Cooperatives in Postwar Europe

Survey of Developments in Scandinavian Countries and Eastern, Central, and Western Europe

Bulletin No. 942

UNITED STATES DEPARTMENT OF LABOR
JOHN W. GIBSON, *Acting Secretary*

BUREAU OF LABOR STATISTICS
Ewan Clague, *Commissioner*

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Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., June 18, 1948.

The SECRETARY OF LABOR:

I have the honor to transmit herewith a report on cooperative developments in postwar Europe. This study summarizes, against a brief background of prewar and wartime events, what has happened to the cooperatives (especially the consumers' associations) since the end of the war. It thus brings up to date the material presented in a previous report—Bulletin No. 770 (European Cooperatives and Their Possibilities in Postwar Reconstruction). This report was prepared by Florence E. Parker of the Bureau's Office of Labor Economics.

EWAN CLAGUE, *Commissioner.*

Hon. JOHN W. GIBSON,
Acting Secretary of Labor.

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Cooperatives in Postwar Europe

Part 1.—Western Europe: Developments in Great Britain, Belgium, France, the Netherlands, and Switzerland

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WIDE VARIATIONS IN CONDITIONS were faced by the cooperatives, both during and after World War II, in Great Britain, Belgium, France, Netherlands, and Switzerland. Nevertheless, in spite of substantial losses of manpower and plant, in all five countries the cooperatives survived and emerged in some respects in a better position than was the case in prewar days. Few permanent changes in the legal status of cooperatives occurred in these countries, notwithstanding the Nazi conditions enforced during the war.

By the end of the war most of the bomb damage to property sustained in Great Britain had been patched up or restored, but lack of materials has hampered complete restoration or much physical expansion. In France and the Netherlands, the greater part of the damage to plants occurred during the liberation campaign. Destruction of premises, loss of equipment and goods through looting by the retreating Germans, and the cutting of means of communication left the cooperative movement in the area of hostilities almost prostrate. Elsewhere in these countries, as well as in Belgium and Switzerland, the problem was mainly that of replacement of worn-out equipment. The cooperatives in Switzerland, which had had no physical destruction, took the lead in giving assistance to associations in the war-torn countries.

[1] Of the Bureau's Labor Economics Office.

Reports, however, indicate a worsening of the supply situation since the end of hostilities. Goods of all sorts are either in short supply or unobtainable in all five countries, and in those for which data are available (Great Britain, France, and Switzerland) continue to be under Government control.

Because cooperators had more money than ration coupons, their unspent money poured back into the cooperative movement in the form of deposits and new capital. In Great Britain the consumers' cooperatives, all during the war, had no difficulty in obtaining whatever amounts of capital were needed. Large increases in capital were also reported for the CWS Bank in Great Britain and the cooperative banks in France and Switzerland. An improved financial condition, as compared with prewar, was reported for the distributive cooperatives in all these countries. The Belgian cooperatives had the most difficult time, but succeeded in maintaining financial stability, with more or less regular depreciation of assets, maintenance of reserves, etc.

Considering all the circumstances, cooperative membership held up well, registering steady increases in Great Britain and Switzerland and a moderate gain in Belgium. An apparent decline took place in France, but the smaller figure may have been due to failure to include the cooperative membership in Alsace-Lorraine. In the Netherlands the membership appears to be at about the same level as before the war.

In spite of shortages of supplies and Government controls on distribution which reduced consumption, volume of business (in terms of money) has shown an increase in all these countries. Taking into consideration the rises in price levels, it appears that tonnage handled by the retail associations in Great Britain and Switzerland has also increased, but that of the wholesales fell somewhat. In Belgium the index of cooperative business—both retail and wholesale—fell considerably below the indexes of prices, indicating a sharp drop in the physical volume of goods sold. In France the wholesale maintained its volume until the inflation of 1946. No data are available as to cooperative retail business in France in relation to prices, nor as to either retail or wholesale business in the Netherlands.

Controls on prices and decreased consumption operated to reduce the net operating surplus in some cases, as did also increased taxation, but it is known that in Great Britain and Switzerland cooperatives continued to pay patronage refunds all through the war. Special taxation levied in Great Britain, Belgium, and Switzerland, designed to expropriate exceptional profits derived directly or indirectly from the wartime conditions, did not apply to patronage refunds. To some extent, however, such legislation prevented or reduced allocations to reserves, and prevented making some necessary repairs and replacements.

Great Britain

Cooperatives suffered extensive damage to their premises during the war. Some associations, which had been bombed over and over again, managed to repair or patch up the damage in the intervals. In the "second battle of London," in 1944–45, it was reported that at least 700 cooperative shops in that city were damaged by the "flying bombs." Permanent restoration has been impossible in some cases, even yet, because of inability to obtain materials. The same cause has delayed the realization of many of the postwar plans for expansion.

After the first period of bombing, which resulted in a movement away from the cities where the cooperatives were strong to the rural districts where they were relatively weak, cooperative membership began to rise and continued to do so, in spite of the steady decrease of the civilian population. Whereas, before the war, British cooperatives were serving between a fourth and a third of the population, by 1945 (according to the report of the central board of the Cooperative Union) they embraced about half of the families in Great Britain.

Cooperatives shared in the general wartime decline in trade in nonfood items resulting from shortages of supplies and control of demand through rationing. In fact, in such commodities as wearing apparel and household goods, the cooperative trade showed a decrease greater than the national average, indicating that in these lines they had not held their own. However, increased volume in the food departments resulted in steadily increasing the total cooperative business throughout the whole period of the war (table 1).

Postwar Situation. In the postwar period, business has also shown a continuous rise. For 1946, a 12-percent increase in business took place, representing a real increase in tonnage of goods sold, as there was almost no change in prices.

TABLE 1.—*Trend of development of retail and wholesale cooperatives in Great Britain, 1939–46*

Year	Total retail distributive associations			English Cooperative Wholesale Society					Scottish Cooperative Wholesale Society			Index of—	
	Number	Members	Amount of business	Member associations	Their members	Wholesale's business	Wholesale's net earnings	Value of wholesale's production	Member associations	Wholesale's business	Value of wholesale's production	Retail prices	Wholesale prices
1939	1,077	8,643,233	£272,293,748	1,009	6,765,194	£125,015,316	£2,891,485	£44,243,924	227	£24,612,711	£7,132,330	[1] 100.0	[1] 100.0
1940	1,065	8,716,894	298,880,990	1,009	7,078,362	142,593,952	3,890,388	48,867,167	225	29,038,380	8,646,678	[2] 125.8	[2] 151.5
1941	1,059	8,773,255	302,246,329	1,008	7,309,579	144,307,408	3,823,533	49,385,766	221	31,395,045	9,816,972	[2] 129.7	[2] 158.9
1942	1,058	8,924,868	319,448,476	1,005	7,439,813	157,395,338	5,185,683	48,215,458	220	33,770,149	10,995,233	[2] 129.0	[2] 164.4
1943	1,057	9,082,218	331,574,123	998	7,544,315	166,834,649	4,845,869	51,913,868	218	35,236,977	12,195,462	[2] 128.4	[2] 166.6
1944	1,064	9,225,240	352,311,277	1,008	7,699,409	183,714,790	4,843,505	55,836,377	215	37,677,558	12,525,942	[2] 129.7	[2] 170.4
1945	1,050	9,401,927	360,999,519	1,014	7,852,875	182,795,036	4,982,357	54,096,237	215	39,124,249	13,303,162	[2] 131.0	[2] 172.8
1946	1,037	9,730,140	402,476,942	1,030	7,976,177	205,957,079	[3]	58,632,500	216	44,031,920	15,428,054	[4] 131.0	[4] 182.5
1947	[3]	[3]	[3]	[3]	[3]	223,231,506	6,854,037	64,071,044	[3]	[3]	[3]	[5] 132.0	[5] 186.0

[1] August. [2] December. [3] No data. [4] November. [5] June.

Whereas retail prices were 131.0 percent above their prewar level (table 1), cooperative retail business stood at 146.9 percent. Concern was expressed, however, since average purchases per member had not increased and the relative increases in trade at the department and chain stores were greater than that shown in cooperative trade. The "most disturbing phenomenon of the year" was that "the race between rising expenses [of operation] and rising cash sales is gradually being won by expenses." [2] This was the result of higher wage costs at the same time that gross margins were held fixed by ceiling prices.

By mid-1946 nearly all of the cooperative factories that had been requisitioned by the Government for the production of war materials had been returned and were again producing for the cooperative membership. Some expansion of productive capacity had taken place and more was planned.

Other important advances were the acquisition of 2 estates in a proposed chain of youth residences, of a resident cooperative college, and of more than 2 score hotels for cooperative travelers and vacationists.

Relations With Labor. Wages of cooperative employees are determined by the sectional councils of the hours and wages board of the Cooperative Union. Disputes involving cooperatives are handled by a bipartisan national conciliation board on which the cooperatives and trade-unions have equal representation.

Early in October 1946, five national agreements were reached, replacing a number of local and area agreements, and covering the wages and employment of employees in distributive and related jobs. The agreements provided a 40-hour week for clerical workers and 44 hours for others, with time and a half for overtime and double time for Sundays and statutory holidays. Paid vacations accrue at the rate of 1 day for each month of continuous service, subject to a maximum of 12 days. The wages set vary according to age, sex, and area (whether metropolitan or provincial). A comparison of the conditions set by these agreements with those for private trade, established through the Joint Industrial Councils, indicated that the cooperative agreements were more favorable for the workers—a 44-hour week as against one of 48 hours in private trade and a wage differential in favor of cooperative employees ranging from 10.0 to 37.8 percent.

Nationalization. The British cooperative movement has been comparatively little affected by the program of nationalization instituted by the Labor Government, thus far losing only the coal mine owned by the wholesale, at Shilbottle. Although acquiescing as to the desirability of national ownership of such public services and resources as mining, transport, and public utilities, the cooperative movement has placed itself on record as unequivocally opposed to such action as regards provision and distribution of consumer goods and services. At the 1947 Congress of the Cooperative Union, the attitude of cooperators was thus expressed:

> The cooperative movement is ready to collaborate with the Labor Government. * * * But, let us make it clear once and for all that the cooperative movement has no intention of merging the economic organization it has created, or the principles and traditions which it upholds, with State or municipality—or regarding State or municipal activity, in the sphere in which it has concerned itself, as any substitute for cooperative action.[3]

Belgium

When war broke out, in 1939, the urban Belgian consumers' cooperatives had just finished a complete reorganization and consolidation which had given both strength and financial stability, and their future looked bright. They were at that time serving about a fourth of the population and doing about 10 percent of all the retail trade.

Immediately after the Germans occupied the country, the economy was reorganized on the corporate principle, but the cooperatives suffered but little requisitioning and comparatively little war damage. All cooperatives were placed under the direction of a commissioner appointed by the Nazis, and the expenses of his office cost the cooperative associations, during the period of occupation, over 38 million francs. Although he made no actual change in the cooperative structure, membership meetings were forbidden, resulting in loss of contact with the members, and coordination of the various parts of the movement

[2] Cooperative Review (Cooperative Union, Ltd., Manchester), January 1947, p. 3.

[3] Review of International Cooperation (London), July 1947, p. 114.

was difficult or impossible. The prohibition of gatherings of the people also had a very adverse effect on the "people's houses" (*maisons du peuple*)—the social centers for which the Belgian cooperative movement has been famous. Many of these suspended operations completely.

The retail cooperatives had great difficulty in maintaining their position in the distributive field. Under the strict regulation of prices and supplies, a black market developed—at first as a kind of patriotic defiance of the invaders—which expanded until it permeated all the distributive market. The cooperatives, all through the occupation, continued scrupulously to observe all the rationing limits and price ceilings. Since they would deal only under the strict terms of the regulations, numerous commodities which they therefore could not obtain were found in shops of less-scrupulous dealers, to whom they lost some patronage. As a result of this and of reduced stocks, business declined.

Other difficulties were the loss of operating staff because of deportations of cooperative employees to Germany, the cooperatives' outlays to care for the families of these workers, and the transportation problems entailed by the German requisitioning of delivery trucks and by the lack of automobile tires and petroleum products.

Postwar Situation.—By the end of the war, the cooperatives had sustained property losses of nearly 70 million francs, remaining plant was badly deteriorated, and both tonnage and membership needed to be built up. In 1946 the 67 associations affiliated with the General Cooperative Society (the wholesale) had a total of 405,496 members, as compared with 311,330 in 1944 and 305,726 in 1939.

The food and coal situation became worse during the interval before a functioning government was constituted, and the position of the cooperative movement became even more difficult than under the German occupation. In table 2 the effect of all the above factors is indicated, in such scattered data as exist. No official index of prices is available. The monthly cost of 27 rationed foods for an "average person" was reported to be 206.6 percent higher in February and March 1946 than in 1936–38.[4] The volume of cooperative business (measured in francs) had risen, in the same period, only 10.7 percent. It is evident that the cooperative wholesale business suffered even more than that of the retail associations.

[4] Monthly Labor Review, July 1946, p. 30.

TABLE 2.—*Trend of business of cooperatives in Belgium, 1938–45*

Year	Amount of business of—	
	Cooperatives affiliated with General Cooperative Society	Cooperative Wholesale Society
	Francs	*Francs*
1938	663,073,337	164,156,000
1939	661,812,680	(1)
1940	558,936,767	138,737,000
1941	476,994,966	(1)
1942	491,205,955	(1)
1943	523,602,863	(1)
1944	574,000,000	135,000,000
1945	[2] 774,900,000	(1)
1946	1,802,621,191	(1)

[1] No data. [2] Estimated; 35-percent increase over 1944.

The cooperatives urged that the supply situation be improved through large-scale imports, and that the distribution of these be carried out through "pilot shops" whose war record had been good. A new organization, composed of the cooperative federations and some of the most important private chain-store organizations, offered its services to the Government and was accepted, but the plan fell through when the chambers of commerce protested. Later the Government used the cooperatives for the distribution, without profit, of goods (shoes, clothes, textiles, etc.) donated by the United States Army.

At the beginning of 1946, the cooperative movement, although still greatly impoverished, felt that it was again in condition to go forward. Everywhere the cooperative associations were "rebuilding, repairing, re-equipping," encouraged by the fact that never in its history had the cooperative movement so "aroused the attention of the mass of consumers" as in the years just passed. Also, they had received some recognition by the Government in being allowed 2 representatives (of 20) on the Economic Coordination Commission appointed late in 1946.

One favorable result of the war is stated to be better relations among the various parts of the cooperative movement.[5] Previously, there had

[5] The Belgian cooperative movement has always been divided along religious and political lines: (1) The agricultural cooperatives which were largely Roman Catholic and adherents of the Clerical or Christian Democratic Parties, (2) the urban workers' associations which worked closely with the Social Democratic Party and the General Federation of Trade Unions; and (3) the cooperatives of public employees which were neutral (i. e., lacking either political or religious affiliations).

been not only division but also bad feeling. Evidently the common hardships endured during the war served to soften the animosities among the various cooperative groups.

France

As a result of a series of amalgamations of local associations, the French cooperative movement had before the war been very generally consolidated into a comparatively small number of large regional associations. The first invasion of France by the Germans, in 1940, cut off nine-tenths of the entire cooperative movement, including most of these regional associations. The cooperatives in occupied France were placed under the direction of Nazi commissars. Those in Alsace-Lorraine were incorporated into the German Labor Front and lost their identity. Reports from cooperative sources state, however, that the Germans did not seize their assets; the members' share capital was returned to them, and membership control of the associations then ceased. Operations were thereafter carried on by directors appointed by the Labor Front.

The associations in unoccupied France—only about a tenth of the total—were permitted to function without serious interference by the Vichy Government, after a rather drastic reorganization. These, however, also came under German control when the rest of France was occupied, in November 1942. Surprisingly, it appears that a considerable degree of latitude was given them, and they were even allowed to hold membership meetings.

Postwar Situation: The final fighting that preceded liberation inflicted severe damage; and the end of the war found large regions of France in ruins, with buildings demolished, stocks looted, bridges destroyed, and most of the usable transport facilities carried off by the Germans. Those consumers' cooperatives which had been in the path of the liberating armies were practically destitute. Donations of trucks by the cooperators in other countries aided in the transport problem but the associations still had to contend with near-famine as regards supplies.

The new government accorded the cooperatives representation on bodies created to deal with the distribution of supplies, on the new National Credit Council, and on the Superior Council of Cooperation established by decree of January 16, 1947. The cooperative network was also used on several occasions to assist in the Government program of price reduction to combat inflation. In the fall and winter of 1946–47, cooperatives imported and distributed, at low prices set by the Government, apples from Switzerland, endives from Belgium, and (in conjunction with the National Retail Federation) the entire crop of citrus fruits from French North Africa.

Data in table 3 indicate that, especially considering the much-reduced territorial coverage of the cooperative wholesale, it had more than held its own through 1945; as compared with a wholesale-price index of 184.0, the index of its sales stood at 188.4. In the inflation of 1946, however, which sent the wholesale-price index to 796.0, the wholesale's business fell far behind.

TABLE 3.—*Trend of operations of French Cooperative Wholesale, 1938–46*

Year	Amount of business	Net earnings	Value of own production	Index of wholesale prices (Paris)
	Francs	*Francs*	*Francs*	
1938	1,209,466,132	8,195,654	65,582,590	[1]
1939	1,276,899,000	8,315,000	81,200,085	[2] 100.0
1940	984,000,000	7,299,000	[1]	[2] 172.0
1941	1,004,284,000	6,742,000	[1]	[2] 180.0
1942	1,234,284,000	7,969,729	54,061,977	[3] 194.0
1943	1,685,000,000	9,861,000	[1]	[3] 194.0
1944	[1]	[1]	[1]	[1]
1945	2,405,000,000	[1]	[1]	[3] 184.0
1946	4,976,000,000	[1]	[1]	[4] 796.0

[1] No data.
[2] August.
[3] December.
[4] October.

At the end of 1946, the National Federation of French Consumers' Cooperatives had 1,201 affiliated associations, with a combined membership of 2,050,066 and a business for that year amounting to 12,558,000,000 francs; the corresponding figures for 1938 were 1,000 associations, 2,500,000 members, and a business of 3,500,000,000 francs. In the interval from 1939 to 1946 the index of retail prices (Paris only) had risen from 100 to 446.

A 5-percent price reduction on a number of important commodities in the stores of Federation affiliates, early in 1948, received widespread approbation and forced private retail trade to do likewise.

Netherlands

The Netherlands cooperative movement was well developed in many lines before the war, and in agriculture was rivaled only in Denmark. The consumers' cooperatives, found mainly in the cities, were serving about 15 percent of the entire population. Although that branch of the movement was divided into Protestant, Catholic, and neutral groups, each with its own federation, all made use of the services of the neutral wholesale, De Handelskamer, which was also an important importer and manufacturer.

The Netherlands, after having been assured that its neutrality would be respected, was invaded by the Germans in May 1940. Except for the destruction inflicted in Rotterdam at that time, the cooperatives suffered little damage or even interference.

The chief losses were incurred during the action of the liberation. Bitter fighting took place in the southeastern section of the country and, when the Germans were finally driven out, many villages (and their cooperatives) were completely destroyed. Others emerged untouched. Along the coast, also, some 750,000 acres had been destroyed by breaking the dykes and letting in the sea. This whole section was isolated by lack of transportation facilities, and an emergency wholesale organization had to be created. The area that suffered most severely was eastern Holland, where "practically everything" was destroyed or heavily damaged. The extreme northern Provinces which were not liberated until April 1945 received no damage, and the cooperatives, of course, continued to function. The whole country was cleared of the invaders early in May, but communication, especially between east and west, continued to be very difficult and whole sections of the country were practically at the point of starvation when the Allied Air Forces began to drop thousands of tons of food in packets.

Postwar Situation. Although no exact statistics are available, it appears from reports that, notwithstanding the loss of life and the tremendous shifts in population, both the number of local consumers' cooperative associations affiliated to the wholesale and their membership remained almost the same as before the war.

The cooperators wasted no time in getting under way again. By the early fall of 1945, the wholesale was back in business and its flour mill was again in operation. By mid-1946 the cooperative factories were working at capacity, and it was reported that the cooperative movement was playing an important part in the reconstruction of the country. The chief problem was that of the coal supply.

One of the cooperatives' first acts was to secure the abolition of the council the Germans had created and to reestablish the original National Cooperative Council (*National Cooperatieve Raad*). The Council reported, early in 1947, that plans were in "an advanced stage of preparation" for the consolidation of the Catholic, Protestant, and neutral federations into one consumers' cooperative federation which would also include the wholesale, De Handelskamer. At the end of the year, 290 associations with 282,913 members were affiliated to the Council, indicating that this consolidation had been carried out.

Toward the end of 1947, the Central Union of Consumers' Cooperatives—then representing 10 to 12 percent of the population and 8 to 10 percent of the national retail trade in groceries—started a campaign for lower prices, the results of which "far exceeded expectations." This campaign created much good will for the cooperatives among the consumers, with a probable increase in cooperative membership as a result.

Switzerland

In 1940, the consumers' cooperatives handled 10 to 12 percent of the total retail trade and served about a fourth of the population. About 60 percent of the consumers' cooperatives were members of the Swiss Cooperative Union and Wholesale (VSK) and these associations accounted for nearly 87 percent of the total consumers' cooperative business. The wholesale owned and operated the largest flour mill in Switzerland, several farms, a printing plant, and factories producing various food products. It also operated a testing laboratory, and was part owner of plants making cigars, furniture, shoes, and cheese.

As a result of wartime conditions, Switzerland had to transform its economy from one highly specialized, and largely dependent on foreign

markets for both its exports and imports, to a more or less self-sufficient, State-directed regime. It had already (during the decade of the 1930's) inaugurated a policy of import control, rationing, and increased taxation.

The cooperative wholesale which, prior to the war, had ranked among the nation's foremost importers, had the volume of its imports reduced to little or nothing. The output of its factories and those in which it had a financial interest was reduced substantially because of difficulty in obtaining raw materials. Nevertheless, the total volume of business of both VSK and its member associations rose steadily. The cooperators did their utmost to keep down prices, by organizing the distribution of certain key foods at reduced prices and selling potatoes at cost.

Hemmed in on all sides by the belligerents in the war, Switzerland had a very difficult time as regards supplies. Some of this had been foreseen by the wholesale and its members, and they had accumulated large stocks of goods which enabled them to supply the members for some time.

Recognizing that the food situation might become critical, VSK was instrumental in starting a movement among the cooperatives, for the intensive cultivation of land not previously in use. Cooperative associations, individually and collectively, as well as their members, entered this movement, and several new associations were created for waste-land cultivation. At the peak (1942), 418 of VSK's 548 member associations were participating. The idea was later taken up on a nation-wide basis, and proved to be of great economic value as the war years lengthened.

Postwar Situation. When the European war was over, Swiss cooperators collected funds for aid to cooperative associations in countries devastated by the war. Over a million francs had been raised by the middle of 1945. Practical aid had already been given to the inhabitants of frontier towns bordering on Switzerland.

The liberation of France had brought renewal of contacts with the Allies but did not improve the food situation of Switzerland, and the emergency gardening and farm projects were continued. As soon as possible, large orders were placed in foreign countries by VSK, and these gradually began to filter into Switzerland as ports were opened by the armies of liberation. Coal was a real problem, and attempts were made to solve it, for the cooperators, by VSK's purchase of some peat bogs and of the operating rights in a coal mine. On a number of staple items, VSK and its members continued to keep their prices below those set by the Government.

On the basis of indexes of retail and wholesale prices (table 4) it appears that the retail associations have been handling a larger volume of business than before the war, but that the wholesale has lost some ground.

It was estimated that, at the end of 1946, about 42 percent of the 1,150,000 families in Switzerland were members of local consumers' cooperatives.

TABLE 4.—*Trend of membership and business of Swiss consumers' cooperatives, 1939–46*

Year	Retail consumers' cooperatives affiliated to VSK			Central Union and Wholesale (VSK): Amount of business	Index of—	
	Number	Membership	Amount of business		Retail prices	Wholesale prices
			Francs	*Francs*		
1939	545	427,166	326,439,731	227,869,001	[1] 100.0	[1] 100.0
1940	546	430,315	350,191,461	247,083,976	[2] 117.0	[2] 152.5
1941	546	443,000	373,200,000	244,235,946	[2] 134.0	[2] 185.1
1942	546	461,000	406,100,000	263,690,875	[2] 146.0	[2] 200.2
1943	548	468,608	[3]	267,339,610	[2] 150.0	[2] 204.7
1944	549	473,492	453,727,506	275,572,268	[2] 152.0	[2] 206.0
1945	552	481,162	470,703,191	289,209,000	[2] 151.0	[2] 199.3
1946	552	489,159	533,825,524	358,656,000	[2] 155.0	[2] 197.0
1947	549	502,934	605,849,740	418,300,000	[2] 163.0	[2] 209.0

[1] August.
[2] December.
[3] No data.

Cooperatives in Postwar Europe

Part 2.—Scandinavia and Finland

In all of Scandinavia, the cooperative movement played an important part in the economic life of the countries before World War II. The population served by the consumers' cooperatives constituted over a fourth of the total population in Norway, about a third in Denmark and Sweden, and nearly half in Finland.

During the war, Sweden remained neutral and uninvaded, and of course suffered no physical damage from the hostilities. Denmark, Finland, and Norway were invaded, and all three countries sustained destruction of property. Cooperatives lost some of their premises and factories, and some of their leaders and employees in both countries were killed in resistance activity or were deported to work or prison camps. Nazi measures were most strongly resisted in Norway. In Denmark, although cooperative membership meetings were forbidden and the cooperatives were subjected (as in Norway also) to drastic regulation, the consumers' cooperative business activities went on without much interruption, largely because of their close connection with the powerful agricultural cooperatives which the Germans did not wish to antagonize.

In Denmark and Norway, the cooperative wholesales, foreseeing at the outset of hostilities probable interference with or cessation of overseas commerce, had accumulated great stores of goods with which to supply their members. However, in Denmark the Germans compelled the cooperative wholesale to share its supplies with private dealers and in Norway they suspended the legal requirement that cooperatives deal only with members.

In Finland, the war and the territorial changes resulting from the defense against the Soviet Union, first alone and later with Germany, involved property damage and dislocations of population, as well as great reparations obligations. Although these conditions affected the cooperatives, their membership continued to grow, except in 1944 when large areas of Finnish territory had to be ceded to the Soviet Union. By 1945, however, the total had climbed to a point higher than in 1943.

In the other three countries cooperative membership has expanded steadily since 1939.

In Sweden the money volume of business also showed an almost unbroken rise, although some of this was due to increased prices. In Denmark and Norway, business fell off somewhat during the middle war years, partly because of supply difficulties. The cooperative wholesales, which in all these countries had been important importers and manufacturers, expanded into new lines of production in order to supply their member associations, and this expansion continued into the postwar period.

In all four countries the cooperative movement emerged from the war intact, although with equipment and plant deteriorated, and in some cases means of intercommunication (such as periodicals, educational activity, and transportation facilities) had to be built up again. The postwar problems of these countries have been largely those resulting from the world trade situation, as all are greatly dependent on international trade. In all, there is still a good deal of Government regulation and control of trade and commerce.

Denmark

In probably no country in Europe before the war had cooperative associations played a greater part in raising the level of income and living than in Denmark. This fact, as well as the powerful influence of the cooperatives among the people

and the wish of the Germans to utilize the output of the agricultural associations for Nazi purposes, may account for the rather mild treatment of the cooperative movement when Denmark was invaded in April 1940.

Probably the greatest difficulties encountered by the distributive cooperatives arose from the supply situation and allocation procedures. The economic life of the country was geared to its foreign trade. In an effort to meet war conditions, Government quotas were imposed but, being based on 1931, made no allowance for the very considerable growth that had taken place in the consumers' cooperative movement—a much greater increase than had been shown by private trade. The cooperative business in produce (largely imported and increasingly scarce) fell in volume but in such items as textiles and hardware (which could be obtained from Germany) increased considerably. Although no attempt was made to obtain new cooperative members, membership continued to grow slowly.

Even before the war, the cooperative wholesale—Faellesforengen for Danmarks Brugsforeninger (FDB)—had been a large manufacturer. Its policy, however, was to undertake production only when forced to do so by unduly high prices, difficulties in obtaining supplies from private sources, etc. As imports were cut off, the wholesale began to experiment in new fields. Substitutes were resorted to in some cases. It created new types of low-cost wood furniture. Its production of coffee, chocolate, tea, and margarine stopped completely during the early war years, for lack of raw materials. In other products, such as confectionery, rope, twine, soap, shoes and leather, the raw materials for which were domestic in origin, it could maintain or even increase output. Its flour mill, the largest in the country, continued to operate practically at capacity. Late in the war, the Germans ordered from it large quantities of groats and flour, "but only small quantities were delivered."[7]

A factory for the processing and spinning of flax was started in 1941, and in the same year the wholesale acquired a publishing plant. The former was undertaken largely out of regard "for the social economy" and to provide new raw material, the latter to make good books more widely available and to break a booksellers' monopoly.

One effect of the supply difficulties was to keep down inventories, preventing losses from slackening demand for wartime substitutes and resulting in improved liquidity of assets and solvency of the cooperatives. Outstanding debts were reduced by about a third between 1939 and 1944. The cooperatives continued to make patronage refunds all during the war, although the average fell from 6.7 percent (of sales) in 1939 to 3.9 percent in 1944.

It appears that membership, which rose steadily through 1945, dropped in 1946. The business of both the local associations and the wholesale declined in 1945, but that of the wholesale rose considerably faster than the cost of living in 1946 and 1947, indicating an increase in tonnage of goods sold. There was nearly a 50-percent increase in the value of goods produced by the wholesale in its own factories.

TABLE 5.—*Trend of membership and business of cooperative wholesale of Denmark and its affiliates, 1939–45* [1]

Year	Associations affiliated with FDB			Cooperative wholesale, FDB		Indexes of prices	
	Number	Members	Business (in thousands)	Business (in thousands)	Value of own production (in thousands)	Retail (food)	Wholesale
			Kroner	*Kroner*	*Kroner*		
1939	1,870	392,000	359,000	216,200	65,100	106	99
1940	1,868	403,000	387,000	221,600	62,100	129	145
1941	[2]	412,000	395,000	225,500	48,700	157	171
1942	1,944	420,000	398,500	209,900	46,300	162	179
1943	1,943	424,000	395,000	203,600	51,600	161	180
1944	1,871	427,400	418,300	213,100	57,900	162	182
1945	1,885	435,400	395,000	191,300	52,700	163	179
1946	1,959	395,100	[2]	259,903	77,084	163	176
1947	[2]	[2]	[2]	289,000	[2]	170	195

[1] Data are from Statistisk Aarbog (Denmark, Statistiske Department); despatches from United States representatives in Denmark; Review of International Cooperation (Denmark); and United Nations Monthly Bulletin of Statistics.
[2] No data.

In 1946, the economy of Denmark was still suffering from the diminution of the overseas trade, especially with Great Britain (with resultant decrease in national income), from depletion of agricultural land for lack of (imported) fertilizer, and from dearth of many necessary commodities.

In Copenhagen, alleged discrimination against cooperatives by the building-materials cartel led to the formation of a cooperative organization to act as wholesaler and importer of building materials and home furnishings. Other developments

[7] Danish Consumer Cooperative Societies During Five Years of Occupation (Copenhagen, Faellesforenger for Danmarks Brugsforeninger), p. 4.

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included the establishment of a petroleum cooperative, of a network of 85 cooperative laundries in various sections of the country, of a cooperative theater organization, of an association to import farm machinery, and of a factory to manufacture penicillin.

Finland

Less than 3 months after the outbreak of World War II, hostilities began between Finland and Russia. By the peace treaty signed in March 1940, Finland ceded about 14,000 square miles of territory (of a total of 148,000) to Russia. The ceded land contained about a tenth of the whole Finnish consumers' cooperative movement and a number of cooperative productive enterprises. Nearly half a million inhabitants from this region had to be assimilated into the rest of Finland.

In June 1941, Finland joined Germany and went to war against the Soviet Union, and in November of that year the ceded territory was again incorporated into Finland.

The cooperative movement continued to grow during this period and by 1942, counting members and their families, was serving over half of the population. An increasingly difficult supply situation—with a corresponding decrease in the physical volume of goods handled—was more than counteracted by increased prices, with the result of substantial increases in the money value of business done. Although, by the end of 1942, the productive plants regained from Russia had been put back into operation, total cooperative production showed a considerable decline from 1941.

Conditions grew worse again in 1944 when Finland lost to the Soviet Union about a ninth of its whole territory and had to absorb into the remainder of the country some half million Finns displaced under the treaty. Nevertheless, the consumers' cooperative business continued to grow. By the end of the war, savings deposits (always a substantial factor in the funds of the cooperative movement) which had been withdrawn in great amounts during the early years of the war, began to flow back into the associations in an increasing stream. During the whole time of hostilities, also, educational and other meetings of members continued to be held and the volume of cooperative publications actually increased.

Since shortly after the First World War the consumers' cooperative movement had been divided into two branches: (1) The politically "neutral" associations in small towns and rural areas, federated into the General Union of Consumers' Cooperatives (called "YOL" from the initials of its Finnish name) and having their own wholesale, "SOK"; and (2) the "progressive" associations, consisting mostly of workers in urban areas, with their own federation, Central Union of Finnish Distributive Associations ("KK"), and wholesale, "OTK." [9]

TABLE 6.—*Trend of membership and business of consumers' cooperatives in Finland, 1937–46* [1]

Year	YOL ("neutral") group					Indexes of prices	
	Local associations			Wholesale (SOK)			
	Number	Members	Business (in thousands)	Business (in thousands)	Value of own production (in thousands)	Retail (food)	Wholesale
			Markka	*Markka*	*Markka*		
1937	417	280,000	2,823,000	1,520,074	315,869	100	100
1939	418	317,652	3,208,379	1,645,935	356,425	105	98
1940	(2)	295,124	3,555,823	(2)	(2)	128	132
1941	(2)	(2)	3,973,500	1,168,900	(2)	151	161
1942	(2)	360,000	4,400,000	1,170,000	344,200	177	199
1943	412	380,400	5,523,000	2,153,000	(2)	197	226
1944	375	372,000	5,541,800	2,006,000	(2)	200	250
1945	373	397,858	9,385,300	3,780,200	759,900	312	359
1946	370	416,313	16,872,300	7,158,600	1,634,900	491	562
1947	372	444,511	23,590,000	9,151,523	1,933,000	719	676
	KK ("progressive") group						
	Local associations			Wholesale (OTK)			
1937	122	282,600	1,860,000	1,094,751	(2)	100	100
1939	127	323,081	(2)	1,257,262	243,259	104	98
1940	119	317,158	(2)	(2)	(2)	128	132
1941	(2)	336,672	3,079,300	1,610,800	289,900	151	161
1942	(2)	358,279	3,295,000	1,612,000	239,600	177	199
1943	129	363,267	3,919,000	1,094,751	366,000	197	226
1944	(2)	342,090	4,254,000	2,034,000	(2)	200	250
1945	120	369,699	7,105,000	3,638,400	743,000	312	359
1946	130	425,073	12,560,000	7,067,000	1,448,000	491	562
1947	120	448,500	18,000,000	9,675,000	2,200,000	719	676

[1] Data are from Review of International Cooperation (London), Cooperative Information (Geneva), and United Nations Monthly Bulletin of Statistics.
[2] No data.

Conditions during the war compelled the two to collaborate more closely than they had ever done before. This resulted in greater efficiency and the introduction of an "active price policy" throughout the whole cooperative movement, thus reducing margins and lowering patronage refunds to 1 to 2 percent of sales.

[9] Both wholesales had gone into production. SOK manufactured hosiery, chemical products, chicory, flour, macaroni, bakery goods, preserves, margarine, matches, paper, lumber, bricks, and brushes; it also roasted coffee. OTK made fertilizer and chemical products; and also pickled herring and roasted coffee.

Inflation and the prevalence of black markets have been among the chief problems that Finland has had to meet. The extent of the rise in the price level has been reflected in the reports of cooperative business done, but actual tonnage has also increased somewhat. Official statistics compiled from tax returns indicate that the share of the cooperative movement in wholesale trade rose slightly from 34.5 to 34.6 percent, in the period 1942–45, and in retail trade from 30.1 to 33.5 percent. The money value of retail cooperative sales increased by 68 percent from 1944 to 1945 and by nearly 80 percent from 1945 to 1946 (table 6). At the end of 1946, so great had been the development of cooperatives that a director of the Bank of Finland called Finland "the most cooperatively organized country in the world."

Norway

Before the outbreak of the war there were in Norway 1,080 consumers' cooperatives. Of these, 659 were members of a national federation, Norges Kooperative Landsforening (NKL). The latter manufactured margarine, tobacco products, soap, shoes, flour, candy, woolen goods, and leather; about 40 percent of its annual business consisted of goods made in its own plants.

When Norway was invaded, in April 1940, the cooperative warehouses in the harbor of Narvik were destroyed and the margarine factory damaged; nevertheless, the cooperatives were at first able to supply their members with most commodities. Eventually, scarcity of goods and drastic rationing decreased the cooperatives' volume of business, although the local associations' business held up better than that of the wholesale (table 7).

The retail associations were scattered throughout Norway. Even in peacetime, communication and transport were difficult because of the extremely mountainous character of the country. Some of the most northernmost associations could be reached only by boat. However, one result of their isolation was that the local cooperatives carried larger inventories and undertook to an unusual degree the production of such things as bakery and meat products, cheese, margarine, leather products, etc. In 1938, the local associations were operating over 200 productive plants. Their self-sufficiency was, of course, an advantage under wartime conditions.

The wholesale's annual reports indicate the difficulties under which it, like other businesses, had to operate. From a prewar volume of over 62½ million kroner, its business declined steadily each year through 1944, to only slightly over 37 million kroner. In 1944, it sustained a loss on its operations for the first time, amounting to 9,600 kroner. The following year it had nearly a 40-percent increase in business but again a loss, amounting to 1,135,900 kroner, was incurred, attributed to a narrowing of gross margins on the goods handled and a general increase in operating costs. Its affiliated associations fared better, their operations in 1945 resulting in combined net earnings of 7.3 million kroner on a total volume of 212 million kroner.

Efforts to nazify the movement were stubbornly resisted all through the occupation, and "the Nazis did not succeed in any of their attempts to impose the 'fuehrer' principle on cooperation, perhaps * * * because the Germans were afraid that encroachments on the rights of cooperation should lead to trouble all over the country." [10]

Many cooperatives suffered damage to premises and plant, which they have had to replace or repair. This was especially true in Finnmark and Troms (in the most northern part of the country) where the Germans destroyed everything in their retreat, when the Russians liberated that part of Norway in the autumn of 1944. Almost immediately the cooperators opened their stores, in sheds, cellars of ruined buildings, and anywhere they could find shelter. Rehabilitation is going on all over the country, financed in part from a fund instituted by NKL to which undamaged associations have contributed.

Despite the scarcity of goods, many new associations have been formed and "new members crowd to the societies." [11] By the end of 1946, NKL had in affiliation 1,001 associations—a 20-percent gain over the previous year. These associations had an aggregate business in 1946 of 314 million kroner, a volume attained in spite of the fact that supplies were still being allocated on the basis of the pre-

[10] People's Yearbook (Cooperative Wholesale Society, Manchester, England), 1947, pp. 114, 115.

[11] Statement by chairman of NKL, in People's Yearbook, 1947, p. 117.

war business, although the movement is now serving nearly a third of Norway's population.

The business of the wholesale also increased to over 80 million kroner (from 52 millions in 1945). NKL decided to start manufacture of radios and other electrical apparatus and to start district associations for the distribution and servicing of these appliances. A clothing factory was also opened.

TABLE 7.—*Trend of membership and business of cooperative wholesale of Norway and its affiliates, 1939–46* [1]

Year	Associations affiliated with NKL			Cooperative wholesale, NKL: Business (in thousands)	Indexes of prices	
	Number	Members	Business (in thousands)		Retail (food)	Wholesale
			Kroner	*Kroner*		
1939	659	181,050	195,246	62,650	106	100
1940	(2)	(2)	(2)	(2)	127	131
1941	666	196,234	210,021	53,162	152	160
1942	673	200,490	200,691	49,835	158	170
1943	693	201,736	193,530	44,401	160	172
1944	727	206,359	185,600	37,168	161	174
1945	832	225,738	212,000	51,902	163	174
1946	1,001	239,854	314,000	80,510	163	166

[1] Data are from Statistisk Arboks for Norge; reports of NKL; Review of International Cooperation (London); and United Nations Monthly Bulletin of Statistics.
[2] No data.

An important event was the reopening, early in 1947, of a large building constructed just before the war, which was to have served as a cooperative school. In order to keep the building intact and in cooperative hands, it was turned into a children's home during the war.

Closer collaboration among the various parts of the cooperative movement is also planned. Previous to the war each section—housing, distributive, agricultural, fishery—had gone its own way. A new organization was formed in 1946 to serve as a central agency for the import and distribution of petroleum products, working in cooperation with the International Cooperative Petroleum Association and uniting in its membership various branches of the cooperative movement.

Sweden

During the war, the total number of cooperative associations in Sweden increased by over a fourth. Large increases took place in the number of housing associations and electricity associations and small increases in the number of cooperative restaurants. The distributive cooperatives declined somewhat, owing to amalgamations of local associations, but their membership showed a steady increase. Their business also increased, but a large part of the rise in the early years of the war was attributable to higher prices. In Sweden, however, the cooperatives, instead of selling at current prices, have pursued an active price policy, setting their prices at what they consider to be a reasonable level, which may be under that of private dealers. This resulted in a reduction in the rate of patronage refund (3 percent is usual in Sweden) but benefited all consumers, as the concerted policy of the cooperatives exercised a considerable influence on the general retail price level, which remained practically unchanged through 1946 (table 8).

TABLE 8.—*Trend of membership and business of consumers' cooperatives in Sweden, 1939–46* [1]

Year	Associations affiliated with KF			Cooperative wholesale (KF)		Indexes of prices	
	Number	Members	Business (in thousands)	Business (in thousands)	Value of own production (in thousands)	Retail (food)	Wholesale
			Kronor	*Kronor*	*Kronor*		
1939	717	669,429	587,700	269,350	144,535	107	101
1940	711	700,051	673,200	279,070	149,700	122	128
1941	678	736,508	720,800	270,940	137,270	140	151
1942	676	765,700	731,070	288,740	185,320	151	166
1943	676	789,608	786,600	[2] 273,100 [3] 475,680	210,633	149	171
1944	674	808,331	928,900	[2] 312,000 [3] 515,230	259,934	148	170
1945	676	829,352	980,000	[2] 319,000 [3] 534,320	313,180	147	170
1946	675	851,600	1,137,264	[2] 383,450 [3] 590,210	323,730	148	163
1947	706	876,625	1,278,854	[2] 430,760 [3] 656,620	328,740	155	175

[1] Data are from Kooperativ Verksamhet i Sverige, Review of International Cooperation (London), and United Nations Monthly Bulletin of Statistics.
[2] Business with cooperatives.
[3] Business with all others.

Over 90 percent of the retail cooperatives, with nearly 98 percent of the total membership, are affiliated with the wholesale, Kooperativa Förbundet (KF).

In 1940, KF, which had attained a world-wide reputation as "trust buster,"[12] undertook a number of new ventures in production. It bought a controlling interest in a large paper plant, established a charcoal factory, a plant producing fish oil, and

[12] By going into production, it had been able to reduce the retail prices of such things as margarine, soap, vegetable oils, flour, superphosphate fertilizer, various rubber products, cash registers, crisp bread, electric-light bulbs, porcelain products (dishes, bathroom fixtures, etc.), and artificial silk. As a result of its successes, it was able to obtain price reductions in certain other lines merely by threatening to go into production. Other products of its factories before the war included shoes, coffee, leather and leather goods, preserved fruit, men's shirts and other clothing, insulation material, agricultural implements, and limestone. Its own production was and is larger, in proportion to its total business, than that of any other national cooperative wholesale.

one making synthetic rubber (the last-named using only Swedish raw materials). It also undertook, jointly with several private textile firms, a factory for the production of cellulose (rayon); it already had one such plant of its own, as well as a plant making artificial wool. An unusual venture was the patenting of a machine for railroad tickets which, operated by the traveler, yielded a ticket showing destination and price.

Sweden had no problem of reconstruction of damaged property. Its problems have been those arising from national conditions resulting from world trade disorganization.

The local consumers' cooperatives in 1945 and 1946 increased their resources by an amount larger than was accumulated during the whole first quarter of the present century. They likewise showed a remarkable increase in volume of business, as did the wholesale also. The latter organization has been particularly active since the end of the war. In 1945, it had taken the lead in the formation of a cooperative for the import and distribution of petroleum products; by January 1947, the latter was reported to be handling about 10 percent of the petroleum business in Sweden. In May 1946, KF bought a half interest in a 13,500-ton tanker, to transport petroleum products purchased from Consumers Cooperative Association (Kansas City, Mo.). A year later it purchased the nation-wide network of gasoline facilities owned by Shell Oil of Sweden. Reports indicate that the cooperatives hope to prevent the proposed nationalization of the petroleum industry by a demonstration of efficiency and a reduction of the price level.

In 1947, KF acquired a factory to make boilers for house heating, oil burners, and drainage tile, and bought out the Swedish branch of the German electric-bulb trust. In 1940, a threat to start production of linoleum led to an agreement with an international trust by which the latter reduced prices 15 percent. This agreement seems to have lapsed during the war, for KF recently has been reported as girding for another attack, having bought 25 percent of the shares of the Swedish branch of the cartel, which it will use to force a reduction in prices.

Although the membership of the Swedish cooperative movement includes persons from all walks of life, over 40 percent are industrial and other workers. Also, as KF alone employs over 35,000 workers, its labor policies affect a great many persons. It is of interest, therefore, that in June 1946 KF and the Confederation of Trade-Unions signed a new collective agreement, whereby KF bound itself to provide in its factories and shops wages and working conditions at least as good as those in "well-run" enterprises in the same field and to work with the labor organization in obtaining security in employment and good working conditions. The confederation, on its part, agreed not to press for wage levels and other conditions better than obtained from "capitalistic enterprises."

Cooperatives In Postwar Europe

Part 3.—Central Europe.

THE FOUR COUNTRIES of Austria, Czechoslovakia, Germany, and Italy were subjected to totalitarian practices, and saw their consumers' cooperatives captured by the authorities for their own Party purposes.

In Italy, the cooperative movement lost its freedom with the rise of Mussolini, during which at least half of the consumers' cooperatives were plundered or destroyed. Those remaining were made part of a Fascist organization which still included the word, "cooperative," although membership control and democratic practices were no longer permitted. Once in control, however, the Fascists even showed favor towards the cooperatives in various ways. In Austria and Germany, the Nazis in 1941 incorporated the whole consumers' cooperative network into the Labor Front. Share capital and members' savings deposits were refunded, but the other assets (about seven-eighths of the total) were confiscated. The distributive machinery was reorganized into "supply rings" (each being the retail supplier for a large region) which were served in each country by a wholesale organization. Operations of this distributive system (called the Gemeinschaftswerk, or GW) were kept distinct from the other enterprises of the Labor Front. The Czechoslovak cooperative movement was halved by the events following the Munich agreement. Those cooperatives that were left were allowed to operate but were strictly controlled. In all four countries, Fascist or Nazi Party members occupied all the important cooperative posts.

Only the consumers' cooperatives were dealt with severely; the other parts of the cooperative movement were hardly touched, although subject to Government regulation. However, because of the fact that the distributive machinery of the consumers' cooperatives was necessary and therefore had been retained in some form in each country, at the end of the war there was still a structure which could be used in building a new cooperative movement.

In Germany, this reconstruction has taken place under military government and with the country divided into zones; in Austria, Italy, and Czechoslovakia, under a recreated democratic government of the people. (In Czechoslovakia, of course, the situation has since been changed.) Spontaneously in all but Germany, democratic practices were reestablished in the cooperatives; in Germany, this was done by military government order, which also forbade any restriction of membership on the basis of race or religion.

The scarcity of leaders and managers imbued with cooperative ideals is a handicap. In both Germany and Austria, it appears that a certain proportion of the cooperators remained faithful throughout the Nazi regime. However, they are now elderly; the younger men, who would ordinarily be assuming leadership, are of the generation most strongly tainted with nazism. In Italy the present situation is even worse. A whole generation has grown up in the atmosphere of totalitarianism and has never had an opportunity to learn anything about cooperatives. The presence of a few—now aged—cooperative leaders, the bad price and supply situation, and the traditional love of freedom of the Italian people have combined to produce a wave of cooperative enthusiasm which is, unfortunately, for the most part without knowledge of cooperative principles or practice. The Czechoslovak movement has been in the most advantageous situation in this regard, as the period of German occupation was not long enough to age the cooperative leadership greatly or wipe it out completely. Even before the end of the war

a plan had been evolved, in the "underground," for the revival and unification of the cooperative movement, and this plan has since been put into effect.

In Germany and Austria, old-time cooperators have been appointed as trustees to operate the former cooperative plants and shops, pending clearing and transfer of legal title to new associations.

By the end of 1945, unity had been achieved in the Czechoslovak cooperative movement in the so-called Protectorate (Moravia, Bohemia, and Silesia), whereas before the war there were religious, political, functional, and geographic divisions. (This unity is threatened by the Communist coup of February 1948.) In Austria and Germany the pre-Nazi federations have been recreated, but zonal barriers prevent their effective functioning. In Italy, the old pre-fascist political and religious schisms have already begun to appear.

The Austrian and Italian cooperatives are financially weak, and in Italy (as has always been the case) the associations are also for the most part small and poorly supported. The Czechoslovak movement appears to be soundly organized and fairly stable financially. It is too early to judge the small new growth in Germany. In all the countries the cooperatives share the difficulties inherent in the economic and monetary situation there.

Italy and Austria have regained their membership in the International Cooperative Alliance, which had been withdrawn when they lost their democratic character. Czechoslovakia, regarded as a victim of German aggression, never lost its membership.

Austria

Cooperatives lost their autonomy after the Dollfuss coup of February 1934, when a "trustee" was appointed as general director.

After the Anschluss, when the Germans occupied Austria, although the cooperatives were subjected to an "adjustment," their structure was not destroyed and the associations even enjoyed some degree of autonomy. Early in 1941, however, the consumers' cooperatives were turned over to the Labor Front, to be "managed or disposed of" by it. The cooperative stores became outlets for 28 "supply rings," and the cooperative wholesale (known as GöC) was changed into a commercial organization.

Many of the former cooperative leaders and managers took secondary positions in this Nazi organization, in order to "preserve something of the cooperative organization which would facilitate the rebuilding of the movement after the collapse of the National Socialist regime." [13] Several of these cooperators were appointed as interim trustees to administer the Gemeinschaftswerk stores and plants, immediately after the cessation of hostilities in April 1945.

Substantial cooperative progress has been made since then, but has been hampered by the difficulties arising from the division of the country into zones. Early in 1946 it was reported that 30 percent of the total cooperative membership was in the British Zone, 15 percent in the Russian Zone, 10 percent in the U. S. Zone, and 5 percent in the French Zone; the Vienna Cooperative Society (always the largest in Austria) accounted for 35 percent of the total. The Vienna association had nearly 95,000 members and 173,000 registered customers (about 8 percent of the city's population) as of January 1, 1946.

In May 1946, the old Central Union of Austrian Consumers' Societies and the wholesale (GöC) were reestablished. By the end of 1946, nearly 700,000 families were members of 22 district associations federated into 9 organizations (corresponding to Austria's 9 Provinces), which in turn were affiliated with the Central Union. The wholesale's plans for aggressive development of cooperative production [14] have been retarded by the financial weakness of the whole Austrian cooperative movement.

It was reported, near the end of 1947, that both Houses of the Austrian Parliament had passed a bill providing for the restitution of cooperative property taken over by the Labor Front. This bill was approved by the Allied Control Council on December 4 and the law was promulgated on December 19, 1947.

[13] Review of International Cooperation (London), March-April 1946, p. 56.

[14] At the end of 1945 it had 7 productive plants manufacturing, respectively, soap and soap powder, chemicals, foodstuffs, cocoa and chocolate, meat products, clothing and underwear, and printing. In addition, the wholesale was part owner of a slaughterhouse and a soy-flour mill, besides having a lease on another flour mill.

Czechoslovakia

The events following the signing of the Munich agreement halved the size of the cooperative movement in Czechoslovakia, reducing it from 14,915 associations with 4 million members to 8,646 associations with 2.4 million members. The Germans allowed those that were left to continue operations, but under Nazi commissars and only after "robbing all the financial funds." [15] Nearly 60 percent of the resources of a new "cooperative" bank established by the Germans in 1942 had, by the end of that year, been taken for investment in non-interest-bearing loans and treasury bonds of the Reich and in loans of the Protectorate. The number of cooperatives in Bohemia and Moravia had fallen to 7,310 and the members to 2.3 million.

Czechoslovakia was liberated in the spring of 1945. By the end of that year the number of cooperatives in Bohemia, Moravia, and Silesia had risen to 9,675. In addition, there were about 2,000 cooperatives in Slovakia—making a total for the whole republic of about 12,000 associations and approximately 2.5 million members. In the first half of 1946, more than 700 new associations with some 100,000 members were formed in Bohemia and Moravia.

Democratic practices were at once revived in the cooperatives throughout the country, and cooperative education, especially of young people, was undertaken vigorously.

Immediately after liberation, all branches of the cooperative movement united to form a new federation, the Central Cooperative Council. This organization received recognition by the Government, was given representation on the National Economic Council, and became its consultant on all cooperative matters. (The chairman of the Cooperative Council was later made Minister of Domestic Commerce.)

Cooperatives have participated in the government's Two Year Plan, started in January 1947. The main task of the distributive associations (whose members with their families constitute about a third of the population of the former Protectorate) has been to assist in raising the standard of living. The cooperative wholesale has been bending its efforts toward increasing the production of its own goods.[16]

The above data relate only to the area of the former Protectorate. In Slovakia the cooperatives had apparently continued operation all during the war and expanded considerably, though to what extent membership participation or control was permitted is not known. The complete severance of contact between these associations and those in the Protectorate, and the differences in national viewpoint and temperament, made difficult the resumption of joint activities. However, in May 1948 the Central Council reported that "complete agreement" on the affiliation of the Slovak associations with the Council was expected to be reached soon.

According to information recently received by the International Cooperative Alliance from officials of the Central Council, the Communist coup in February 1948 has had no very adverse effect as yet on the cooperative movement. "There are no fundamental changes and no interference from outside." However, "the situation * * * has deteriorated" as a result of the injection of politics into the cooperatives by Communist officials who were also cooperative officials. The new constitution of Czechoslovakia nationalizes all industries except those owned by the State, by cooperatives, and by individuals,

TABLE 9.—*Trend of membership and business of consumers' cooperatives in Czechoslovakia, 1937–47* [1]

Year	Retail distributive associations			Cooperative wholesale, VDP:	Indexes of prices—	
	Number	Members	Amount of business	Amount of business	Retail (food)	Wholesale
1937:						
German union [2]	140	238, 525	*Koruny* 465, 944, 542	*Koruny* 295, 938, 000	100	100
Czech union	743	739, 434	1, 314, 319, 000	638, 500, 000		
1941	(3)	(3)	(3)	713, 395, 138	151	147
1942	167	529, 778	1, 611, 539, 551	696, 117, 067	155	150
1943	(3)	(3)	(3)	652, 772, 997	154	152
1944	(3)	(3)	(3)	670, 633, 742	155	153
1945	67	608, 750	2, 065, 946, 694	846, 159, 064	160	170
1946 (first half year)	(3)	[4] 725,814	2, 930, 107, 077	1, 261, 029, 950	342	297
1947)	(3)	[5] 810,000	(3)	(3)		

[1] Data are from report of Central Cooperative Council of Czechoslovakia; Cooperative Information (Geneva); report from United States Embassy; and United Nations Monthly Bulletin of Statistics.
[2] Data are for 1935–36.
[3] No data.
[4] December.
[5] June 30; approximate.

[15] United Cooperative Movement in Czechoslovakia (Central Cooperative Council, Prague, 1946), p. 5.

[16] The goods produced consist of food products (oleomargarine, chocolate, soap, fish, and preserved and canned goods), textiles, and shoes.

but even in areas reserved for State monopoly, actual operation may be delegated to cooperatives.

Germany

After a long period of Nazi vacillation between tolerance and violent suppression, all the consumers' cooperatives were incorporated into the Labor Front in 1941. The cooperative stores were attached to 135 supply rings, each supplying a whole region. Included in this machinery were bakeries, meat-processing establishments, and many productive plants, as well as a wholesale.

When Germany was conquered, in the spring of 1945, the "ring" stores were allowed to continue operation in all the four zones into which the country was divided, and the authorities, after a time, adopted an official policy of permitting the formation of new, genuine cooperatives to replace them.

The greatest encouragement was given—and the greatest progress made—in the *British Zone*. A former director of the old cooperative wholesale was immediately appointed as trustee over the GW enterprises in the zone [17] and manager of the wholesale; and former cooperative leaders were installed as "custodians" of the ring stores, pending establishment of legal title to them. A year later the Nazi laws and regulations regarding cooperatives were annulled.

As a direct result of the favorable attitude of the British Military Government, 150 new cooperatives had been formed in the *British Zone* by the fall of 1947. None of the property formerly owned by their predecessors had, however, been legally transferred to them nor had they been successful in obtaining authorization for the establishment of a cooperative bank in which to centralize members' savings deposits.

In the *Russian Zone* an order of the military commander, on December 18, 1945, authorized the reestablishment of the consumers' cooperatives throughout the Russian-controlled territory, and the transfer to them, "free of charge," of all cooperative property administered by the Labor Front. In the spring of 1947 it was claimed that 25.3 percent of the population was receiving its supplies through the cooperatives.

In the *U. S. Zone* at that time all the former cooperative properties were held by the Property Control Branch of the United States Military Authority. An official directive, however, authorized the formation of cooperatives, providing they were democratic and had voluntary membership. A total of 17 associations had been formed in Wuertemburg-Baden and in Hesse. Although these were still largely "paper" organizations, they had a total reported membership of over 300,000.

Very little information is available regarding the *French Zone*, except that it is the policy to encourage the formation of cooperatives there.

TABLE 10.—*Distribution of "supply ring" facilities in Germany, 1945, by occupation zone* [1]

Military zone	Ring network		Wholesale facilities			
					Own production	
	Number of shops	Business in 1944 (in millions)	Number of branches or depots	Business in 1944 (in millions)	Number of factories	Value produced in 1944 (in millions)
		RM		*RM*		*RM*
All zones	7,800	619	14	115	46	136
British Zone	2,550	194	5	23	17	47
U. S. Zone	2,000	153	4	34	12	26
French Zone	750	59	1	8	2	6
Russian Zone	2,500	213	4	50	15	57

[1] Data are from Review of International Cooperation (London), March-April 1946, p. 53.

In *Berlin*, in the spring of 1947, 12 new associations were operating—2 in the British sector, 2 in the French, and 8 in the Russian; there were none in the United States sector. The Allied Command for Berlin had approved the restoration of the consumers' cooperatives, as a policy common to all the sectors.

At a cooperative congress, held in Hamburg in March 1947, it was announced that, under an agreement among the authorities of the British, French, and U. S. Zones, the free exchange of goods among those zones would be possible thereafter; "similar permission had not been granted by the Russian authorities." [18]

The former close relationship between the labor unions and cooperatives has been resumed. The two large insurance associations, Volksfürsorge

[17] This man told a delegation from the International Cooperative Alliance that "throughout the whole of the years of misery there have been meetings of old cooperators at least once a week. At these meetings we have exchanged the news—which we learned from the English broadcasts." (Review of International Cooperation, March-April 1946, p. 50.)

[18] Review of International Cooperation (London), May 1947, p. 74.

and Eigenhilfe, owned jointly by the two movements in pre-Nazi days, were returned to them in the fall of 1947 by the Allied Control Authority under an order issued April 27, 1947.

TABLE 11.—*Trend of membership and business of consumers' cooperatives and of "supply rings" in Germany, 1931–47* [1]

Year [2]	Total consumers' cooperatives	Associations affiliated with GEG and GEPAG			Wholesale business (in thousands)	Indexes of retail (food) prices
		Number	Members	Business (in thousands)		
				Rm	*Rm*	
1931	1,695	1,231	3,765,919	1,340,541	498,743	
1933	1,606	1,154	3,334,400	818,489	279,941	
1934	1,634	(3)	3,210,000	660,100	295,266	
1937	1,488	1,162	2,010,000	532,069	330,009	100
1944	7,800			619,000	115,000	113
1945	(3)			(3)	81,314	115
1946	(3)			705,000	112,000	120
1947	12,537	(3)	[4] 2,001,332	1,535,000	160,000	[4] 121

[1] Data are from Zentralverband yearbooks, People's Yearbooks, reports from United States consular officials, Review of International Cooperation (London), and United Nations Monthly Bulletin of Statistics
[2] Data for 1931–37 are for wholesales, of GEG and GEPAG combined; 1944 and 1945 for GW and supply-ring network; and 1946 and 1947 for cooperatively controlled establishments.
[3] No data.
[4] British and Russian zones only.
[5] September

Early in 1948 it was reported that the property of the wholesale, GEG, in the western zones was expected to be restored in a few months; although that in the Russian zone had been "safeguarded," it had not been turned over to the wholesale. The matter of a cooperative bank still had not been settled. By that time the wholesale had acquired a part in (1) a preserve factory, (2) a deep-sea fishery enterprise (jointly with the General Federation of Trade Unions), and (3) (jointly with five retail cooperatives) a company to operate department stores.

Italy

When Mussolini began to rise to prominence, about 1922, there were, among the Italian cooperatives, associations with affiliations or leanings toward the Socialists, "Nationalists," Catholics (People's Party), Republicans, Communists, and Fascists, as well as those of trade-unionists, ex-servicemen, and independents. The Socialist group was the largest, with some 3,986 affiliates, and the Catholic group the next, with 2,940. The "Fascist cooperatives" at that time numbered only 35.

The assumption of power by Mussolini was accompanied by violence against the consumers' cooperatives, especially the Lega Nazionale (Socialist) and its members, which had in their 1920 congress denounced the "reactionary violence" of the Fascisti. From 1921 to 1922, the number of cooperatives of all types dropped from 19,510 to 8,000. The Fascists transformed what was left of the consumers' cooperatives into a purely Fascist system, with Party members in all the important positions.

When Mussolini was overthrown on July 25, 1943, the Fascist cooperative officials fled north with the others. Immediately, steps were taken toward making the cooperative movement democratic again. The Fascist organization, Ente Nazionale, was dissolved by the United States Military Government on June 13, 1944, a few days after the liberation of Rome, and this was confirmed by the new Italian Government. In the ensuing wave of cooperative enthusiasm many new associations were formed. Two months after the liberation there were 800 consumers' cooperatives in operation in Rome alone, and in Florence 120 with a combined membership of about 80,000 families. The sudden upturn in associations, membership, and sales is indicated in table 12.

Unfortunately, it appears that some of the mistakes of the past are being repeated. By the end of 1946, the cooperatives had already split into at least four groups (Socialist, Catholic, free, and ex-servicemen's), each with its own federation. The first three of these federations had formed a new cooperative wholesale in Milan.

TABLE 12.—*Consumers' cooperatives in free and Fascist Italy, 1921–46* [1]

Group of associations	Year	Number of affiliated associations	Members	Business (in millions)
				Lire
Lega Nazionale members	1921	3,986	997,000	1,000.0
Ente Nazionale fascista members	1929	3,168	(2)	1,362.0
	1937	3,500	800,000	1,500.0
	1942	2,851	527,000	1,716.0
	1943	2,893	600,000	(2)
Total, affiliated and unaffiliated	[3] 1946	3,744	1,520,043	[4] 1,395.9

[1] Data are from Review of International Cooperation (London); consular report of May 27, 1943; Foreign Economic Administration Report of April 17 1945; and United Nations Monthly Bulletin of Statistics.
[2] No data.
[3] As of September.
[4] Per month.

The cooperatives have received Government recognition in various ways and have been used as the channel for the distribution of relief goods from abroad, sent by official and other agencies.

Cooperatives in Postwar Europe

Part 4.—Eastern Europe

OF THE EASTERN EUROPEAN COUNTRIES covered by this article (Albania, Bulgaria, Estonia, Greece, Hungary, Latvia, Lithuania, Poland, Rumania, Soviet Union, and Yugoslavia), in all but one (Albania) the cooperative movement was first subjected to increasing pressures of authoritarian practices in the 1930's, and then utilized by the Government or the invaders for their own purposes during the Second World War. At the end of hostilities, nevertheless, there was in all these nations at least a cooperative structure, however great its loss of independence and however far it had departed from recognized cooperative practice.

The regaining of cooperative freedom (in most regions) was followed by vigorous growth, but the cooperatives have now become subject to single-party totalitarianism under a different name. Estonia, Latvia, and Lithuania have disappeared behind the "iron curtain," and all of the other countries, except Greece, are either strongly influenced or dominated by Russian practices and policies.

Prewar Situation

Cooperatives had attained a considerable degree of success, in most of these countries, before the war. In Bulgaria, about 15 percent of the population belonged to some type of cooperative; in Greece and Poland, cooperators and their families constituted about 20 percent of the population, in Rumania about 30 percent, in Yugoslavia about 40 percent, and in Estonia about 50 percent.

In Russia, the fate of the cooperatives had depended on the policies of the Government, which had ranged all the way from a grant of monopoly to outright suppression. In 1935, urban cooperatives were absorbed into a system of State stores and ceased to exist. After that time (until November 1946) consumers' cooperatives were found only in rural districts, where they had become the predominant factor in retail trade.

Central federations (and wholesales) of consumers' cooperatives existed in all countries but Greece. In Bulgaria, Estonia, Hungary, and Poland, the cooperative wholesale had become the largest commercial organization in the country, was an important importer and exporter, and produced in its own plants from 10 to 20 percent of all the goods it handled.

With the growth of totalitarianism, changes in government began to occur which had their effects upon the cooperatives. Hungary had become an authoritarian economy as early as 1920, under the Horthy regime which, at first hostile to the cooperative movement, had later found it useful and even went into partnership with the wholesale in a trading and export subsidiary. Lithuania had established a single-party dictatorship in 1926. A similar system was adopted by Esthonia in 1933. In most of the other countries, also, it was the middle thirties which saw the gradual rise of totalitarianism.

In Latvia, the new corporative Government came into power in 1934, and the next few years were spent in "adapting" the local cooperatives to the new ideology. The cooperative wholesale was forced to vote its own liquidation and to transfer its assets to a new State-owned commercial stock company with which the local cooperatives were required to affiliate. By 1939, although the business of the local distributive associations had increased, the whole cooperative movement was reported to have been "changed beyond recognition."

In Bulgaria, Rumania, and Yugoslavia, also, the Governments, although well-disposed toward

cooperatives, began to assume a greater and greater degree of control over them. In Bulgaria, contrary to the usual situation, only the agricultural cooperatives were subjected to interference. The cooperative movement in Rumania had always had close relationships with the Government; in fact, this dependence had been one of the principal factors retarding sound and sturdy growth. This long-time trend was merely accelerated by the abolition of constitutional government in that country.

Poland seems to have been an exception among the eastern European countries; the cooperatives were allowed to flourish and expand under a liberal cooperative law, without official interference, right up to the outbreak of war.

Situation During the War

The Baltic countries (Estonia, Latvia, and Lithuania), occupied by the Russians (in 1940) and then by the Germans (1941), suffered enormous property losses, first by war and then by looting by the occupation authorities, as well as complete loss of autonomy. The Germans, however, recognized the efficiency of cooperative leaders by requisitioning their services for the direction of State-owned stock companies and other enterprises.

The partition of Poland and Yugoslavia reduced the cooperative movement in both countries to a shadow of its prewar size. Croatia, previously part of Yugoslavia, became a Nazi puppet State. In the other parts of Yugoslavia that came under German rule, the associations with Yugoslav membership were either destroyed (and their assets confiscated, as in Slovenia) or were placed under German commissioners for nazification; associations with German membership were allowed to continue operation and were even favored in some ways. Later, as the authorities recognized how useful the cooperatives could be, they not only tolerated them but even helped to start new ones to assist in carrying out government measures.

In the areas of Poland ceded to the Soviet Union, the urban cooperatives were dissolved, but the rural associations were allowed to continue.[19] In German-held regions the cooperatives were left in operation, but as part of a State-controlled distributive machinery, and in some instances were even expanded. The one form of nonclandestine action open to Polish patriots during the war was participation in the cooperative movement, in which they continued to fight for independence of action, evading German orders as much as possible Under these conditions, the cooperatives quadrupled in number.

Although Rumania became a satellite of Germany, it nevertheless lost substantial amounts of territory to Bulgaria and Hungary, and there was a corresponding loss of cooperatives. Those in the remaining areas were largely ignored as cooperatives, but were so overwhelmed in the new machinery created by the Government to carry out its wartime control and rationing measures that it became difficult to determine where voluntary cooperation ended and mandatory collective effort directed by the State began.

The Hungarian cooperative movement, already influential, was expanded by the reacquisition of associations in territory that had been lost after World War I; and the close relationships between the cooperatives and the Government continued. A dilution of cooperative ideals and a definite taint of anti-Semitism were all too evident, however, in statements attributed to the general manager of the cooperative wholesale.

Postwar Developments

When the Baltic countries were "liberated" by Russian forces in 1944, they had been so pillaged and destroyed that whole industries had been wiped out, livestock had been reduced by as much as 50 percent, about a third of the housing had been destroyed or made unfit for habitation, and the food ration was said to be the lowest in Europe. The Russians treated these countries leniently in two respects: They increased the bread ration; and although nationalization of industry (started in 1941) was reintroduced, only partial measures were taken. Politically, however, these countries became an integral part of the USSR, as "constituent republics." No information is available regarding the cooperatives since that time. That organizations of cooperative form exist is indicated by the proposal of Russian delegates to the International Cooperative Congress of 1946 that the cooperative move-

[19] Following the pattern adopted in 1935 throughout the Soviet Union itself.

ment of each of the three former nations be admitted to membership in the International Cooperative Alliance. This proposal was referred to the executive committee of the Alliance for further study.

The end of the war found at least the machinery of cooperation in existence in all the other countries except Albania (where none had existed). In Hungary, Bulgaria, Rumania, and Poland, the cooperative network was more extensive than before the war (see table), but in the first three of these countries it was dominated by the State and its operations interwoven with those of State-owned business organizations. In Yugoslavia, the consumers' cooperatives had expanded considerably faster than most of the other types of cooperative associations and constituted 70 percent of the total.

In Poland, the movement was said to be functioning without interference with either its democratic practices or its autonomy. The cooperatives were reported to be vigorous in reconstruction and efficient in operation. Many of the former leaders were still at their posts, and membership contacts had continued throughout the war period. Shortly after the end of the war, a cooperative congress in Poland decided that there should be only two cooperative federations—Spolem (the central union and wholesale) and the auditing union; before the war there had been 30 such federations.

In the early postwar period the cooperative movement was highly regarded by the Polish Government, and the cooperative wholesale and its members were designated as channels for the distribution of UNRRA relief supplies. With the rise of communism, however, cooperatives began to be criticized for their "inefficient performance in comparison with their great tasks," and a "ruthless purge" of all the "antidemocratic elements" that had crept in was demanded.[20] By the end of 1947, Communists and their supporters held 14 of 27 positions on Spolem's board of directors, and they had been instrumental in obtaining a reorganization which placed the wholesale under the (Communist) Minister of Industry, and divided up its activities among several newly created central organizations. On the new supervisory council—whose decisions could be suspended by the Government—Government representatives (as well as cooperative delegates) were to sit, in order to link the council's activities "closely with the economic policy of the State."[21]

In Hungary, one of the first acts of the constitutional government that ended the thousand-year-old Magyar monarchy was to establish a Ministry of Commerce and Cooperation. About 18 months later (Apr. 10, 1947), a new cooperative law was passed which laid down, as the primary requisite of cooperatives, "open membership without distinction of religion and nationality," and which affirmed the equality of all members within the associations. What, if any, effect the Communist coup, in the summer of 1947, may have had upon the Hungarian cooperatives is not yet known.

Cooperatives in Bulgaria had taken part in the underground and liberation movements, and one of their first demands after the war was for the restoration of the democratic membership control and independence of action taken from them under the "dictatorial regime." Cooperators in the 1947 cooperative congress protested against State invasion of retail and wholesale trade, under the nationalization program, but were told by officials of the "State of the People's Front," who were present, that the state had as much right in these as in other fields. These officials also pointed out that the cooperatives still had a "vast field" for their efforts and that they were regarded not only as "one of the principal pillars" of the government, but also "a most important factor in the recovery of the national economy."[22]

As a result of the land-reform laws in Hungary, Poland, and Yugoslavia, which parceled out the former large estates into small holdings for peasant families, a new type of cooperative came into existence. This was an association to own and utilize, on a cooperative basis, the buildings, agricultural machinery, and equipment formerly belonging to these estates. Such associations have become an increasingly important feature of the postwar agricultural cooperative movement. In Yugoslavia, an attempt has been made to use these and the agricultural-labor cooperatives as a means of gradual collectivization of farming, on the Soviet

[20] Statements quoted in News Digest (London), May 5, 1945.

[21] Review of International Cooperation (London), February 1948, p. 33.

[22] Review of International Cooperation (London), December 1947, pp. 226, 227.

"kolkhozy" pattern. However, the Yugoslav peasants, in spite of their tradition of common tillage and labor on their farms, have always owned the farms individually, and have an unswerving belief in private property. Therefore, the attempt to merge their individual holdings into a single "compound" collectively held and worked is reported to have been "rather successfully resisted." The effect upon the consumers' cooperatives of the recent nationalization of the retail trade in that country is not yet known.

TABLE 13.—*Number and membership of consumers' cooperatives as compared with prewar, by country* [1]

Country	Year	Number of associations	Their members
Bulgaria: Associations affiliated with the wholesale, Napred	1945	111	260,000
	1938	66	80,478
Hungary: Associations affiliated with the wholesale, Hangya	1944	5,000	7,000,000
	1937	1,481	630,000
Poland: Associations affiliated with the wholesale, Spolem	1945	6,574	2,293,000
	1939	1,871	440,000
Rumania: All consumers' cooperatives	1945	293	349,570
	1937	379	69,352

[1] This table is based on information from Review of International Cooperation (London); Cooperative Information (Geneva); and reports from American consular and embassy officials.

In Greece, most of the present consumers' cooperatives were formed during the German occupation or since expulsion of the Germans. The movement is reported to consist of a multiplicity of small, weak, badly undercapitalized associations. The membership consists for the most part of the employees of a single business enterprise, and the majority of the associations (because of the extreme difficulty of obtaining supplies) operate only intermittently, as goods are received. In 1947, they complained of discrimination in the distribution of machinery and relief supplies from abroad, and of the fact that legislation detrimental to cooperatives was still in force.

Among the countries which had a cooperative movement prior to the war, Greece alone had no central cooperative federation or wholesale. Steps to remedy this situation were taken in 1945, when a federation was formed which hopes eventually to undertake wholesaling.

The movement in Albania dates only from September 1945, when the first consumers' cooperative was formed. By the end of 1947, the 25 consumers' associations had 46,467 members (said to constitute, with their families, 85 percent of the population in the districts which they serve) and were doing an annual business of 734,000,000 leks. They had already acquired a number of productive enterprises (making bakery goods, meat products, canned goods, and preserves). The 2,458 members of the 89 workers' productive associations were stated to include 72 percent of all the artisans in Albania. The Government was reported to be relying heavily on the cooperatives in its attempts to develop commercial activities throughout the country.

In the Soviet Union, where, since 1935, consumers' cooperatives had been forbidden to operate in urban areas, an order of November 9, 1946, removed this prohibition. They were ordered to extend their operations to the cities and to compete actively against the State-owned stores in both prices and the purchase of agricultural products. Workers' productive associations (artels) were ordered to expand their production of consumer goods. Materials, equipment, and transportation facilities (railroad freight cars and trucks) were made available to them. Under this stimulus, by mid-1947, all types of cooperatives had established retail outlets in urban districts, and in the larger cities "they even operate department stores." [23] In the 4-month period, December 1946 through March 1947, it is reported that 17,660 new cooperative stores were opened in towns and workers' settlements. "A considerable number of Soviet and party officials" had been directed to work in cooperative enterprises.[24]

[23] Foreign Commerce Weekly (U. S. Department of Commerce, Washington), June 28, 1947.

[24] Cooperative Information (Geneva), No. 10, 1947.

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