Newsletter *By Peter Clarke*

To me being a Co-operator implies active participation in Co-operative activities or involvement in promoting the Co-operative message. As a Co-operative-sponsored Labour Councillor in North Tottenham, bordering on Ted Graham's old stamping ground of Edmonton, naturally I have tried to "protect and promote" the Co-operative principles.

Retail

A new CRS store is rising half a mile from my ward, Tottenham High Road. The Council hopes that it will become the centrepiece of its drive to revive Tottenham High Road. At the moment the High Road is trying to pick itself up, a series of businesses trying to succeed amidst a shambles of fly-postered shops and fly-blown, rubbish dotted pubs, fast food restaurants, and night-clubs.

Funerals

The Council is just about to announce the setting up of a low-cost funeral scheme, in conjunction with CRS. After two years of meetings, persuasion, badgering and bludgeoning, the idea has finally emerged from the bureaucratic woodworm.

Housing

At long last, the Council is going to take housing Co-ops seriously. This is after a year long war of attrition. First the Chair of Housing was hostile, for no apparent reason. Then an officer was assigned to look at the prospects. But that officer is leaving the Council for pastures new - regrettably an all-too-common trend these days. But one day it might happen; the officers have at least now got the message that tenant-management Co-ops are the best defence against the "pick a tenant" clauses of the Housing Act, 1988 which allows private landlords to buy Council estates.

And now a Credit Union?

Unquenched, my latest "project" is to set up a credit union in North Tottenham. Like most inner-city Councils our Council has a big problem with rent arrears.

It is no good for the Government to rant on about the scale of the problem, we are well aware of that. What is required is some practical way forward. Of course we part company from the government over cutting - targeting - Social Security and Housing Benefits to provide lower Income Tax. We disagree with the Government on this because it does not create a land of milk and honey for the Council tenant. On the contrary Council tenants are more than likely to be dependent on social benefits, more likely to be unemployed or in low paid jobs, more likely to be from the black and ethnic minorities. But like everybody else, they want to enjoy the good things of life, have nice clothes, a three-piece suite, a (second-hand) car, a video, and a holiday in the sun.

The Problem of Debt

There are plenty of legal means of obtaining the ready cash required. Everyone can find a "friend in the pub". He is better known as the loan shark. There is always the pawn shop, (after all you can redeem your pledges) and Provident Cheques. Besides, it is not too difficult to get a major credit card like an Access or Visa card. Most banks and even building societies seem to be thrusting them at their customers. Some banks like Barclays, and regrettably now the Co-operative Bank, no longer issue a separate cheque guarantee card. They simply issue a combined Visa and cheque guarantee card.

The result is that money is borrowed at high rates of interest by people with low incomes to pay off their electricity bills or to buy necessities like a heater or cooker. Once caught in this spiral they find it difficult to escape since the "no questions asked, no security needed" credit brokers insist on getting their pay off, even if they have to use menaces. People who borrow from loan sharks find out too late that they have to repay many times the original amount they borrowed.

And the Co-operative Response?

This is where credit unions come in. Credit unions are savings and loan Co- operatives run by their members for their members. There are no middle men. They are an effective answer to the loan sharks and the pawn shop. They can help tenants and residents keep out of debt and save for things like holidays and cars. Credit unions are an insurance against the unexpected yet costly events common in life. They have worked in many other places, just like North Tottenham, and they can work there. Indeed a credit union can work in any community where there is a core of people committed to making it succeed.

In North Tottenham, thanks to the help of Peter Bussy, Development Officer of the Association of British Credit Unions, we have now found the dozen or so key people to form a Steering Committee to get the credit union started. A "common bond" is being defined and we are working towards launching a credit union in the autumn.

CRS in Top Gear

Four years ago the management structure of CRS was revised, to split its activities into major national trading divisions, each with clearly defined responsibilities and authority. These are a Food Division, a Non-Food Division, a Funeral Division, and a Dairy Division; an organisational structure not dissimilar to those of Tesco and Marks and Spencer.

The 1988 results of the Society justify the reorganisation. Turnover is up to £1,143 million from £961 million in 1985 and trading surplus is up to £32 million from £15 million. Since 1985, £215 million has been spent on capital projects; £75 million in 1988 alone. This figure exceeds the turnover in that year of all but the seventeen largest societies.

The 1985 reorganisation of the trading operation was paralleled by a reorganisation of the democratic structure. 25 Regional Committees were created in 6 geographical sectors. The Board of Directors consists of 8 directors appointed by the CWS, and 8 directors appointed by the Regional Committees.

The Society has further projected its social principles, with the innovation of an Annual Social Report, published for the first time in 1988. This set out the meaning of Co-operation in defined social objectives for consumers, members, employees, and the community.

With a Co-operative movement still needing severe rationalisation to face the future, CRS is prepared to play its part in that rationalisation process. In 1982, following its absorption of the London Society, it had declared that it could not take on any other major societies without financial assistance from the Movement. This remains the position, though CRS 's balance sheet is now in a much healthier state.

Meanwhile, plans for bringing back the Dividend, in the form of a plastic Shareholder's Card, are being developed. CRS was never against the "Divi" but feels that it must be done in a meaningful way and that it must be a payment out of surplus. Dividend fell into some disrepute during the 1960s and 1 970s because it was being paid out irrespective of societies' profitability.

Co-operatives for the Poor

A recent visitor was Mr. Myron A. Gawigawen the Program Director, Co-operatives for the Poor Program, of the Co-operative Foundation of the Philippines, on a tour organised by the Plunkett Foundation for Co-operative Studies. The Philippines is a country with a population of over 57 million, with a per capita GDP in 1986 of US$ 614. It is a series of islands, 7100 to be exact, of which 2773 have names.

The Co-operative Foundation of the Philippines started operations in January 1978 and was registered as a Co-operative in 1981. It aims to promote the development and growth of Co-operatives as instruments "for the social justice and uplift of the socio-economic conditions of the poor". It has adopted a definition of a Co-operative as "an association of persons (or households) usually of limited means, who have agreed to work together on a continuing basis to pursue one or more common interests and who, for that purpose, have formed an economic organisation which is jointly controlled and whose costs, risks and benefits are equitably shared among the membership".

The Foundation aims to develop Co-operatives as an aid to the alleviation of poverty, and to transform the Co-operative sector into an independent, self-reliant, and popular democratic movement. It offers management consultancy services in financial and business planning, education and training, legal services, and an information/ communication network.

It gets the bulk of its funding from a four million Peso trust fund (1 Peso= £1) established through the Memorandum of Agreement signed by the Foundation with the Department of Local Government on 28 May 1978, and the Advisory Board of the Co-operative Education Training Fund on 28 May 1980. The Foundation also augments its income from consultancy earnings and "foreign funding sources".

Mr. Gawigawen is also the Chairman of the Board of Directors of the Non-Governmental Coalition for Co-operative Development. As such he is keen to see the development of a "North-South" dialogue on Co-operative development. He told me: "the ICA is one possible vehicle for this dialogue, but there are also many other Co-operative organisations which are not members of the ICA that I would like to see involved in the dialogue."

[Mr. Myron A. Gawigawen, Program Director, Co-operatives for the Poor Program, Co-operative Foundation of the Philippines Inc., 2nd Floor, CUP Building, Races Avenue, comer of Mother Ignacia Street, Quezon City, Philippines].

Co-operatives in China

The events of 4 June 1989 in Tiananmen Square, Beijing, are vivid to me since I visited China with John Smith MP, the Shadow Chancellor, and Co-op MP George Foulkes, in 1988. We arrived in Beijing on 4 July, exactly eleven months before the crushing of the democracy movement.

Tiananmen Square is the most enormous space, with sublime vistas and people flying kites, strolling, and enjoying the sights and taking snaps outside the Great Hall of the People and the Mao Mausoleum, or the entrance to the Forbidden City. The Square is redolent of the massive architecture of a confident communist regime, huge buildings with colonnades atop gigantic stone staircases. The Great Hall of the People is so large that it is only possible to picture the whole of the exterior with difficulty.

Tiananmen Square has great significance to the Chinese people, as a symbol of liberation from which the majority have benefitted. So the fact that the Peoples Liberation Army committed the worst of the atrocities on 4 June in the Square will never be forgotten.

A few days after the violence I saw George Foulkes who commented that almost every expert on China, many with a life-time's experience of the country, had missed the change of opinion which had occurred to bring about the democracy movement.

Fellow Co-operators

During these darkening days of June and July, as the purges continue against those who supported the democracy movement, my mind focuses upon a memory of a meeting with Co-operative friends in Beijing. Mr. K.M. Lu and his International Committee for the Promotion of Chinese Industrial Co-operatives met us in the House of Rewi Alley. They introduced us to the Beijing Handicapped Artists Co-operative, which makes the most exquisite Christmas and greetings cards, using cut out coloured papers.

Laurie Pavitt is making an attempt to re-establish the Anglo-Chinese Co-operative Development Society, and these cards might soon be more generally available in the UK.

I hope that our Co-operative friends are allowed to continue their work unfettered. If you are interested in them, please get in touch with me at 158 Buckingham Palace Road, London SWlW 9UB (01-730 8187).

The Greening of the Co-op

It is very pleasing to see the Co-op leading the field by becoming Britain's first truly green retailer. It has launched its "environmental care" campaign, which includes appearances by ecologist David Bellamy, free booklets, and an expansion of the Co-op's existing range of "green" products, like CFC-free aerosols, recycled egg cartons and organically grown produce. Future plans include an extension of bottle banks, and an experiment with plastic recycling schemes.

As the country's biggest farmer, with 38,000 acres, the CWS has developed a conservation plan for each of its 21 estates. This includes its Stoughton Lodge Farm at Oadby in Leicestershire, where CWS will test methods of conversion to organic fanning.

Indeed the CWS is so successful as a landowner and farmer that it is now managing for the cream of the landed gentry. These include Lord Mansfield, owner of the historic Scone Palace estates in Perthshire, and the Earl of Shelburne for whom they are managing 500 acres near Blairgowrie.

Last year CWS farms turned in a £3 million profit.

The Author

Dr. PETER CLARKE is Secretary to the Co-operative Parliamentary Group and editor of *Co-operators Platform.* He is a Tottenham Councillor and was Chair of Haringey's Social Services Committee 1987-89, and is Chair of the London On Line Authority, London's largest local government computer consortium. He is Secretary of *Co-ops for Labour* and Chair of ICOM'S Public Affairs Committee. He is an authority on closer relations among the Co-operative sectors and on the Co-operative Movement's relationship with the Government. His published work includes studies of the development of new Co-operatives and of Land Settlement Schemes for the unemployed in the 1930s.