of the meeting appeared to be that a one-day-conference would not give sufficient time adequately to consider the items necessary and that it was not likely that a Saturday and Sunday conference would prove any more convenient than

the existing arrangements. However, a suggestion was made that the National Officers consider holding a separate day conference each year in a different Region.

(b) GENERAL PROSPECT

There was a general and quite hopeful discussion on the general development of the Society which included these points: -

- (i) A suggested difficulty in bringing "academics"¹ into dialogue with management "professionals" in the Society was that although academics were interested in specific subjects and areas of concern to the Society, they often felt membership would entail a commitment on their part that they did not feel able to give.
- (ii) A major problem was communication; first, in making academics aware of the Society's existence and, secondly, in involving their participation. The National Officers might, it was suggested, consider a campaign with articles in journals and invitations to particular individuals to bring them into association with the Society. It was stressed, however, that in order to interest more academics it would be necessary to offer them something interesting and useful to do. Without that, any campaign would not be successful.
- (iii) The importance of association with undergraduates was instanced. Many students were open to suggestions for areas of study and their value to the Society could be considerable.
- (iv) There was agreement that a dominant objective of the Society was to get more academics to take up close scrutiny and continuing dialogue with the Co-operative Movement. The most obvious chance of growth lay in building from present strength - in the usefulness of the Annual Meeting, the service of its Bulletin, localised groups which brought together Co-operative societies and neighbouring universities, and in national research.

6. Appointment of Officers

Thanks were expressed to the Officers for their service during 1975/74 and the following members were recommended and elected to office for 1974/75: -

- a. Existing Presidents.
- b. Mr. S. P. Clarke as Chairman.
- c. Mr. C. J. F. Ringrose and Mr. Michael Gibson as Vice Chairmen.
- d. Mr. R. L. Marshall as Secretary and Treasurer.
- e. Mr. R. L. Marshall and Dr. T. F. Carbery as Editors of the Bulletin,

Mr. Hopwood was thanked for his services as Chairman, and Mr. Marshall was thanked for his services as Secretary and with Dr. Carbery as Editor of the Bulletin.

7. Conference Papers

- a. "The Co-operative Development Agency - An Examination of Prospects

Mr. Geoffrey Rhodes, MP, Labour and Co-operative Member of Parliament for Newcastle East, suggested on the basis of a note distributed at Conference, that there were more ways of establishing social ownership than via nationalisation, which could be bureaucratic, and which might involve very little real partnership and involvement in the undertaking either by the employee or by the consumers. Co-operative forms of social ownership could overcome some of these difficulties and the Labour Movement were now giving serious thought to the idea of a Co-operative Development Agency.

This was first officially suggested in the 1970 General Election and appeared in Labour's programme (1973) endorsed by the Party Conference of that year. The Co-operative Development Agency would encourage rationalisation, modernisation, and innovation in the Co-operative sector of the economy and would need to have at its disposal resources adequate to carry out its tasks - as was the case with the Industrial Reorganisation Corporation for private industry under the previous Labour Government. Major tasks would be to stimulate research and find methods for restructuring existing Co-operative societies and to assist and help new Co-operative ventures in new areas of both retail and productive service.

Points made in the discussion were: -

- (i) That the issue of the CDA was still rather vague and before any detailed discussion were possible there would need to be a more open and publicised draft of specific proposals and possibly further dialogue between the Labour Party, Co-operative MPs, and the Co-operative Movement to clarify several issues.
- (ii) There was an area of direct interest to the Society for Co-operative Studies in the availability of resources for research and education into specifically Co-operative problems and proposals for development.
- (iii) On the proposal for CDA there might be some reservation of principle. There was not a perfect analogy between state aid for the Co-operative Movement, i.e., one form of enterprise in various industries, and aid to a complete industry which might accommodate different forms. Moreover, among the Movement's basic assumptions was the view that under fair competition the Movement could show its superiority and the CDA could be seen as an abandonment of that principle.

- (iv) To some extent the Movement was committed to the proposal for the CDA as supported at Co-operative Congress. If social ownership was considered a worth-while aim, it seemed likely that this would in future develop on more Co-operative lines, and through consumer organisations.
- (v) If there were not an overall case for Co-operative financial support, there could well be a case for money for small retail services in areas where retailing was not economic. In any allocation of resources to Co-operative development each effort would need to be specific. Many millions of pounds spent over the whole Movement would be completely insufficient to be effectual.

(b) “Regionalisation in the Co-operative Movement: Prospects and Problems.”

Two papers were presented, one by Mr. David Ainley, President of the London Co-operative Society, supporting the Regional Plan II, and another by Mr. T. R. Edmondson, Secretary and Chief Executive Officer of the Ipswich Co-operative Society, suggesting that a more or less uniform pattern of regionalisation for all areas was not the full answer and indeed by ignoring optimum size of operation in relation to population, could be disadvantageous. The papers had been printed in Bulletin 20.

In the presentation of the papers-and in the discussion, points in favour of regionalisation were: -

- (i) The need in present economic conditions for Co-operative trading to think and act as one movement and one organisation.
- (ii) The need for larger societies capable of financing heavy capital costs, undertaking modernisation and development, and of attracting and using to advantage the best available management.

- (iii) The future possibility of less differentiation between retailing and wholesaling. Large retail societies could assume more wholesaling functions.
- (iv) With the development in size of societies, a new element had entered into the situation: retail societies were increasingly competing not just with their old rivals, but with neighbouring Co-operative societies.
- (v) Where there were trading deserts in areas between societies' centres, it would be better, instead of ignoring what neither society could alone do, to see what both societies could do together. At the present, co-operation was at best building only a number of successful Co-operative islands.

Some of the points against regionalisation were:

- (vi) Size was not synonymous with efficiency - the large organisation could be less efficient.
- (vii) There was a danger for large societies in becoming too concentrated in, and on, central and populous areas, thus creating trading deserts.
- (viii) Growth could only come from individual strength and efficient management - not as a result of a general plan. Societies were being taken over by CRS because they were inadequately managed - not because they lacked size.
- (ix) The larger the scale of the retail trading organisation the more difficult it was to maintain the essential features of a Co-operative society.
- (x) Regional Plan II did not take into account sufficiently the different organisational requirements of different parts of the country.

AN UNUSUAL PARLIAMENT?
SOME FIRST IMPRESSIONS
T. E. Graham, MP

Everyone I meet tells me that this is an unusual Parliament. I wouldn't know, it's my first. All I can say is that it is the most interesting Parliament of which I have been a Member. Having been elected the Member on March 1st, the next thing to wait for was to find out whether I would be on the Government or the Opposition benches. Perhaps one or the most interesting aspects of how Labour came to Government in 1974 will be seen to be how Harold Wilson and the Shadow Cabinet conducted itself over that first crucial weekend.

Whilst Ted Heath and Jeremy Thorpe were thrashing about to find a workable formula for the Conservatives to continue to rule, Labour leaders maintained the maximum of silence - and were rewarded with high office. There must be a moral somewhere.

I came to Westminster, no stranger to the place. After all, I had been the Secretary to the Co-operative Parliamentary Group for seven years and in that capacity had trod the well-worn corridors. Not - even yet - all three miles of them or remotely have I entered more than a fraction of the 1100 rooms which are in the place. But I was familiar with the broad setting. How, now, after two months as a Member of Parliament, does the place strike me from the inside instead of on the fringe?

It is, by any yardstick, a place of contrasts. One moment, such as listening to the Chancellor present his Budget, the Debating Chamber is a sea of faces, every one of them appearing to be riveted to the Chancellor as he carefully soldiers on through more than 2½ hours of carefully prepared and cogently argued economic analysis and pronouncement. These occasions, when the House is packed, are rare.

When a great debate opens - such as on the Queen's Speech or the Budget, or when it closes on a major debate, when the Front Bench spokesmen respond to the excited atmosphere, goaded on by their excited and exuberant supporters. At other times, a place almost of ridiculous pretension. Like when debates on education or on the Sharp Report dealing with the disabled - topics vital and central to the future of so many millions of people. And yet there will rarely be more than a handful of Members on both sides of the Chamber.

And whereas before entry into the House I would get exceedingly angry at what I felt that this conveyed- a scant disregard for the importance of the subject - I now understand how this place tries to work.

A lack of attendance in the Chamber is no indication of a lack of interest in the topic. It may well be an indication of the power of the speaker as an attraction. But whilst the Chamber may be sparsely attended, very often there are literally dozens of other occasions throughout the Palace of Westminster where members are meeting their constituents, gathering in their subject groups, or quite simply reading the mass of documentation, the better to understand what is happening. It must look strange, as a member of the public, very often struggling to gain a seat, to look down on the empty green benches. But the place still works.

I have discovered that it is all too easy to waste a lot of time. One needs to begin the working day with a fairly detailed idea of how it is to be spent. Correspondence to be cleared. Special meetings to attend. For instance, meetings of the Parliamentary Labour Party, which provide an opportunity for every back bench Member to question and challenge Members of the Government. Perhaps meetings of Standing Committees to attend. These are the Committees which will examine the legislation in detail, amending and seeking to improve the Bill at its Second and subsequent Readings. I have been a Member on the Independent Broadcasting Bill. I now serve on the Prices Bill. This

promises to be an invigorating exercise because the whole philosophy behind the Bill is a challenge to the Conservative philosophy and is central to the economic and social policies of a Labour Government.

On a number of occasions in the past, I have been part of a lobby. With others I have sent in green cards asking for my Member of Parliament to come out and face the music. I was recently on the receiving end. Teachers in Edmonton schools joined with other London colleagues and marched on the House of Commons, demanding that the London Weighting Allowance be given forthwith - or else. I had to meet more than one hundred of them and explain that it was likely to be "or else". It proved to be a worthwhile and satisfying experience. Being able to say that I sympathised with and would support their cause must have helped. Next week I will be meeting my first party of school children and conducting them around the House. Thus, the familiar or accepted pattern of how a Member of Parliament is seen by the public is beginning to take shape.

Being a Member of Parliament is more than attending Westminster, listening, and making speeches. Some people say it is difficult to get into debates, but whether by good luck or judgement, within the first, two months of Membership I have been able to make four speeches, including, of course, my own Maiden. Speech. "Get it over quickly". "Wait until there is a subject in which you can show your specialized knowledge". "Wait until the mood takes you, speak extempore, and it will be most effective". I decided to prepare, as carefully as I could; to get in as quickly as I could, on a subject about which I felt I could claim some knowledge. Thus, in the first week that the House met in order to debate the Queen's Speech, I made my Maiden. When I had sat down after thirteen minutes of world-shattering and historic prose, I wondered why I had made so much fuss. It was almost painless - afterwards.

Representing a constituency near Westminster (Edmonton is about 10/12 miles away), it is highly convenient to be involved in constituency affairs. Visits to clubs and groups to meet and discover have, if not exactly poured in, then at least come in a steady trickle. They are an exceedingly good means of meeting the constituents. A regular fortnightly surgery when there has been not less than twenty constituents with problems provides the other side of the picture. If every other Member of Parliament has precisely the same experience as I have, then there are very many unhappy and desperate people with problems which appear to be unsurmountable. Their faith in the ability of their Member of Parliament to solve their problems after they have been rebuffed in a number of places is touching, and at times alarming. At the same time, it is also inspiring, and one tackles these human problems with humility and urgency.

I have asked my first Parliamentary Questions. Nothing world shattering. When will the local road controversy be adjudicated on by the Minister? Can the cut-back in educational expenditure announced by the previous Government be restored? How has my Borough complied with the provisions of the Chronically Sick and Disabled Act? Questions are an exceedingly good and quick way of receiving answers. They also demonstrate publicly that one is trying to do a job of work.

I have found that the Administration and the Civil Service is first-class when it comes to assisting a Member of Parliament to do his job of work. Prompt, courteous, and efficient have been the responses to my calls upon the time, information, and expertise of Civil Servants at Ministries and in the Palace. It may not always be so, but this is how it has struck me in my first two months.

Parliament is a place with enormous possibilities for a new Member. The opportunities are very largely self-made. Given that the member wishes to represent the views of his constituents, help to shape the policy of his Party, and effectively contribute to the Government of the country, I can

already see that there are endless ways in which these objectives can be pursued. Not every Member will look upon the House of Commons as the primary place at which they work. I do. I am in the hackneyed phrase, a full-time Member of Parliament and as such I would imagine that I will be spending, whilst the House is sitting, not less than twelve hours every working day in the place. That being the case, a lifetime's experience in the Co-operative and Labour Movement will not allow me to waste many hours. Issues will emerge or be discerned and thereafter will be pursued. The need to maintain close and effective links with the Co-operative Movement, the better to represent the Co-operative point of view, will always be part of my commitment. But over all, there is the feeling that one can take part in an institution with historic and dynamic potential one almost smells the fact that Westminster is the place where things can happen if one wants them to. After two months in the place, I have already decided that I intend to join in this process of helping to make things happen.