

The Need For Consumers' Cooperatives

(BY CHEDDI JAGAN)

Man in his search for politico-economic forms of organization for the promotion of his welfare has accepted capitalism, fascism, socialism and communism. Most of us are aware of the short-comings of political democracy with its attendant capitalism and free enterprise which has for its prime motive the acquiring of profits. We have just witnessed the fatal termination of Italian Fascism and German National Socialism, both outgrowths of a decaying capitalism. One still finds, however, in our midst, native fascists and Franco lovers. Of Socialism and Communism with the philosophy of "from each according to his ability, to each according to his need", most of us are sympathetic, a few perhaps a bit sceptical of the means pursued to achieve this just end, having been bombarded by adverse propoganda. Living in a colony dominated by the Colonial Office in London, we have no choice but to slowly evolve within the existing frame-work of capitalism. It is in such a situation that the cooperative movement, the so-called "Middle-Way" of the Scandinavian countries finds itself as an organization for the promotion of human well-being.

A consumers' cooperative society is a voluntary association of individuals organized democratically to supply their economic needs. Whereas the prevailing capitalist philosophy of profit and self-interest places the welfare of the individual above that of the group, that of the cooperative movement recognizes that the welfare of the individual will be advanced by promoting the welfare of the group. In capitalism, the prime motive is the acquisition of profits. The cooperative movement, starting as it usually does among the lowest income groups recognizes the practical impossibility of members of those groups ever acquiring profits. It also recognizes the exploitation of that group by those possessing economic power to acquire profit for themselves. The prime purpose of a cooperative is to perform an economic service for its members.

The basic principles of a true cooperative are [1]. Membership is voluntary and unlimited, with one vote per member. This principle had its foundation on true democracy, both politi-

cal and economic. It implies no compulsion or coercion, and at the same time reserves for each member one vote regardless of how much capital he may have invested. It preserves true democratic control, not allowing to pass into the hands of the few who may possess several shares.

[2] Owners of invested capital are a limited rate of return, while net surplus savings are divided on the basis of patronage. The cooperative idea is that capital is only one factor in the production of commodities and consequently should be paid a fixed wage. One fundamental difference with existing corporate practice is that profits shall NOT be distributed on the basis of number of shares held or amount of capital invested, but are to be divided among its members according to the volume of their individual purchases. [3] Merchandise must be sold at the current price at a strictly cash basis.

There are various types of cooperat-

ives. The most common perhaps is the retail marketing of groceries and food stuffs. Cooperatives retail stores of this nature would definitely put an end to the abnoxious practice of black-marketing, and at the same time eliminate several middle-men whose profits add to the burden of the poor consumers. In other countries the movement has spread into the retailing of gasoline, oil, supplying of credit through credit unions, insurance, housing, health and burial associations.

The attitude to cooperatives by American Big Business may be summed up from Bobson's report of 1935. "It has something of truth and crusading quality almost like a spiritual revival ... potentially it has enough votes, enough money and enough economic soundness to split things wide open ... we must watch our steps if consumers ever become wise to their latent powers, and decide to become dictators in fact as they are in theory"

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Freedom from Want.
Freedom from Fear.

President Roosevelt

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