

NEWSLETTER

by

PETER CLARKE

Bulletin 47 (and Co-operative News 4th May 1983, p.5) drew attention to the passage through the European Parliament of the Mihr Report on Co-operatives in the European Community.

Co-operatives - European Parliament

The Report was adopted by the Parliament on 13th April 1983. Out of a plethora of tabled amendments seven were adopted. The European Democrats (which includes the United Kingdom's Conservatives) insisted that the predominant importance of Agricultural Co-ops be recognised. They also amended the resolution to state that Co-ops must not endanger fair competition or obtain preferential treatment compared with other small and medium-sized ventures. However, their attempt to delete all reference to Co-operative development as part of overseas aid was defeated.

The Christian Democrats attacked the U.K.'s Milk Marketing Board by an amendment which included the word "voluntary" in relation to Co-op activity. The Socialist Group amended the report to insist that the European Commission should take the initiative in making the Co-op. Movement a permanent discussion partner.

The Report, European Parliament Report 1-849/82 and the adopted resolution (in

Official Journal OJ.C128 16th May 1983, page 51) can be obtained free of charge by writing to The Library, European Parliament, Information Office, 2 Queen Anne's Gate, London SW1H 9AA.

European Community Co-operative Liaison Committee

The Mihr Report has stimulated the creation of a European level Co-operative Liaison Committee. This brings together representatives of each of the seven Co-op. organisations now existing at European level, together with one organisation in process of formation. Chaired by Mr. P. Lardinois, the chairman of the Netherlands Rabobank and ex-European Commissioner, the Liaison Committee was initiated at a meeting in Strasbourg on April 12 1983.

It brings together: the General Committee of Agricultural Co-operatives in the EEC (Cogeca); European Community of Consumer Co-ops (Euro Co-op) (of which the Co-operative Union is a member); Association of Co-operative Insurers (of which the CIS is a member); the European Union of Social, Mutual and Co-operative Pharmacists; the Association of Co-operative Savings and Credit Institutions of the EEC (of which the Co-op. Bank is a member); the Association of Retailers and Wholesalers in Foodstuffs (UGAL); the European Committee of Workers Co-operative, Productive and Artisanal Societies; and a European Co-operative Housing Association in process of formation.

Workers Co-ops. - Model Rules

The Co-operative Development Agency have now issued notes for groups who want to register their new business as a Workers Co-op. using CDA 1982 Model Rules. (Available from, Co-operative Development Agency, 20 Albert Embankment, London SE1 7TJ.) The notes advise groups to read How to set up a Workers Co-operative (Price £1.50 from the CDA) and take professional advice. It points out that there are a number of alternative methods of achieving corporate status with limited liability as a Workers Co-operative. Use of a set of Model Rules reduces the registration fee, provided the Rules are adopted by the Co-op. without significant amendment.

There are three Model Rules for Worker Co-ops. to choose from:

"ICOM 1982" These rules enshrine the principles of "Common Ownership" which means that apart from founder members only employees may join; share capital is restricted to £1 per member - all other capital is by means of loans; all assets are held in common - no individual may profit by any increase in value; members may not benefit by dissolving the society. ICOM are the promoting body and will supply all the necessary documents. (Details from ICOM, 7 Corn Exchange, Leeds LS1 78P).

"CDA 1980" These are the "Neighbourhood Co-operative" rules. They allow full and part time employee members and give temporary membership to certain outside

advisers. Full details are given in the CDA's How to set up a Neighbourhood Co-operative, price £1.50.

"CDA 1982" These are a simplified and updated version of the Co-operative Productive Federation Rules used by manufacturing Co-ops for over a century. They allow shareholdings of up to the maximum permitted by law (at present £10,000) and such shares are transferrable. The Co-op. can, if it wishes, admit non-employees as members.

Co-operatives' Registration Fees

All fees payable for registration and sundry other matters under the Industrial and Provident Societies Act were increased on 1st April 1983. Jim Craigen, Labour and Co-operative MP for Glasgow Maryhill, asked the Chancellor of the Exchequer to reduce the fees to a nominal sum to encourage new Co-operatives. Jock Bruce-Gardyne, (Economic Secretary at the Treasury) replied "No. The fee is modest, especially if the Co-operative uses one of the approved sets of Model Rules. In that case the fee is at present £105, to be increased to £115 on 1st April. I do not consider that there is sufficient ground for departing from the general principle that the registry should charge fees for its registration work at a level designed to recover the costs of that work".

Agricultural Co-operatives

The Plunkett Foundation for Co-operative Studies held a well attended seminar on the

benefits of Agricultural Co-operation on 8th June 1983. Over 40 participants from the agricultural world heard how multi-purpose Co-operatives and marketing Co-operatives could help farmers and increase their income.

Speakers included John Fotheringham, Managing Director of North Eastern Farms Ltd., David Price of the Institute of Agricultural Economics, Oxford, P.R. Dodds, Chief Executive, Central Services, Food from Britain and Nicholas Fiske, a farmer who is a member of the Council of the National Farmers Union and a Commissioner of the Meat and Livestock Commission. The conference papers will be published during August. Price £3.00.

Also to appear shortly is Co-operative Advisers for Developing Countries: Their recruitment and preparation by Aleksandrs Sprudzf.

The Foundation has also issued the following recent publications:

- The Year Book of Agricultural Co-operation 1982 includes articles on Sir Horace Plunkett; the Land Settlement Association; Co-operative Development strategies and structures in Africa and Asia; Co-operative law in Africa, USA, the United Kingdom, and the European Economic Community; the effects of economic development and social evolution on Agricultural Co-ops; the financing of Agricultural Co-ops; the place of Co-operative Banking in the competitive system of the economy of international markets; and Cereals Co-ops. Price £8.50 by post.

- Liam Kennedy (Editor) 1983: The Economic Theory of Co-operative Enterprises: Selected Readings Price £4.25 by post (A textbook for undergraduate courses).
- Deborah Bryceson 1983: Second thoughts on Marketing Co-operatives in Tanzania - Background to their reinstatement Price £1.98 by post.

All are available from the Plunkett Foundation for Co-operative Studies, 31 St. Giles, Oxford OXF 3LF.

Fishing Co-operatives

There seems to be some confusion in Ministerial circles about Fishing Co-operatives. In February Alick Buchanan Smith, Minister of State at the Ministry of Agriculture in the old Government (since reshuffled - as punishment or reward?) was questioned by George Foulkes MP and Donald Stewart MP on Government support for Fishing Co-operatives. How was it that Fishing Co-operatives were treated far less generously than Agricultural Co-ops? Buchanan Smith commented "There is a difference. In agriculture, the grants are paid to joint marketing Co-operatives that operate on a collective basis, whereas in fishing, most of the Co-operatives sell on behalf of individual members and do not operate on a collective basis. The situation is not comparable."

Commonsense suggested that Fishing Co-ops. marketed members' goods in the same way as Agricultural Co-ops. i.e. produce is individually graded and then bulked-up for sale according to grade. I am assured by representatives of the Fishing industry that Fishing

Co-ops. do market their members' produce in this way, so that they are comparable with Agricultural Co-ops.

To add injury to insult the Scottish Federation of Fishing Co-operatives has now been told by the Scottish Development Agency that it is likely to lose its £7,000 annual grant towards the cost of developing new Fishing Co-operatives. From 1975 until 1980 the Federation received funding from the Development Commission but when the Government decided that Scotland would be excluded from the Development Commission's responsibilities, alternative funding was arranged from the Scottish Development Agency.

Seminar - The Liberation of Capital

The Scott Bader Commonwealth, the Common Ownership and Community Organisation of Scott Bader Limited is holding a Seminar on Saturday September 10th to discuss Folkert Wilken's startling book The Liberation of Capital (George Allen and Unwin £12.00).

The book calls for a complete transformation of the capitalist and communist systems in both East and West. It develops a challenging and critical confrontation of orthodox and Marxist theories of capital with the unifying concept of "free capital" human creativity and intellectually derived productivity. Wilken argues that progress must include the recognition of the essential organic nature of the economy and that it will proceed through the level of understanding of all engaged in the development of participation.

A recent reviewer commented, "this book offers hope, courage and how-to answers to many of the burning questions for which there appear to be no solution in the existing economic systems".

The Seminar will be held at the Commonwealth Centre, Scott Bader Ltd., Woollaston, Wellingborough, Northamptonshire. It is planned to start at 10.00 am and finish with tea at 4.30 pm with lunch being served at 12.45 pm. A nominal charge will be made (£10 to £15). Further details from Godric Bader, Chairman, Scott Bader Commonwealth. Telephone 0933 663100.

Housing Co-ops. - Tenant Participation Advisory Service

The Tenant Participation Advisory Service (TPAS) has received further funding from the Scottish Office. TPAS was set up by the Scottish Council of Social Service to help tenants and public landlords achieve greater tenant involvement in and control over the running of Council and other public housing. It offers advice, information and training services throughout Scotland and receives grant support from the Scottish Development Department and the Joseph Rowntree Memorial Trust. The SDD Grant was made under Section 5 of the housing (Financial Provisions) (Scotland) Act 1978. Now a further 3 years funding to April 1986, has been agreed at an increased level. This will allow staff to be employed.

Further information can be obtained from Joan Denson, Robina Goodlad or Roger Popplewell of TPAS at Scottish Council of Social Services, 266 Clyde Street, Glasgow G1 4JH. Telephone 041 222 8021.

The Greater London Secondary Housing Association
(GLSHA)

One organisation doing similar work in England is GLSHA (Director Harold Campbell). Working predominantly in Greater London, GLSHA is grant aided by the GLC as an independent non-profit organisation to promote new forms of housing tenure on a Co-operative basis. It produces a very serviceable range of information sheets on tenant management Co-ops., Co-operative shared ownership (with staircasing), Co-operative leasehold schemes for the elderly, par value (non equity) Co-operatives and tenant consultation and tenant involvement projects.

Further information can be obtained from Harold Campbell or Archie Mackintosh, GLSHA, 140/142 Stockwell Road, London SW9 9TQ. Telephone 01 737 3364.

Credit Unions - GLC Help

The GLC has agreed to give financial assistance to the Credit Union League of Great Britain. Over £50,000 will be provided in the current financial year for general support and to meet the cost of the existing field worker and of a new field worker. Deficit funding will also be provided to five London Credit Unions to allow them to employ full time staff. The aim is to promote wider use of the Credit Unions to stimulate their growth to allow them to become self-supporting. Grants are only given for a single financial year by the GLC but it is expected that support at this level will continue until the end of the current administration i.e. 1985 or 1986.

GLC staff presented an excellent background paper to the Committee taking the decision - Credit Unions - A Policy Review. Copies are available from John Jenkins, Director General's Department, Greater London Council, The County Hall, London SE1 7PB.

Co-op. Videos and Assorted Celluloid

Freer Spreckley tells me that Beechwood College has branched out into video production. They have produced a 40 minutes VHS video, Co-ops U.K. It covers the history of Workers Co-ops. and looks at five Workers Co-ops. today, focusing upon decision making, finance, wages and how they operate. It is £100 to buy; £5.00 to hire. (Beechwood College, Elmete Lane, Roundhay, Leeds LS8 2LQ.)

The Co-operatives Research Unit at the Open University have now produced a catalogue of audio visual resources on Co-ops. on behalf of the Co-operative Education Working Group. Entitled Towards Co-operation, it costs £1.00. (C.R.U., Open University, Walton Hall, Milton Keynes, MK7 6AA).

Recent Publications

The following recent publications have come to my notice:

Robert van de Weyer 1983: The Co-operative Movement. A Christian Understanding. A talk given to the Annual General Meeting of Daily Bread Co-operative, Northampton, April 1981. 20p (35p by post) from Daily Bread, The Old Laundry, Bedford Road, Northampton, NN4 0AD.

London ICOM 1983; Use your local Co-operative. Directory of London Co-op. Firms 1983 80p including postage from London ICOM 245a, Coldharbour Lane, London SW9 8RR.

Race Mathews 1983: Building the Society of Equals. Worker Co-operatives and the Australian Labour Party. Victoria Fabian Society Pamphlet no. 39. A\$1.50 from Victoria Fabian Society, GPO Box 2707X, Melbourne, Victoria, 3001 Australia.

Industrial Common Ownership Finance 1983: Financing of Worker Co-operatives. Some practical proposals 50p including postage and package from David Ralley, Industrial Common Ownership Finance Ltd., 4 St. Giles Street, Northampton NN1 1AA.

Also available Annual Report and Accounts for the year ending 31st December 1982.

Jim Brown 1983: Employment Legislation Affecting Worker Co-operatives. £1 from Beechwood College, Elmete Lane, Roundhay, Leeds LS8 2LQ.

Freer Spreckley 1983: Social Audit. A Management Tool for Co-operative Working. £1.50 also from Beechwood College.

Note of the Author

PETER CLARKE is Research Officer of the Co-operative Party. His published work includes studies of Government promotion of all types of new co-operatives, of closer relations between the retail Co-operative Movement, the

agricultural Co-operative Movement and the "new" Co-operative Movements and of the Land Settlement Association; and a bibliography of new literature on new Co-operatives.