

The Society for Co-operative Studies
 REPORT OF THE NINTH ANNUAL GENERAL MEETING
 4th/5th APRIL 1975
 at the Co-operative College, Stanford Hall

1. Attendance

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

MR. J. A. ABBOTT	
MR. J. ARCHER	Mansfield & Worksop Society
MR. R. E. ASHDOWN	St. Albans Society
MR. W. D. BECK	
MR. R. BILZON	Mansfield & Worksop Society
MR. J. BLAIZE	North Midland Society
MR. K. BRADSHAW	Leicestershire Society
MR. J. R. BROWN	Hull & East Riding Society
MR. L. E. BURCH	Co-operative Union
DR. T. F. CARBERY	University of Strathclyde
MR. S. P. CLARKE	
MR. K. COOPER	Derby & Burton Society
MRS. J. DAND	Central & East Fife Society
MR. J. W. DEANE	Brightside & Carbrook (Sheffield) Society
MR. P. DERRICK	
MR. P. L. DOWSON	
MR. D. DUNCAN	Central & East Fife Society
MR. J. DURKIN	St. Cuthbert's Co-operative Association
MR. T. R. EDMONDSON	Ipswich Society
MR. W. A. EDWARDS	Portsea Island Society
MR. D. FAIRBANKS	
MR. L. C. FOX	Co-operative Union
MR. M. GIBSON	
MR. W. G. GIBSON	Co-operative Wholesale Society

MR. L. A. HARRISON	Greater Nottingham Society
MR. D. G. HOPWOOD	
MRS. L. HOWE	
MRS. M. HUTCHINSON	St. Cuthbert's Co-operative Association
MR. C. P. KERSLAKE	St. Albans Society
MR. K. G. KHANNA	Leicestershire Society
MR. M. KIRKMAN	Leicestershire Society
MR. R. A. LEE	Co-operative Retail Services
MR. H. LOVATT	North Midland Society
MR. D. MacDONALD	
MR. F. MACKAY	
MR. R. L. MARSHALL	Co-operative Union
MR. F. MAWSON	Co-operative Press
MR. J. McDONALD	Co-operative Retail Services
MR. F. McMAHON	
MR. A. T. MESSENGER	
MR. D. G. MUNSON	Colchester & East Essex Society
MR. T. E. PEARSON	Mansfield & Worksop Society
MR. A. PEATTIE	
MR. W. F. PICKARD	Co-operative Union
MR. G. V. J. PRATT	North-Eastern Sectional Education Council
MR. W. J. PRICHARD	North-Eastern Sectional Education Council
MR. A. RHODES	Co-operative Retail Services
MR. J. RIDDLE	Leicestershire Society
MR. C. J. F. RINGROSE	
MR. W. E. ROUNCE	North Eastern Society
MR. E. STAFFORD	Co-operative Retail Services
MR. E. E. STEPHENS	Co-operative Wholesale Society
MR. E. W. TAYLOR	Harrogate & District Society
MR. N. TURNER	Co-operative Retail Services
MR. W. H. TWIGG	Brightside & Carbrook (Sheffield) Society
MR. H. WHITHAM	Brightside & Carbrook (Sheffield) Society

MR. G. WILKINSON	Kettering Society
DR. A. WILSON	
MR. J. M. WOOD	
MR. L. WOOD	North Midland Society

2. Chairman's Introduction

In welcoming members, Mr. S. P. Clarke referred to the increase in the Society's membership in the past year. He noted the valuable exchanges of earlier sessions and paid personal tribute to the Vice-Chairmen and Secretary for their work on the Society's behalf.

3. Report of the National Officers for 1974/75

There was some discussion of suitable topics for research to be sponsored by the Society in future. It was suggested in particular:-

(a) that both the disappearance of large societies as independent entities, and the allocation of reserves having regard to the diminishing proportion of societies' assets provided by members' share-capital, might be appropriate for investigation. In discussion of the former, it was felt that whilst a detailed case-study might provide useful information, there were so many individual factors in each case that few generally applicable conclusions might be elicited;

(b) that the Society might commission an updated version of Jacques' "Guide to Co-operative Management".

Reviewing the discussion, the Chairman felt that the year had been productive and looked forward to a further successful year in 1975/76.

4. Appointment of Officers

(a) Mr. Marshall announced that the Society's National Officers felt it appropriate to add to the present list of Presidents. It was agreed that the Officers should be authorised to approach Lord Jacques, Sir Robert Southern and Mr. J. M. Wood with an invitation to each to become Presidents of the Society.

(b) The following members were recommended and elected for office for 1975/76:-

- (i) Mr. C. J. F. Ringrose as Chairman.
- (ii) Mr. Michael Gibson and Mr. T. R. Edmondson as Vice-Chairmen.
- (iii) Mr. R. L. Marshall as Secretary and Treasurer.
- (iv) Mr. R. L. Marshall and Dr. T. F. Carbery as Editors of the Bulletin.

Mr. Clarke and the other officers were thanked for their services during 1974/75.

CONFERENCE SESSION 1

"Co-operative Societies and Inflation"

Conference was addressed by Mr. R. A. Lee, Chief Executive Officer of Co-operative Retail Services Ltd., following the special issue Bulletin Number 22 of January 1975, in which he and eleven other contributors had written papers on this topic. In his address, Mr. Lee referred in some detail to the symptoms caused by the disease of inflation. These included problems of asset values, and of the proper measurement of turnover and other performance indices. The problems

which Societies' management faced in times of rapid inflation arose in a variety of ways, and would require a variety of responses, which he summarised under three major heads:-

(a) The need for higher efficiency in trading operations and employee training.

(b) The need for higher return per pound of personnel costs.

(c) The need to increase in real terms the return per square foot of trading space.

Effectively, he said, societies need to achieve in four days what they had formerly achieved in five days.

Mr. Lee then discussed the use of profits, arguing that societies should expect to finance developments from their own internal resources, and therefore to retain more of the profits and restrict the distribution of surplus. Competitiveness, he argued, depended more on prices, quality of goods and services than on the size of the dividend. Turning to accountancy methods required in an inflationary period, he pointed out that amending an accounting routine did not reduce the impact of inflation. Money today was becoming inadequate to perform the job expected of it and management needed, therefore, to give closer attention to reliable indicators of performance. Mr. Lee concluding his address, illustrated the effectiveness of this type of approach by quoting various statistics from the accounts of C.R.S. and the changes that have taken place between 1973 and early 1975.

In the discussion that followed, points raised included:-

- (i) the responsibilities of lay directors in reviewing performance and in deciding on the allocation of profits.
- (ii) that the various methods of accounting now in vogue were less significant to management than a commonsense use of performance ratios.
- (iii) that in a period of rapid inflation, the time scale became significant, and the shorter the accounting period, the more reliable the comparisons that could be drawn.
- (iv) the impact of Government restraints such as the Price Code on management freedom (on which Mr. Lee commented that some injustices had arisen here and representations needed to be made by the Movement).
- (v) that traditionally management tended to prefer historic costs of assets to replacement costs when calculating depreciation (on which Mr. Lee pointed out that replacement costs could be predicted and should be used, although no general formula could be prescribed).

There was some discussion also of the effect of societies' size on performance which led to a number of contributions. At the end of the discussion, the Chairman thanked Mr. Lee for his address and response to comments, and pointed out that the importance of the subject would grow rather than diminish in the foreseeable future.

CONFERENCE SESSION 2

"Developing Lay Leadership"

Members attending the A.G.M. had been sent copies of the recently published Working Party Report on

Developing Lay Leadership, and the Chairman asked Mr. R. L. Marshall to introduce the document.

Mr. Marshall pointed out that this was the third occasion on which he had addressed a major Co-operative gathering on this issue, and that the discussion at Co-operative Congress was still to come. The report certainly was contentious, and tentative rather than definitive: but, he claimed, three possible pitfalls had at least been avoided. The Working Party had succumbed neither to the Prince of Darkness delusion (that in any problem situation there was only one common enemy), the Millennial Myth, or the Perfectionist Pretence. Their approach had, to the contrary, been exploratory and definition seeking, and he thought this was appropriate with such a complex and substantial problem.

He then identified the four major questions which, in his view, arose within the report. Firstly, was democracy really important to the Movement? The report had certain assertions on this; it could have explored the role of lay leadership and the major issues facing that, but had contented itself with straightforward advocacy. Secondly, what was the state of democracy in the Movement at present? Here, Mr. Marshall said, general answers abound, but if action was to be taken some specific measures were needed. The figures in the report were thoroughly discomfiting - for example, there were but 4,650 lay leadership positions (if the projections were accurate) in a Movement of 11,000,000 members, frequently vacancies in this limited number of positions were not being contested, and the average age of lay leaders at present was disturbingly high.

This led on to the third question of what was to be done to enlarge the number of lay leadership positions. The report made three substantial

advocacies which were more or less along lines which could have been expected. All the Working Party supported the view that every society should have its own Education Committee: some felt that an exploration of divisional or district Committees, with or without electoral powers, would be useful: and some advocated the development of "Members Council" experiments, envisaging central member groupings of between 100 and 200 in every society.

Finally, Mr. Marshall argued, the Working Party had made one substantial recommendation to deal with the question of how members' interest and involvement in democratic leadership could be extended. He reviewed the arguments for, and the problems involved in, shop meetings and shop groups. He felt that this deserved the attention which the Working Party had given them, and still more deserved extended attention from all sides of the Movement. In conclusion, he personally wanted democracy to "move forward" and he commended full exploration of the directions for advance which the Working Party had opened up in their report.

The discussion that followed this introduction covered a wide range of points. Some contributors argued that democracy might be incompatible with an efficient consumer policy. The Movement might have set itself an impossible objective and, in particular, the impact of shop-based democratic structures could create an insurmountable problem to effective marketing policy. Mr. Marshall commented that the Working Party had not seen or envisaged any sort of mass democratic involvement; they were talking of associating with societies' operations a higher but still a small proportion of members, and the only alternative approach, he felt, was that of cynicism. The Movement needed to challenge the growing hegemony of producers and start asking consumers what they really wanted.

Other comments suggested that the report had been too inward-looking and ignored changes in the social environment - and in reply to this, another member of the Working Party suggested that the first and most obvious place to look for lay leadership was at the shop level. The report was needed not to prescribe solutions, but to illuminate possibilities and to make Co-operators think about these issues.

The role of directors and the possibility of moving towards a system of executive directors (which would, of course, reduce rather than increase numbers of lay leaders) was canvassed, and another member felt that the whole approach of the Movement, in particular its educational wing, was ill-conceived, and out of touch with the needs of the population, especially the younger element.

Mr. Marshall replied briefly to the discussion and again felt that a period of sustained and constructive discussion throughout the Movement, and involving all concerned rather than merely existing lay leaders, was important. He looked to see in the coming months exploration both wider and deeper than the limited time here had allowed.