

## COOPS:

# Are They The Answer To Vets' Problems?

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THE problems of Filipino war veterans far from being solved, have not been met squarely and adequately. Veterans have found government efforts to aid them tragically wanting despite loud repeated protestation in forums as well as in the press that "everything would be done, nothing would be spared to help improve their lot".

Veterans have realized that what were received in the form of backpay and pensions are fast being spent as the cost of living steadily mounts. With the ominous rumblings of another world cataclysm patently gathering force and momentum, the Filipino war veteran finds himself a most bewildered human being.

The vast majority of these veterans come from the ranks of the workingmen. He is either an industrial worker or a farmer, while others with the amount they have received have gone into a little business all their own. Rather than improve the veterans's living condition, the forces of the economic system have so reacted upon him in such a manner as to place him ever at a disadvantage.

Viewed in this light, the veteran may find it well for him to consider seriously the need for organizing with his fellow veterans into cooperatives to stave off prices and of a national economy which, many are agreed, is fast deteriorating.

To define a cooperative is not altogether a simple matter although it is easy to say that to cooperate means to work together. Aside from being too simple, this definition is inadequate; it fails to show the distinctive enterprise. Technically a cooperative has been defined as "that joint action which seeks to obtain for a relatively weak group all or part of the profit and interest which in the ordinary business enterprise are taken by a small and different group." In the cooperative form of organization, the profit goes to the members either as cooperative producers who have pooled their individual capital and labor, or to the members without regard to the capital invested and according to the products they have used. Hence, a cooperative is an organization or a group of people who band themselves together to produce something, to sell something, to buy something for themselves, or to pool their financial resources for credit or loan purposes." When a group of individuals band themselves together to produce something they form what is known as a **producers cooperative**. When a group bands together for the purpose of selling something, they form a **marketing cooperative**. This latter type of cooperative is common among American farmers. A group of individuals uniting pool their resources for loan purposes form a **credit cooperative**. Finally, if a number of people unite for buying or purchasing purposes, we have what is known as a **consumers cooperative**. It is this last type that is held of vital interest to the veterans.

Underlying consumer cooperatives are certain definite principles that must be followed if the cooperatives are to be genuine, well-knit, and successful. Many of these principles are commonly known as the Rochdale principles they were originated and followed by a group of cooperative pioneers at Rochdale, England. The germ of this

movement emerged from the almost inhuman working conditions of the workers in the textile mills of Rochdale almost a century ago. The principles evolved from a strike wherein the workers lost and from their loss they realized that it is only through concerted collective and cooperative action, that they could ever hope to bring about the much-needed reforms. The Rochdale workers organized themselves with objects and plans to make arrangements for the pecuniary benefit and improvement of their domestic conditions. They raised capital to bring into operation their plan. To the present day this has come to be known as the Rochdale plan. The principles and objectives enunciated have been tested and found. What were these objectives?

1. The establishment of a store for the sale of provisions and clothing, etc.
2. The building, purchasing or erecting a number of houses for members desiring to assist each other in improving their domestic and social conditions to reside in.
3. The manufacture of such articles as the society may determine upon, the employment of jobless members.
4. The purchase or rent of an estate or states of land which shall be cultivated by the members out of employment or poorly paid.
5. The arrangement of the powers of production, distribution, education and government as soon as practicable, or in other words the establishment of a self-supporting colony of united interests, or assisting of other societies in establishing such colonies.
6. The promotion of sobriety through the opening of a temperance hotel in one of the society's houses, as soon as convenient.

But even with the above principles as a guide to action in the establishment of cooperatives, it must be admitted that the movement has not been able to evolve a clear-cut theory of cooperation. The modern cooperative movement has not produced an authoritative literature of its own. It has not produced great thinkers or teachers. It finds itself inarticulate when it tries to explain itself, and either seeks refuge in an obsolete Utopian phraseology or finds comfort in columns of statistics. This is not for want of inspiration from the past or due to any lack of continuity between the past and the present.

The fundamental principles with which the movement began have remained unchanged today. A need is felt to elaborate and adapt the old principles to current practice and conditions. No attempt to do this has been made; it has been allowed quietly to slip into the background, to remain as a kind of religious fervour among the few. This failure to work out a new and purposeful ideology, capable of influencing action and policy has been in no sense deliberate. It has been one of the penalties of growth. As the scale of operations grew larger, the available energies of the movement were absorbed in business activities. These came to be of importance for their own sake, and



their ultimate meaning tended to be lost. The task of reviving the earlier sense of purpose and of directing it to solve the problems of cooperative development is becoming more and more urgent.

The movement it is held, must beware again of Utopian theorizing; it must have a clear purpose. It must show these principles that distinguish it from an ordinary capitalist enterprise. It must determine the scope of its operations and influence, both in the economic and in the political sphere. It must plan its guide to future expansion and determine forms that will most favor its ends. It is essential, in any attempt to give meaning to cooperation or to envisage its future place in the life of the community, to define its present character and in the process of doing this, to lay bare the general principles which may serve as guideposts when there are further advances to be made or obstacles to be overcome. Hence, the need to bear in mind at all times the basic principles of the cooperative movement as enunciated by the Rochdale pioneers.

Cooperation is in itself a complete system of economic organization, arising out of the direct interest of the associated consumers in the goods and services they require for the satisfaction of their wants. It is different from a system of organization which achieves the satisfaction of wants indirectly and only to the extent to which profits are yielded in the process. It is clear that there must be opposition of interests between the cooperative system which aims at the elimination of profits, and a competing system of supply, the mainspring of which is the profit motive.

The cooperative enterprise differs fundamentally from the ordinary capitalist business. The latter puts the interest of producers in the forefront. All are consumers from the cradle to the grave, though most people it is true, are producers also. But production misses its true purpose unless it is directed to the fullest possible satisfaction of the wants of consumers, and therefore the consumer interest should predominate. Experience shows plainly enough that under the capitalist system, producers may by achieving monopoly of supply, or through selling agreements, raise prices against consumers, or that they may, by the power of advertisement, deliberately persuade consumers that their interest are other than they are. Thus there is a standing temptation to sectional and unjustifiable gain. The cooperative system offers a way of escape from this danger.

With the foregoing, it is possible to deduce another. Cooperation stands for the control by the general body of consumers of those economic activities which are directed to the satisfaction of their wants, and must be opposed to control by sectional interests. The starting point of the cooperative system is the consumer and consumer wants, not the producer and the desire for gain.

Because of the economies inherent in the cooperative system it will be noted that theoretically it must have a continuous capacity for expansion. But farther than this, the larger the body of organized consumers, the greater the benefit which each derives from the system and the greater the capital resources which can be set aside for further expansion. Between different producer interests there must be competition and wasteful friction; this leads to monopoly and the restriction of the gains to fewer people. Cooperation, on the other hand seeks to bring in the largest possible number of consumers to share in the increasing benefit of the common enterprise. Broadly speaking therefore, if the principles & aims of the cooperative movement were clearly enunciated and were planned and directed along the right lines, it would ultimately supersede a system which operates to the disadvantage of the ordinary consumer.

Pains have been taken to go rather into the above

## The Anatomy of Graft...

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on his mind as his pay envelope inevitably fails to meet them. The civic-minded employe, for instance, is sadly aware that in spite of the theoretical equality of opportunity in the present social system, wealth is unevenly distributed, wages are inadequate, unemployment looms forever as a threat and money is being thrown around by the rich folk and the ruling class.

On the other hand, justified or not, the corrupt officials and grafters seem more and more secure in their position. In its mode of handling justice, current society cannot mete swift punishment to the wrongdoer especially if he is a "big wheel." Petty grafters are also invariably secure because they are protected by these big wheels, or "padrinos." Justice, the observant citizen finds out to his sorrow, is reduced to a poor arm of the state machine, which is itself an instrument under the control of unscrupulous officials and of those interests to whom they are shamelessly beholden.

It appears that under the present environment obtaining, this social cancer of graft and corruption thrives. It thrives so luxuriantly, in fact, that it has come to the notice of observers not only locally but abroad. The social evil has so smeared the prestige of the country that it has dimmed all prospects of getting foreign aid. The U.S. Administration, for instance, is loth to give aid to the Philippines because it finds the normal requisites for giving aid to any foreign country such as clean government, balanced budget, public confidence, absent. The role of the Philippines in the Far East world—to show how democracy works—is becoming a farce to observant Orientals who can see beneath the veneer of high-sounding slogans and the tinsel of official pomp and splendor.

While the disease wracks havoc in the national fabric, actual conditions demand even more its prompt eradication. Already some conscious elements in the top echelons of the government hierarchy have become aware of this urgent necessity for official reform. Some top officials are even now poised to wield the broom to rid the government of corrupt officials. But will the move succeed? Must the will to eradicate graft and corruption come from above, from below or from both sectors of the government? Must it be motivated by ideals? Must it be motivated by practical reasons of self benefit?

On the success or failure of the "drive for clean government" rests the capacity of the government to stem the tide of social unrest. To the observant citizen, for reform to be successful, no one no matter how highly placed must be spared if actually guilty. Proofs must be dug at all costs for this. Justice must be swift and not dilatory. The state laws must be plugged of loopholes. Society must be so tailored beyond the theoretical equality of opportunity there is actual equitable sharing and no citizen suffers from want. Public officials must be made to earn and live commensurate with their status, and the individual citizen must be made to realize he will get nowhere by bribing his way because the official does not need the bribe money. Failing in these, the Herculean task of cleaning the stables of graft and corruption is bound to fail, too. The futility of the movement will invite doubt on the validity of the social system.

details because of foreknowledge of what is to be expected in the process of organizing a cooperative will help very much the veterans in being able to meet the various problems as they crop up. Discussion on what the movement will eventually bring about has likewise been emphasized to show conclusively that within the present economic system, the much-needed reforms can be realized.