

INTRODUCTION

This Bulletin deals with the impact of inflation on Co-operative societies and the responses they are or should be making. In November 1974 contributors of various experience and points of view were invited to prepare articles of about 1500 words on one or some of the following aspects of society operations:

1. Profits. Whether the term "profits", based on historical data has any meaning nowadays. Inflation accounting. Depreciation needs.

If profits are artificially high, the implications upon corporation tax.
2. Development Programmes and the difficulties of appraising capital investment projects.
3. Liquidity and cash flow difficulties.
4. Taxation. Cash flow aspects. Fiscal, e.g., in delay of payments both of VAT and corporation tax (in depreciated currency). Fiscal drag from "excessive" taxation of profits artificially inflated.
5. Buying Power. Inflation's effect on procurement and buying power. Stock level policy and valuation difficulties. Repercussions upon profits.
6. Labour Costs. Repercussions upon marginal shops and total Co-operative employment. Pension fund difficulties and implications on liabilities and profit tax.
7. Price Policies. The present situation.
8. Pension Schemes and the particular implications of inflation.

9. Assets. Valuation and depreciation problems. Policy for ownership, rent or leasing, etc.
10. Society and the Member. Share and loan capital - dangers. Interest rates. Dividend and members' bonuses.
11. Co-operatives and the Effects of Government Anti-inflationary Control Methods. Minimising the damage.
12. Demand Factors. Whether inflation has been associated with increased price-consciousness and "shopping around", or by a rush out of money and little price comparison. Effects on Co-ops.

Effect of reduced living standards upon share and loan capital. Effect of reduced living standards upon the structure of demand, e.g., food and non-food, or packed and non-packaged food, and effects upon Co-operatives.
13. Social Aspects. Whether any special action is required, in addition to the Shirley Williams' "shopping basket" to relieve poverty amongst customers.

We are grateful indeed to those colleagues who accepted the invitation. Where a contributor has specified some concentration on an aspect of the subject, this is acknowledged in the title introducing the article and, more briefly, in the Contents list.