THE NEXT BULLETIN

Alarm Bells for Co-operative Retailing?

Action Stations?

The resolution on Regionalisation by Congress 1982 had this serious warning and advocacy:-

> "Congress reaffirms its support for the policy of regionalisation and in view of the continuing decline of the co-operative market share and the deterioration of trading results, urges all societies to take action in the immediate future to effect its implementation.
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> ....
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> The Central Executive in collaboration with Sectional Boards, is instructed to give special attention, after it has been demonstrated to be economically beneficial to societies concerned, to encouraging mergers with a view to reducing the number of retail societies to 25 within two years."

Another resolution by Congress on the relation between the Co-operative Union and retail societies included these elements:-

> "Where in the opinion of the appropriate Sectional Board or of the Central Executive, the trading and financial circumstances of a society so justify, the Central Executive shall be empowered to require the board of directors of

that society to meet with representatives of the Sectional Board and/or Central Executive.

In circumstances where, following such a meeting a society declines to accept advice given by the Co-operative Union, the Central Executive shall have the power to conduct an investigation into the affairs of that society. In order to facilitate such investigation, the Co-operative Union shall be given access to all persons, records and books of account as it may deem necessary, following which a full report shall be submitted to the directors of that society and to the Central Executive. It shall be obligatory upon the society concerned to report to the Central Executive at specified times, upon action taken to give effect to recommendations contained in any such report.

....

The acceptance of this procedure shall be a condition of membership of the Co-operative Union, and where any society declines to co-operate with any stage of the procedure, the Central Executive shall have the power to expel or to suspend that society from membership of the Co-operative Union for such period as the Central Executive shall think fit"

On 16 June 1982 the Co-operative News published a letter from 6 Chief Officials which included these passages:-

"In the last complete trading year, retail co-operative societies in aggregate have not earned a surplus from ongoing operations. The accounts of many societies, large and small, reveal that capital assets built up by previous generations are being sold to cover revenue losses.

Unfortunately, this device is, in many quarters, seen as a legitimate means of covering trading losses and is rapidly acquiring the seal of respectability.

This cannot, and must not continue. Cash realised from disposal of surplus properties, should be invested in new stores which are capable of competing with the major multiples. Boards of directors and senior management must face reality and recognise that they cannot adopt short-term solutions to long-term structural problems.

....

Regionalisation is not in itself a solution; size is no substitute for efficiency, but there can be little doubt that a movement comprising a number of large societies has a greater prospect of reversing our decline than 160 separate organisations.

....

This movement has influenced the course of retailing and the defence of the consumer for almost 140 years.

> Our potential, as the "Grocer" recently pointed out, is still tremendous providing we act now. Unless we do we will have betrayed the past and jeopardised the future."

We plan to devote Bulletin 45 largely to the present record and future prospects of the consumer movement in the U.K. as a contribution to the response which the Officials' letter asks for - that

> "those responsible for the conduct of societies' affairs ...... engage in a critical analysis of their own society and determine not only what is right for them but right for the movement as a whole".

August 1982 R.L.M.