

CO-OPERATIVES LAW AND OVERDUE REFORMS

PETER FITZPATRICK*

There have been numerous inquiries into co-operatives in Third World countries. As Apthorpe has pointed out, such enquiries very often put "the blame when things go wrong on socially and culturally-based obstructive, destructive, or indifferent motivations or attitudes" of the people.¹ This is the official view in Papua New Guinea: the Registrar of Co-operative Societies has stated that it is not the co-operatives that are at fault but "just some people who have failed" and "there are ways and means of changing and correcting these weaknesses."²

But, as Apthorpe has suggested, the self-interest, status, theories and performance of government officials are of considerable relevance to the success or failure of co-operatives.³ The *Report of (the) Committee of Enquiry into Co-operatives in Papua New Guinea* is unusual in that it sees the trouble with co-operatives in Papua New Guinea in these terms - as, at its most general, a matter of mismanagement by government officials (p. 16).⁴ This view leads the Committee to recommend legal reforms which are of particular interest because of their

* Senior Lecturer, Faculty of Law, University of Papua New Guinea.

1 Apthorpe, "Some evaluation problems for cooperative studies, with special reference to primary cooperatives in highland Kenya" in P. Worsley ed., *Two blades of grass: Rural cooperatives in agricultural modernisation* (1971) 68.

2 *Post-Courier* 29 October 1973.

3 Apthorpe, *op. cit.*, and Apthorpe, "Some Problems of Evaluation" in C. Widstrand ed., *Co-operatives and Rural Development in East Africa* (1970) 209.

4 (1972). This paper is largely based on the report and on work I did for the Committee; this work was sponsored by the Commonwealth Foundation. Michael Grey helped me understand a lot about co-operatives and I am very grateful to him. (To save excessive footnoting, page references in the text will refer to the report.)

novelty and because generally they go in a direction opposite to developments in co-operatives law in other Third World countries.

The report recommends extensive changes in the law, finding that co-operatives legislation "contains some sections which are not in the best interests of Societies registered under it and has so many inconsistencies, obscurities and missing provisions that it is of limited value" (p. 28). It closely criticises existing laws and gives details of recommended new legislation (pp. 333-407). However, this paper will cover only the major reforms recommended which can be classified into two broad areas: the external environment in which the co-operative operates and the internal organisation of the co-operative. Before looking at these areas I will give an overview of co-operatives and co-operatives law in Papua New Guinea.

I Co-operatives and Co-operatives Law

Co-operatives in Papua New Guinea are rural organisations. For the most part they are collections (varying greatly in size) of small-scale agriculturalists who engage in cash cropping and subsistence farming. The bulk of co-operatives are "dual-purpose" - they market members' cash crops and retail basic commodities. Of the remaining active co-operatives most engage in one or the other of these activities.⁵ Marketing is sometimes combined with some processing of crops. As in many other Third World countries, these co-operatives are a mix of "modern" and "traditional" elements, of self-management and of government control. Also as in many other Third World countries, co-operatives have generally failed at making profits.⁶

5 The latest available figures (to 31 March 1972) show a total of 351 primary co-operatives. These are classified as: consumer, 41; producer, 43; dual purpose, 211; inactive, 56. There are 25 secondary co-operatives (18 associations and 7 service co-operatives) and 6 tertiary co-operatives. See *Annual Report of the Registrar of Co-operative Societies* (1973) 24.

6 This is seen in the stark figures at p. 22 of the report and the supporting data in annex 6. See also *Annual Report of the Registrar of Co-operative Societies* (1973) 26-33.

The idea of co-operatives was borrowed at the end of the second world war from British colonies in Africa. In Papua New Guinea co-operatives were a colonial administration's response to an upsurge of informal group economic activity among the people.⁷ But the co-operative was borrowed in form only; there was no transfer of ideology. Unlike the British colonists, nobody in Papua New Guinea perceived co-operatives as an appropriate recognition of indigenous ways. The reasons for introducing co-operatives were practical and hard-headed:

The war's disruptive impact and its demonstration of European technical achievement on a colossal scale had evoked a new ferment amongst Papua's peoples which could be dangerous or beneficial, according to the channels into which it was directed. Tactically the Administration's assistance [with co-operatives] was designed to guide potential forces of resistance into proper channels.⁸

The so-called co-operative movement in Papua New Guinea was a colonial creation. As a result, co-operatives in Papua New Guinea were never charged with that popular ethical content that elsewhere came from being part of a wider political movement or of a solidarity reacting against economic oppression. Rather, their goals and functions have been more mundane and basically economic. Also, and in contrast to some other countries, co-operatives in Papua New Guinea have been neither dispensers of government services nor beneficiaries of compulsory marketing schemes or government-granted monopolies.⁹

The first operative legislation, the *Co-operative Societies Ordinance* 1950, largely followed the British model. It was, however, considered by officials too complex and cumbersome for the co-operatives then being formed. Thus a novel and simple law, the *Native Economic Development Ordinance* 1951, was enacted. Almost all co-operatives used to be

7 *Encyclopedia of Papua New Guinea* Vol. 1, (1972) 213.

8 J.D. Legge, *Australian Colonial Policy: A Survey of Native Administration and European Development in Papua* (1956) 218. See also pp. 58 and 125 of the report.

9 A practical exception to this point about monopolies results from controls on coffee buying in the Chimbu area.

incorporated under this law. For some not very good reasons both these laws were replaced by the *Co-operative Societies Act* 1965.¹⁰ Though the new law was said to be a suitable combination of the two previous laws,¹¹ it was little different to the law of 1950, which as late as 1962 was still officially considered entirely inappropriate for "indigenes at present."¹² An intention officially attributed to this new law was "to encourage self-help among co-operatives and to ensure that Administration control and direct participation [is] only exercised where unavoidably necessary."¹³

II. The Administrative Environment

The administration of the law is given to the Registrar of Co-operative Societies (section 6). This official is also Chief of the Division of Co-operative Development.¹⁴ The Division, part of the Department of Business Development, has advisory, planning and extension functions.

However, the activities of the Division go beyond these functions. A co-operative is an alien institution, which requires skills new to Papua New Guineans for its successful operation. An initial lack of skills on the part of the people means that much of the early work is done by government officers. This, in turn, leads to a large investment in government staff -

10 Section numbers in the text will refer to this Act.

11 Territory of Papua and New Guinea, *House of Assembly Debates* (1965) 1051.

12 Letter from an official (then called the Director of Native Affairs) to the legislative draftsman of 15 February 1962, presenting the views of the writer, the Director of Trade and Industry (the relevant department for co-operatives at the time) and the Registrar of Co-operative Societies.

13 See note 10 above.

14 This was the position at the time of the report; it has changed somewhat since. See Central Planning Office *Strategies for Nationhood: Programmes and Performance* (1974) 58 and 61.

one officer for every two co-operatives operating (p. 37)¹⁵ - and to a continuing dependence on this assistance, with the result that even now the Division "in effect makes most major business decisions for Co-operative Societies" (p. 8) and does much of the more routine work for them (p. 168). Its extensive involvement has led officers in the Division to feel that the success or failure of co-operatives reflects on the Administration. As a Registrar has put it, "by registering a society, the onus is placed squarely on the Government to do everything possible to ensure that it does not fail" (p. 205). Thus, the Division has acquired a control syndrome. To loosen control - or even to commence to do so - is to risk failures. Hence a comment within the Department of Business Development that "these co-ops have been going for more than 20 years. How much longer do they need to be spoon fed?" (p. 65). But control has not proved effective. Government officials are not competent enough (pp. 65 and 191) and they spend too much time on bureaucratic tasks (pp. 78-79). Officials have set up several ventures which have resulted in great losses for the people (see e.g. pp. 38-57). But even if control were competent, it would probably still result, as it does now, in the disillusionment and alienation of the people (pp. 57 and 193).

The Committee of Enquiry has proposed three sets of legal reforms to deal with this situation. First, the Committee recommends that a statutory Co-operatives Commission be established to take over the advisory, planning and extension functions of the Division (p. 16). Second, it recommends that the registry or legal functions be taken from the Department of Business Development, and the Registrar be made responsible to the Minister for Justice (pp. 27 and 240). Third, it recommends that the powers of the Registrar be drastically curtailed.

The report details functions, powers and a legal structure for the proposed Commission (pp. 321-325). Although the government has given a general if hesitant blessing to the report, it is most unlikely to accept the idea of a Commission.¹⁶ For

15 This is presumably based on figures available at the time of the report. The latest available figures show one officer for every 2.3 co-operatives operating. *Annual Report of the Registrar of Co-operative Societies* (1973) 4 and 24.

16 Papua New Guinea, *House of Assembly Debates* (1973) 2157.

this reason, only brief mention will be made here of what part the Commission was to play in the Committee's scheme of things. Of immediate import, the Commission would have provide an opportunity to appoint some new personnel to deal with co-operatives (p. 16). Structurally, the Commission, like the Division, would have been accountable to the Minister for Commerce, but a statutory Commission would have allowed some intermediate accountability to the co-operative movement by having on its board representatives of the movement and of key co-operatives (p. 322).

Separating registry from administrative functions is an answer to the problem of unchecked official control:

At present the Registrar has a dual role...he is Chief of the Division of Co-operative Development - the organisation which in effect makes most major business decisions for Co-operative Societies. The Registrar really should be controlling some of his own activities. This naturally results in conflicts of interest and priorities. The two roles must be clearly separated and performed by different people (p. 8).

As a result of this conflict, co-operatives law is poorly enforced by the Registrar (pp. 233-234 and 236-238). For example, the law requires co-operative accounts to be audited each year (section 95) but the number of audits actually carried out has been very few indeed (pp. 237-238). This conflict also results in misuses of the Registrar's powers. As an instance, section 41 of the law apparently subjects to the Registrar's approval loans made by co-operatives to other co-operatives or to companies. Analysing the occasions on which this power had been exercised since 1st August 1966, the Committee found that it had been used mostly for loans

...to support schemes initiated by the Division without reasonable feasibility studies, plans or projections, and which were either in financial difficulties at the time or were subsequently in financial difficulties. The ... loans were all unsecured and the applications were unsupported by any analysis of the projects they were financing (p. 224).

The Committee's recommendation for separation of registry functions will not cover all these shortcomings, and some further check on the performance of the Registrar would be needed. Such a check in the present legislation is the requirement that the Registrar report to parliament annually (section 23). The Committee found that these reports are submitted too late,

and considered them misleading and inadequate (pp. 9 and 210-217). To meet these defects, new legislation would lay down a set time within which a report must be submitted, and would detail the matters which the Registrar would have to cover (pp. 346-347).

The powers of the Registrar under the present law reflect his close involvement in co-operatives as Chief of Division. These powers are very extensive. For example - and the following are just a few of many director or employee (section 19), he has control of loans and investments made by co-operatives (section 41), he can place limits on the indebtedness which a co-operative can incur (section 42) and he can prohibit co-operative from entering into an agreement (section 46). For the most part, the Registrar's powers are no more extensive than governmental powers over co-operatives in other Third World countries. Indeed, the trend in such countries is to increase these powers of government, but this does not appear to have provided solutions to the problems incurred by co-operatives.

The Committee recommends that the powers of the Registrar be drastically reduced. He would retain two wide powers (some new recommended powers are described later): distributions of co-operatives would remain subject to his approval (pp. 371-373), and he would retain the power to enquire into the affairs and activities of a co-operative. Indeed, the Committee recommends that this latter power be broadened (pp. 401-402). Commenting on the power of enquiry and on the Registrar's powers generally, the Committee says:

In many countries there is an increasing emphasis in companies legislation on supervision by governmental agencies like the Registrar; this is because of the prove ineffectiveness of checking abuses by other ways such as disclosure and shareholder action. These other ways are of even less value in developing countries where people often do not have the knowledge or the means to use them. Hence it is important for the Registrar to have some powers of supervision...In addition, and if the Committee's recommendations on the role of the Registrar are accepted, the Registrar will no longer be so closely or so directly involved in the affairs of societies; from this perspective, broad powers of inspection are necessary if the Registrar is to obtain adequate evidence to support the exercise of his other powers or to aid members and creditors in the enforcement of their rights or to check that the provisions of the legislation are being complied with (pp. 339-340 and 402).

The Committee has also recommended, as a means of guiding the exercise of these powers, that new legislation contain a statement of principles and purposes:

Given the necessity for wide powers, there is a need for the Registrar to have some authoritative guidance as to the purposes for which these powers are to be used. Also, wide powers are susceptible...[of] use in ways that are arbitrary, inconsistent and directionless; a statement of purposes and principles would do much to prevent their use in these ways (p. 340).

The principle most relevant here (others will be mentioned later) is that "the autonomy of each society should be scrupulously respected and the self-reliance of each society should be promoted" (p. 340). This principle like others suggested by the Committee, reflects the basic principles of the co-operative movement, as devised by delegates to international congresses.¹⁷ Democracy is a major plank in the co-operative philosophy, but democracy can be assured [over] only if co-operative societies are autonomous and self-reliant.

III. The Social environment

According to the usual official view, misappropriations of goods and funds is the main cause of co-operative failures. And misappropriations occur, it is said, because of the social environment in which co-operatives operate. The paradigm case is the co-operative store manager who gives stock or endless credit to relatives. As the Committee notes:

Such conduct, although prescribed as wrongful by the national legal system, will often be considered permissible, commendable and even obligatory in the context of the established social system. Understandably, people are reluctant to take formal legal proceedings in respect of such conduct. Understandably also, the police do not seem willing to take action except in the most clear cut cases (p. 403).

While the scholarly debate as to whether traditional values, customs and organisation aid or hinders co-operatives still goes on, the real issue may be to what extent tradition

17 The Commission on Co-operative Principles of the Congress of the International Co-operative Alliance, quoted in Widstrand 143.

aid and hinder co-operatives. This issue will be answered differently depending on what sorts of traditional organisation and what sorts of co-operatives are being considered. These matters have not been sorted out in the Papua New Guinea context. Traditional organisation is looked on simply as a blanket obstacle,¹⁸ which of course is or has been the general attitude among officials in Third World countries.¹⁹ But in Papua New Guinea, pre-existing or traditional links were necessary for most co-operatives to be formed in the first place, and these traditional elements are not just going to disappear. Further, the national goals in the constitution provide that "development should take place primarily through the use of Papua New Guinean forms of social, political and economic organisation."²⁰

The Committee does not given much emphasis to this issue as such, perhaps because it envisages that most co-operatives will grow into large-scale affairs where the influence of tradition may be attenuated (p. 84).²¹ Also, the Committee considers the root of the problem to be insufficient training of co-operative employees and directors, as well as of government officials (pp. 65, 178 and 191). This view, while accurate go far as it goes, takes insufficient account of wider social implications. Inadequate training has certainly not made for success, but the benefits of inadequacy should not be overlooked. Adequate training would have helped create "new privileged bureaucratic and managerial classes" in rural areas.²² However, these wider implications cannot be properly assessed in the limited framework of co-operatives alone.²³

-
- 18 See e.g. *Encyclopedia of Papua New Guinea*, Vol. 1 (1972) 215.
- 19 M.J. Herskovits, *The Human Factor in Changing Africa* (1963) 376-377.
- 20 *Final Report of the Constitutional Planning Committee* (1974) 24; *Government Paper: Proposals on Constitutional Principles and Explanatory Notes* (1974) 4.
- 21 See also Central Planning Office *op. cit.* 61.
- 22 See R. Apthorpe, *Rural co-operatives and planned change in Africa: an analytical overview* (1972) 81-82, also 56.
- 23 *Ibid.*, 106.

The Committee does say that

It is not suggested that the national law should force people to disregard social obligations or should discourage generosity. However, this law in its operation should indicate clearly and consistently that the prerequisites for the success of co-operative organisation are different in some crucial ways from the prerequisites for the success of the wide social system and that, to this necessary extent, the two areas are to be kept separate. Existing legal means have proved inadequate for this task (p. 403).²⁴

In line with this, the Committee recommends that the Registrar be given power to take proceedings or make orders himself in cases of misappropriation (p. 404). A similar power in other countries seems to have had little effect on the problem. Of more potential effect - if given adequate ideological impetus - is the recommendation that the law be clear, simple and practical (pp. 341-342 and 403)²⁵ since it is the law which provides the broad lines separating traditional and co-operative conduct. Many of the new laws recommended by the Committee could be drafted in simple form. Papua New Guinea needs a true people's law radically different from the turgid legal drafting of the present act. Invariably laws are drafted on the assumption that they will be used only by lawyers and officials.²⁶

24 See also McSwain, "Custom, Kin and Co-operatives" 4 *Journal of the Papua and New Guinea Society* 33 (1970) and Schwartz, "The Co-operatives (Ol i-Bagarapim Mani)" 1 *New Guinea* 36 (1966-7).

25 This accords with the International Labour Office, *Co-operatives (Developing Countries) Recommendation* (1966) 342.

26 The model rules provided by the Registrar have been adopted by almost all co-operatives, but they are drafted in much the same style. Incredibly perhaps, the rules are in English and have not been prepared to ease translation into a popular language.

IV. Internal organisation

A. Members' Participation

The recommended new laws must be accessible to the people in order to further the Committee's proposals on increasing member participation. The recommended law's statement of principles and purposes emphasise the participation of members, awareness of their rights and the provision of means to assert these rights (pp. 340-341).

As for specific legal measures, members are to be given the right to attend general meetings and to vote (p. 360), and any member would have a right to bring representative legal proceedings on behalf of his or her co-operative (pp. 396-397). Technical laws which prevent the holding of shares on behalf of villages, clans and lineage groups would be abolished (p. 395).²⁷ Finally, members would be given a broad legal remedy against conduct that is discriminatory, exploitative or oppressive, or which is not in the best interests of the co-operative (pp. 397-401). To put this remedy into effect application is first made to the Registrar who can either determine the matter himself or refer it to a court he considers appropriate. The Committee recommended this method to avoid the technicality and inaccessibility of most courts (pp. 399-400), but it may well be that the Registrar will be neither less technical nor more accessible. It would be preferable for members also to have the right to apply to village and local courts, and these courts should be given as wide a jurisdiction as practicable in this area. For disputes within the co-operative, a further approach could be a co-operative appointed dispute-settlement authority somewhat along the lines already found in the *Business Groups Incorporation Act 1974*.²⁸

Another relevant addition to the Committee's recommendations could be borrowed from the many development corporations and development associations now being formed whose constitutions

27 Despite the laws some co-operatives seem to have shareholdings structured in this way: see Nicholls, "The Iowa Marketing Co-operative Limited of Goroka" in M. Ward, ed., *Change and Development in Rural Melanesia* (1972) 180.

28 There is presently provision for such disputes to be settled by an arbitrator appointed by the Registrar: see section 48(x) of the Act and rule 44(b)(iv) of the Model Rules. This provision does not appear to have been used.

permit a meeting of members to appoint an examiner to look into any aspect of the corporation's or association's affairs. Such a remedy would be more easily available than the Registrar's power of enquiry and would lessen reliance on the Registrar's powers.

B. Co-operative Principles

Member participation is a basic principle of the world wide co-operatives movement, part of the general tenet that co-operative societies should be run democratically:

Co-operative societies are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies.²⁹

Strangely, the basic principle of "one member, one vote" is not in the present legislation and the Committee recommends insertion (p. 360); the Committee also wants the principles and purposes underlying the new legislation to include a statement that "the rights and powers of members of a society should be exercisable only on the basis of personal equality" (p. 340).

Also in line with this principle of democracy, the Committee makes recommendations about the accountability of co-operatives officers. At present the legislation refers to liability only in the case of a director's "gross negligence and wilful misconduct" (section 67). The Committee recommends that this be replaced by the following:

Every officer of a society shall exercise the powers and discharge the duties of his office honestly, in good faith and in the best interests of the society and in connection with these powers and duties he shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (p. 367).

A restriction on the number or proportion of shares in a co-operative that any one member can hold was provided for in

29 See B. SurrIDGE and M. Digby, *A Manual of Co-operative Law and Practice* (1967) 10, a formulation approved at the 23rd Congress of the International Co-operative Alliance in 1966.

the original Rochdale principles of co-operation³⁰ but it is not now generally regarded as a basic principle.³¹ It is provided for in the present legislation (section 58). The purpose of such a limitation is to prevent any one member dominating a co-operative by threatening to withdraw his large share capital.³² It is usual in British-style co-operative laws for a member to be able to withdraw his capital but the opposite is the case in Papua New Guinea where there is a rule requiring maintenance of capital (section 55) and where shareholding in a co-operative is often look on as a capital investment and not just as something incidental to membership (p. 356). For such reasons the Committee recommends that there be no limitation on shareholding (p. 336).

Almost tantamount to a principle of co-operation and a well nigh universal requirement of co-operative laws is the "statutory reserve." This aspect of existing law "caused the Committee most concern" (p. 257). The present law requires a fixed part of a co-operative's profits be placed in a reserve fund and that fund be invested in a manner approved by the Registrar (sections 90 and 92). The Committee was not well disposed towards this power of the Registrar for under it reserves have been invested in an officially promoted co-operative which "is poorly managed, has accumulated losses, and lent \$25,000 in an unsecured loan to an insolvent organisation" (p. 52, see also pp. 228 and 232). The Committee recommended that the statutory reserve requirement be abolished; the Committee found that this requirement operated in ways that were arbitrary and capricious as well as detrimental to co-operatives (pp. 230 and 258-259).³³

C. Co-operative Goals

In Papua New Guinea co-operative goals have been basically economic. The Co-operatives Division occasionally asserts that the main goal of co-operatives is not to make profits but to

30 M. Digby, *The World Co-operative Movement* (1960) 22.

31 See SurrIDGE and Digby, *op. cit.* 10-12.

32 International Labour Office, *Revised Working Paper: Development and Trends in the World Cooperative Movement* (1962) para. 102.

33 The reasons for not having compulsory reserve raise many technical questions not all of which are covered in the report; to deal with them would be disproportionate in the context of this paper.

provide a service (pp. 7 and 125). However, this claim appears to be made only after a failure to achieve profits (p. 32). The officially sanctioned expectation of members is profit oriented, and at the practical level this element is emphasised (pp. 32 and 126). The extent to which co-operatives provide pre-profit benefits (such as low prices for goods bought by members or higher prices for produce bought from members) does not appear significant (pp. 128-131). The Committee does not attempt the task of gauging the extent to which co-operatives provide retail and marketing services where these would otherwise not exist. The Committee argues that co-operative activity in Papua New Guinea is and should aim to be basically commercial (pp. 7, 30 and 119). As to what should be, this is a policy statement not adequately analysed by the Committee. A thorough analysis would have raised issues of wider and radical change in the practice and operative ideology of the government, but an enquiry of that magnitude may have been beyond the powers of a government - sponsored investigation.

Co-operative laws in other countries often restrain the profit emphasis. Thus, under some laws, members who no longer deal with their co-operative (and hence have with it an investment relation only) are obliged to withdraw; under other laws, a body whose main goal is profits cannot be registered as a co-operative. Papua New Guinean legislation, reflecting the commercial emphasis, has no such restrictions. On the contrary, the legislation provides for such capitalist elements as the maintenance of capital (section 55) and the distribution of appreciated capital value on the winding-up of a co-operative (sections 121 and 126). There is nothing to stop shares being issued or transferred at their appreciated capital value.

The law is not consistent, however. In one way it treats a member like a subscriber to a club. He can be expelled by the Board of Directors and lose his investment no matter how insubstantial the reason or how substantial the investment.³⁵

34 Yet the claim has been made officially that all distributed profits of co-operatives constitute "virtually a bonus on top of the services rendered": *Annual Report of the Registrar of Co-operative Societies* (1973) 14. The ultimate service (it is said) is that the co-operative "fosters a state of confidence and self reliance not hitherto apparent in the individual person" whence it becomes "redundant" and leaves the field to those who can "go it alone." *Ibid.*

35 See section 63(b) of the Act in conjunction with rule 9(f) of the Model Rules.

The Committee recommends the removal of this power of expulsion (pp. 360-361), thus recognizing the importance of the investment aspect. More significantly, the Committee recommends that the required percentage limit on dividends on capital (some such limitation is a principle of co-operation) be considerably increased (p. 373).³⁶

The emphasis on investment raises an important point which the Committee did not consider. In British-style legal systems (and such is the introduced system in Papua New Guinea) incorporation for investment is normally available only under company law, which alone has the extensive protections considered necessary - especially for the raising of capital.³⁷ For co-operatives in Papua New Guinea the investment element is emphasised, but despite this - and like most other co-operative laws elsewhere - there are no legal protections for those considering investment or further investment in a co-operative; abuse of this situation has not been insignificant. In drawing up new legislation the problem of effective protection should be faced.

IV. Afterword

The Committee was set up at the request of parliament (p. 2), but its report was not presented to parliament until August, 1973, almost a year after it was given to the government. More than another year has passed and nothing conspicuous has happened. The report has not even been debated in parliament. The publication of the report bought no strong public response from politicians or others. Such a response might have spurred some change. Is there any value in reform-oriented research in Papua New Guinea?

36 The effectiveness of the specific limitation recommended (10%) has since been overtaken by inflation.

37 Central Council for Agricultural and Horticultural Co-operation, *Report of the Working Party on Agricultural Co-operative Law in the United Kingdom* (1971) 16.