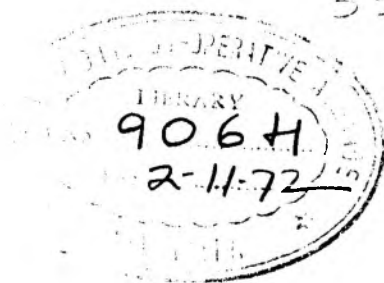


International Co-operative Alliance

11 Upper Grosvenor Street, London, W. 1.

Report of the Twenty-Third Congress at Vienna

5th to 8th September, 1966



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International Co-operative Alliance

Founded 1895

President: M. Bonow

Vice-Presidents: R. Southern, A. P. Klimov

Members of the Executive:

Riazzudin Ahmed, Ch.-H. Barbier, M. Bonow, M. Brot, G. Cerreti, J. J. A. Charbo, J. Jalava, A. P. Klimov, A. Korp, C. Schumacher, P. Soiland, R. Southern, J. Voorhis.

Director: W. G. Alexander

Members of the Central Committee, 1963-1966:

Austria	A. Korp, H. Kulhanek, L. Strobl, A. Vukovich
Belgium	H. Bertholet, J. Lambert, P. Lambert, R. Ramaekers, W. Serwy
Bulgaria	G. Jordanov
Canada	A. F. Laidlaw, R. S. Staples, M. J. Légère
Ceylon ✓.....	D. A. P. Kahawita
Cyprus	R. N. Clerides, M. Eshref
Czechoslovakia	M. Capek, J. Nepomucky, J. Podlipny, P. Poruben, L. Smrcka, P. Tonhauser
Denmark	C. Pedersen, P. N. Anderson, E. Groes, K. Moller, K. Nielsen, L. Lundin
Finland	J. Jalava, P. Kuoppola, K. Peitsalo, U. Takki, L. Hietanen, V. Loppi, M. Mustonen, E. Särkkä
France	A. Antoni, M. Brot, F. Burette, M. Catelas, M. Degond, G. Gausse, G. Heitz, P. Reymond
Germany (Federal Republic of)	H. Fischer, W. Flügge, E. Hasselmann, C. Schumacher, H. Meins, C. Wiederkehr, W. Hesselbach, J. Brüggemann
Great Britain	F. Abbotts, H. Afford, H. D. Brooks, J. Jacques, R. Southern, R. Taylor, T. Weir, H. W. Whitehead
Greece	J. Afendakis
Holland.....	J. J. A. Charbo, J. G. Nijhof
Iceland	E. Einarsson
India ✓.....	Brahm Perakash
Israel	J. Efter, N. Verlinsky
Italy	G. Banchieri, G. Cerreti, S. Miana, G. Tolino, L. Vigone, L. Malfettani, V. Menghi, A. Rossini
Japan ✓.....	S. Katayanagi, Y. Mori, S. Nakabayashi
Malaysia ✓.....	Inche Ahmad Hourmain, N. G. Raju
Nigeria	E. T. Latunde, W. C. Okoro
Norway.....	R. Haugen, P. Soiland
Pakistan ✓.....	Riazzudin Ahmed, Raju Ahmed Khan, M. M. Zaman
Poland	J. Inglot, T. Janczyk, J. Sobieszczanski, Mrs. Z. Staros, H. Trus, W. Kasperski, F. Lós, B. Trampczynski
Roumania	C. Mateesco
Sweden	C. Anderson, M. Bonow, G. Etzler, H. Hjalmarson, N. Thedin, S. Apelqvist, G. Blomqvist, S. Kypengren
Switzerland	Ch.-H. Barbier, E. Debrunner, W. Gnaedinger, E. Herzog, A. Vuilleumier, H. Küng
Tanzania	W. R. Kapinga
U.S.A.	H. A. Cowden, J. W. Koski, M. D. Lincoln, F. F. Rondeau, W. Sandbach, A. J. Smaby, D. Townsend, J. Voorhis
U.S.S.R.	A. A. Charchoglian, M. M. Denisov, R. Iliashev, A. P. Klimov, Kolesnik, I. A. Krumin, E. N. Nevskii, F. F. Voloshin
Yugoslavia	V. Janjic

The Congress Committee

President:

Dr. Mauritz Bonow

Vice-Presidents:

Mr. R. Southern, Mr. A. P. Klimov

Members:

Mr. Clement Pedersen, Mr. F. F. Rondeau, Mr. B. Perkasb, Dr. A. F. Laidlaw,
Mr. R. Kérinec, Mr. M. M. Denisov

Past Congresses

London	1895	Stockholm	1927
Paris	1896	Vienna	1930
Delft	1897	London	1934
Paris	1900	Paris	1937
Manchester	1902	Zurich	1946
Budapest	1904	Prague	1948
Cremona	1907	Copenhagen	1951
Hamburg	1910	Paris	1954
Glasgow	1913	Stockholm	1957
Basle	1921	Lausanne	1960
Ghent	1924	Bournemouth	1963

The Congress at Vienna

took place under the auspices of
the following Austrian Cooperative Organisations:

**Konsumverband,
Zentralverband der österreichischen Konsumgenossenschaften**

Österreichischer Raiffeisenverband

**Österreichischer Verband Gemeinnütziger
Bau-, Wohnungs- und Siedlungsvereinigungen**

to whom the Alliance and its members are grateful for the
arrangements made for their reception and entertainment.

**23rd Congress of the
International Co-operative Alliance
Vienna, September 1966**

Fraternal Delegates and Guests

The Federal Republic of Austria

The President of the Federal Republic of Austria, His Excellency Franz Jonas
The Chancellor of the Federal Republic of Austria, Dr. Josef Klaus
The Minister of Agriculture of the Federal Republic of Austria, Dr. Karl Schleinzer

The City of Vienna

Stadtrat Sigmund
Landes-Hauptmann, Dr. Hartmann

International Organisations

International Labour Office.....	Mr. J. B. Orizet
United Nations Food and Agriculture Organisation	Mr. R. H. Gretton
United Nations Educational, Scientific and Cultural Organisation	Miss P. Harris
International Confederation of Free Trade Unions.....	Mr. A. Braunthal
International Federation of Agricultural Producers.....	Mr. A. Wijnmaalen
International Chamber of Commerce	Mr. S. Rief
	Mr. P. Foster
European Confederation of Agriculture	Dr. L. Strobl
C.I.R.I.E.C.	Professor P. Lambert
International Cooperative Women's Guild	Mrs. F. Krämer

Personal Guests

Lord Rusholme, a former President of the I.C.A.
Mr. W. P. Watkins, a former Director of the I.C.A., and Mrs. Watkins
Miss G. F. Polley, O.B.E., formerly General Secretary of the I.C.A.

Delegates of Member Organisations

Algeria

Société Coopérative Musulmane Algérienne d'Habitation
et d'Accession à la Petite Propriété, Oran..... Padovani P,

Argentina

Federacion Argentina de Cooperativas de Consumo, Buenos
Aires Palacin, M.

Austria

"Konsumverband", Zentralverband der österreichischen
Konsumgenossenschaften, Vienna
Bindreiter, W.
Haar, J.
Korp, A.
Krämer, Mrs. F.
Labak, E.
Leodolter, A.
Sagmeister, O.
Schatzmayer, G.
Schmidt, F. R.
Spielbichler, H.
Vukovich, A.
Zwitter, V.

Oest. Verband gemeinnütziger Bau-, Wohnungs- und
Siedlungsvereinigungen, Vienna Kimml, A.
Oest. Raiffeisenverband, Vienna Strobl, Dr. I. L.

Belgium

Société Générale Coopérative, Bruxelles
Derbaix, M.
Devillers, V.
Halleux, A.
Lambert, P.
Leburton, E.
Lemaire, R.
Oger, R.
Ramaekers, R.
Robert, R.
Vandersmissen, J.
Van Rossem, V.

Fédération Nationale des Coopératives Chrétiennes,
Bruxelles Detremmerie, H.
Devogel, A.
Eerdekens, J.
Lambert, J.
Van de Walle, A.
Gengoux, A.

L'Economie Populaire, Ciney Gengoux, A.

Brazil

Aliança Brasileira de Cooperativas, Rio de Janeiro Inoue, G. T.

Bulgaria

Central Co-operative Union, Sofia Jordanov, G.

Canada

The Co-operative Union of Canada, Ottawa	Boyes, R. H. Harding, K. F. Harman, L. Jeyve, M. Johnson, Mrs. L. Laidlaw, Dr. A. F. MacLean, K. M. Webber, H. W.
Conseil Canadien de la Coopération, Ottawa	Daneau, Y.

Ceylon

Co-operative Federation of Ceylon, Colombo	Wijesuriya, E. ✓
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Chile

Federación Chilena de Cooperativas de Ahorro y Credito ...	Sommerhof, W.
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Colombia

Cooperativa Familiar de Medellín	Ballesteros, H.
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Cyprus

Cyprus Turkish Co-operative Central Bank, Ltd., Nicosia...	Eshref, M.
Cooperative Central Bank, Nicosia	Clerides, R. N.

Czechoslovakia

Ustredni Rada Druztev, Prague	Buresova, Mrs. M. Capek, M. Cisar, J. Fuhrmann, E. Gottsteinova, Mrs. J. Hazy, A. Hofman, L. Kalvoda, L. Lastovickova, Mrs. M. Matejka, S. Nepomucky, J. Novak, V. Palecek, F. Podlipny, J. Poruben, P. Smrcka, L. Subrt, J. Sulc, J. Tonhauser, P. Ulrich, V. Vetvicka, —. Vojtechova, Miss J. Zastoupilova, Mrs. M. Zemek, A.
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Denmark

De samvirkende danske Andelsselskaber, Copenhagen	Appelt, Mrs. K. Møller, K. Nielsen, M. Pedersen, C. Schmidt, B.
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Denmark (continued)

Det Kooperative Faellesforbund i Danmark, Copenhagen...	Hauerslev, E.
Faellesforeningen for Danmarks Brugsforeninger, Albertslund	Bo, A. Büchert, A. Groes, E. Metzloff, F. Nielsen, C. E. Nielsen, K.

Eire

Irish Agricultural Organisation Society, Ltd., Dublin	Beechinor, J. Donoghue, E. Kelly, P. Quinlan, P.
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Finland

Kulutusosuuskuntien Keskusliitto, Helsinki	Alenius, E. Haapanen, O. Helenius, R. Huhtala, K. Hyvärinen, J. Jalava, J. Jalava, Miss R. Kiuru, S. Kulo, K. L. Kuoppala, P. Kuoppala, V. Ojanen, E. Peitsalo, K. Piirainen, J. Riihinen, V. Ruoho, E. Tähti, V. Takki, U. Tainio, T. Tossava, Y. Välimäki, A.
Yleinen Osuuskauppojen Liitto, Helsinki	Hietanen, L. Laakkonen, V. Lindberg, K. B. Loppi, V. Mäkinen, V. E. Mustonen, M. Salo, K. Särkkä, E. Simonen, S.

France

Fédération Nationale des Coopératives de Consommation, Paris	Angsthelm, E. Ardhuin, J. Badina, P.
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France (continued)

Fédération Nationale des Coopératives de Consommation, Paris (continued)	Beaujon, J. Bodot, H. Bouilly, G. Boulois, A. Bricout, R. Brot, M. Brottier, A. Burette, F. Carrez, E. Catelas, M. Ciosi, G. Colin, L. Condery, L. Couvrecelle, M. Degond, M. Delattre, J. Dossman, J. Dumont, P. Etter, E. Faucher, A. Garaude, H. Gastal, M. Gaussel, G. Gery, R. Heitz, G. Hirschfeld, A. Huber, M. Jerome, E. Kérinec, R. L'Hote, J. Lacombe, J.J. Lacroix, J. Marot, —. Mione, A. Morand, A. Morot, L. Negre, G. Oberle, C. Orsini, R. Panchou, —. Richard, R. Rives, E. Rousseau, G. Semler-Collery, J. Veverka, C. Zarfdjian, J.
Confédération Générale des Sociétés Coopératives Ouvrières de Production, Paris	Antoni, A.
Confédération des Organismes de Crédit Maritime Mutuel, Paris	Lacour, P.

Germany

Zentralverband deutscher Konsumgenossenschaften, Hamburg	Bergen, H. Bock, Dr. C. J. Bussmann, A. Daubenthaler, G. Dowidat, K. Finkensiep, Dr. R. Fröhlich, O. Galle, L. Gründer, M. Hasselmann, Dr. E. Hegen, E. Herbst, F. Ilien, A. Irlinger, W. Janssen, W. Kirsch, Dr. W. M. Kolb, O. Kummernuss, E. Langenbucher, M. Meyer, K. Mindt, E. Mund, H. Petersen, L. Reichard, W. Renner, F. Richter, P. Runge, K. H. Schlack, J. Schumacher, Dr. C. Staiger, E. Stemmann, W. Werner, H. Rittner, W.
Deutscher Sachversicherung "Eigenhilfe", Hamburg	
Gesamtverband gemeinnütziger Wohnungsunternehmen, Cologne	Brüggemann, J.
"Alte Volksfürsorge" Gewerkschaftlich-Genossenschaftliche Lebensversicherungs, Hamburg	Fischer, H.

Great Britain

The Co-operative Union, Ltd., Manchester	Bell, E. P. Flanagan, D. Greenwood, C. Hilditch, C. C. Hulse, K. Jacques, J. Marshal, R. L. Southern, R. Weir, T.
Co-operative Wholesale Society, Ltd., Manchester	Afford, H. Byrom, R. Cooke, L. Fulker, C. W. Medlock, G. K. Noble, K. A. Whitehead, H. W.

Great Britain (continued)

Scottish Co-operative Wholesale Society, Ltd., Glasgow ...	Aitchison, J. Cairns, A. G. Chalmers, J. S. Gaston, S. C. Taylor, T.
Co-operative Insurance Society, Ltd., Manchester	Dinnage, R. Lovick, A. E. F. Welch, W. T.
Co-operative Permanent Building Society, Ltd., London ...	Ashworth, H. Coventry, W. F. Prior, G. K. Sheppard, R. J. Simpson, J. H.
Retail Societies	Ainley, D. Aldous, Mrs. M. V. Applegate, F. Argent, Mrs. L. Bargh, Mrs. N. Bastin, R. B. Bennett, G. N. Blaseby, C. A. Boardman, L. Bowden, A. E. G. Brant, A. F. Brocklehurst, Mrs. E. Brooke, Mrs. C. I. Brooks, H. D. Brooks, Mrs. M. A. Brown, Mrs. C. G. Bruce, J. Campbell, K. G. Collier, G. A. Cooper, T. F. Cooper, W. E. Cozens, R. C. Cusack, J. J. Dale, H. Davis, T. Dunwoodie, D. Elderfield, P. Fair, H. Ford, Mrs. H. Forman, Mrs. B. Frost, L. Garside, W. Gellatly, A. Graham, Mrs. B. Grainger, J. A. Gray, Mrs. E. A. Greer, Mrs. J. Harrison, L. A. Hodgson, C. W. Jackson, J.

Great Britain (continued)

Retail Societies (continued)	Jarvis, Miss B. E. A. Johnston, Mrs. J. Johnston, Mrs. M. Large, Miss M. Lewis, Miss M. J. Longstaff, F. J. Lonsdale, F. Lonsdale, Mrs. M. MacDonald, I. S. McGhee, Mrs. C. McKenzie, Mrs. M. S. Martin, Mrs. M. S. Mayfield, J. H. R. Melville, Mrs. D. Moncrieff, H. Moyles, Mrs. I. Nicholls, R. W. Nicholson, J. Oakes, A. W. Paterson, Mrs. C. Procter, R. E. A. Quinn, P. Robertson, Mrs. M. Sandison, Mrs. M. Schaffer, G. Schicker, J. Shaw, D. Shaw, Mrs. M. L. Speed, H. Springthorpe, H. H. Stewart, Mrs. S. N. Sweet, G. Tann, J. Tomlinson, G. Trotter, J. Walker, Miss H. Wallace, S. J. Wallace, Mrs. S. J. Weiss, M. Wood, J. H. Wyatt, F. Young, Mrs. B. Young, Mrs. H.
Co-operative Women's Guild, London	Chatterton, Mrs. E. Kempton, Mrs. K.

Greece

Pan-Hellenic Confederation of Unions Agricultural Co-operatives, Athens	Andoniades, S.
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Holland

"Coop-Nederland", Rotterdam	Charbo, J. J. A. Netten, J. F. van Nijhof, G. J. Swiebel, P. J.
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Hungary

Federation of Hungarian Co-operative Societies, Budapest Szirmai, J.

Iceland

Samband Isl. Samvinnufélaga, Reykjavik Einarsson, E.

India ✓

National Co-operative Union of India, New Delhi Perkash, B. ✓

National Agricultural Cooperative Marketing Federation,
New Delhi Puri, N.V.

Iran

Army Consumers Cooperative Society, Teheran Ansari, G. A. ✓

Israel

“Hevrat Ovdim”, Ltd., Tel-Aviv Gilboa, M. A.
Moscovitz, Mrs. M.

“Merkaz”, Tel-Aviv Verlinsky, N.

“Haikar”, Tel-Aviv Vinizky, B.

Berent, S.

Italy

Lega Nazionale delle Cooperative, Rome Banchieri, G.
Bentini, E.
Briganti, W.
Cerrina, Miss N.
Cesari, M.
Ciocca, R.
Cova, V.
Crisanti, Mrs. L.
Curti, I.
Ferrari, E.
Fiengo, A.
Gavazzi, T.
Gaeta, O.
Gherpelli, I.
Grazzini, M.
Guarnieri, R.
Magnani, V.
Miana, S.
Piccinini, A.
Tolino, G.
Torrente, A.
Vigone, L.
Zambelli, C.

Confederazione Cooperativa Italiana, Rome Bianchi, C.
Cortesi, F.
Dallavecchia, D.
Gagliardi, A.
Lillo, P.
Malfettani, L.
Mayr, A.
Mondini, E.
Pisano, A.

Italy (continued)

Associazione Generale delle Cooperative Italiane, Rome..... Di Corpo, P.
Panunzio, G.
Rossi, A.

Japan

Central Union of Agricultural Co-operatives, Tokyo..... Yanagida, H.
Japanese Consumers' Co-operative Union, Tokyo Nakabayashi, S.

Malaysia

Co-operative Union of Malaysia Hourmain, H.

Nigeria

Co-operative Union of Western Nigeria, Ibadan Onagoruwwa, G.

Norway

Norges Kooperative Landsforening, Oslo Aalbotsjord, P.
Bredesen, A.
Esbjørnsen, P.
Haugen, R.
Holden, K.
Huseby, O.
Moe, K.
Ovesen, Miss L.
Søiland, P.
B.B.L., A/L Norske Boligbyggelags Landsforbund, Oslo ... Sørgaard, J. M.

Pakistan

Karachi Cooperative Union Ahmed, R.
West Pakistan Co-operative Union, Lahore Shirazi, J. H.

Poland

Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Warsaw Engel, Z.
Inglot, J.
Janczyk, T.
Kaminski, J.
Sobieszczanski, J.
Staros, Mrs. Z.
Central Union of Building and Housing Co-operatives, Warsaw Chudacz, H.
"Spolem" Union of Consumer Co-operatives, Warsaw Los, F.
Central Union of Work Co-operatives, Warsaw Trampczynski, B.

Roumania

"Centrocoop", Bucharest Mateescu, C.

Scandinavia

Nordisk Andelsforbund, Copenhagen Lundin, L. G.

Singapore

Singapore Cooperative Union Appavoo, P.

Sweden

Kooperativa Förbundet, Stockholm	Ames, J. Anderson, C. A. Bonow, Dr. M. Back, K. Carlsson, Alf. Carlsson, Arne Carlsson, K. Cederqvist, A. Dahlander, G. Ekman, G. Eronn, L. Etzler, G. Gillberg, J. Gjers, R. Gullberg, Y. Hernestedt, B. O. Holmberg, A. Johansson, A. Johnsson, A. Lindberg, K. Moback, O. Odevall, B. Persson, J. Persson, K. E. Radetzki, M. Rönndahl, B. Schnabl, L. Schlenius, H. Ström, Mrs. T. Svärdström, K. F. Svedberg, S. Thedin, N. Tronet, B. Widhe, Mrs. E. Apelqvist, S. Kristersson, H. Kypengren, S. Ahlberg, Mrs. S. Blomqvist, G.
Folksam Insurance Group, Stockholm	
Sveriges Lantbruksförbund, Stockholm	
Hyresgästernas Sparkasse- och Byggnadsföreningars Riks- förbund (H.S.B.), Stockholm	
Kooperativa Kvinnogillesförbundet, Stockholm	
Svenska Riksbyggen, Stockholm	

Switzerland

Verband schweiz. Konsumvereine, Basle	Althaus, H. Barbier, Ch.-H. Boson, Dr. M. Cousin, H. Gnaedinger, W. Herzog, E. Kellerhals, Dr. W. Küng, Dr. H. Leu, K. Matter, E. Meister, C. Naef, E.
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Switzerland (continued)

Verband schweiz. Konsumvereine, Basle (continued).....	Ruf, Dr. W. Schlatter, E. Schmitt, R. Schluep, H. Schmuckle, A. Staub, K. Thuli, H. Vuilleumier, A. Zopfi, Mrs. A.
Genossenschaftliche Zentralbank, Basle	Bleile, W.
COOP Lebensversicherungs-Genossenschaft, Basle	Debrunner, E.

Tanzania

Cooperative Union of Tanganyika	Kapinga, W. R.
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U.S.A.

Cooperative League of the U.S.A., Chicago	Boll, E. Brann, E. Breitman, R. Bull, J. R. Campbell, W. J. Carpenter, V. Chilcott, R. G. Davidson, J. L. Doherty, J. J. Doss, B. Dreyer, S. Dunlap, G. H. Erb, P. Glen, A. R. Gorman, T. J. Grady, P. D. Hank, A. Hanlon, V. T. Henning, E. Jacobson, G. Johnson, D. E. Kechn, T. Kefauver, N. E. Jr. Kleinman, Mrs. R. Klepetar, E. Leslie, R. H. Ligutti, Msgr. L. G. Long, R. McCann, W. M. Merrifield, Dr. C. Montgomery, R. A. Miranda-Correa, L. Morrow, R. E. Nelson, C. Owen, F. S. Rennie, Dr. R. A. Rondeau, F. F. Rose, J. E.
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U.S.A. (continued)

Cooperative League of the U.S.A., Chicago (continued) ... Rosenzweig, B.
Scarff, M. M.
See, W.
Shea, J.
Shipe, J. O.
Smaby, A. J.
Sollars, F.
Stelling, W.
Stitzlein, C. H.
Townsend, D. D.
Valko, Dr. L.
Vanderbeek, R. E.
Voorhis, J.
Wachsmuth, C. B.
Weller, W.
Woodcock, L. E.

U.S.S.R.

Central Union of Consumers' Co-operative Societies of the
U.S.S.R. and RSFSR "Centrosoyus", Moscow Blank, G.
Denisov, M.
Djavahidze, N.
Kolesnik, F.
Kondratov, V.
Kozlov, A.
Krumin, I.
Jakovenko, V.
Ravdanis, A.
Tursunov, S.
Utkin, M.
Vasilieva, Mrs. L.
Zagulina, Mrs. V.
Zouev, E.

Yugoslavia

Glavni Zadruzni Savez, Belgrade Ivanovic, M.

Proceedings
of the
Twenty-third Congress
of the
International Co-operative Alliance

Proceedings of the Twenty-third Congress of the International Co-operative Alliance

The Opening of Congress

The President: Thirty-six years ago the International Co-operative Alliance held a Congress for the first time in Austria. Much has happened in the meanwhile, both in your country and in our cooperative movement. Contacts were interrupted for many years, and from the day on which government in Austria was again in the hands of her people Austria resumed its traditional role as a country in which people can come together to pave the way towards a peaceful life for all nations. Austria's contribution to this vital problem of all countries is probably the most important foundation and the most important basic concept which we in the cooperative movement associate with Austria.

The international organisation whose delegates you have welcomed so very kindly considers that endeavours in the interests of peace and international understanding is its foremost task. The cooperative movement is trying to reach its aim by means of economic cooperation between the cooperative unions in all countries. At the present time more than 200 million families are members of the cooperative movement, and this means approximately 600 million individuals. Thus the I.C.A., between the two Vienna Congresses, has increased its membership almost fourfold. Due to its international character and its membership, the I.C.A. is a strong organisation, and Austria is today the host to a great and powerful Alliance.

It is a great privilege to the I.C.A. that you, Mr. President, should have been willing to come to the opening of our 23rd Congress. On behalf of the International Co-operative Alliance I welcome you most heartily Your Excellency.

It is also a great honour that the Federal Government of Austria should be represented by the Federal Chancellor, Dr. Klaus, and by the Minister of Agriculture and I am extremely pleased, Mr. Chancellor and Mr. Minister of Agriculture, to welcome you most cordially on behalf of the I.C.A.

Stadtrat Sigmund is here representing the City of Vienna. We greatly appreciate. Sir, your kind gesture in attending this Opening, and we welcome you most heartily, I also have the pleasure to welcome Landes-Hauptmann Dr. Hartmann. May I now ask Stadtrat Sigmund to be good enough to address Congress.

Welcome on behalf of the City of Vienna

Stadtrat Sigmund: As our Lord Mayor, Mr. Bruno Marek, is on a tour abroad it is my special privilege to welcome you to this City of Vienna. We are very pleased that you have decided to hold this Triennial Congress in Vienna and we express the hope that Vienna in autumn will give you some impression of the work of reconstruction that has been accomplished in the post-war years.

We should like you to have a close look at Vienna during your leisure hours. When we took over the government of the City after the war it was severely damaged. Only about 100,000 flats remained; the water supply and power supply were seriously damaged

and food was scarce. Our small country was at that time subjected to great hardship and we knew that the years ahead of us would be fraught with many difficulties. But there was one thing we never gave up and that was our belief in freedom and our belief in the future. When you have an opportunity of looking at our city and getting to know its people you will know something more of this for yourselves.

On behalf of the City Council, of our Mayor and of the people of Vienna, I extend to you a very hearty welcome and wish your Congress every success.

The President: We are very grateful to Stadtrat Sigmund for his kind words. I will now ask the Federal Chancellor, Dr. Klaus, to address Congress.

Welcome by the Austrian Federal Chancellor

The Federal Chancellor Dr. Klaus: As the head of the Austrian Government let me extend a very hearty welcome to you to this City of Vienna. As has been said, since the last I.C.A. Congress in Vienna our provinces and our country as a whole have had many negative experiences, but there have been many positive experiences as well. It is clear that in the era of economic integration countries must cooperate more and more closely. Rapid development in all walks of life, and especially the close relationship between culture and economics, make it imperative for us to cooperate. This applies also to your movement, which has been able to increase its role in the economic life of the various nations.

With the need for a greater study of all these problems your movement is coming more and more into the limelight, and I am very pleased to note that one of the major questions on your agenda relates to effective assistance to the developing countries especially in the field of agriculture. This, I believe, is one of the most urgent problems confronting us today on the international level, when two-thirds of mankind are suffering from hunger. This is a great challenge to all those who are in a position to help, for on the solution of this problem will depend the possibility of raising living standards and thereby assuring peace throughout the world.

The principle of cooperative self-help is likely to provide a fruitful basis for favourable developments in many fields of the economy, and also in the developing countries in which cooperation may be able to provide a good basis for economic progress. The I.C.A. can indeed be a pioneer in building a better and more beautiful world.

Let me, therefore, wish the 23rd Congress of the I.C.A. every success, and let me also wish all participants a pleasant stay in Vienna.

The President: On behalf of all the participants in this Congress, I thank you, Mr. Chancellor, and the Austrian Government, for the kindness with which you have received us in your country. We are especially thankful for the impressive words you have addressed to us.

I now invite the President of the Federal Republic to address us and to open our Congress.

Address by the President of the Federal Republic of Austria

The President of the Federal Republic of Austria, His Excellency Franz Jonas : This is the second time in the history of the International Co-operative Alliance that a Congress of cooperators is being held in Vienna. Let me welcome you most heartily on behalf of the Austrian people.

Since 1930, when your Congress last met in Vienna, there have been many radical changes in the world situation. I am extremely pleased that cooperation has retained its great economic significance by having adhered to its old principles and having kept pace with the developments of modern times. Cooperation was the outcome of the

Industrial Revolution and has led to many social reforms intended to improve the lot of the economically under-privileged. It is based on solidarity and self-help as a means to achieve economic independence.

The Austrian consumers' cooperative movement was affiliated to the International Co-operative Alliance before the First World War. At that time Federal President, Dr. Karl Renner, twice the architect of the Austrian Republic, represented the Austrian consumers' union on the Central Committee of the I.C.A.

The tyrannies of the "thirties" and "forties" brought many setbacks to the Austrian cooperative movement but since the Second World War the Raiffeisenverband and the Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen have affiliated to the I.C.A.

The agenda of this 23rd Congress provides for the discussion of a number of important problems. I would mention especially the promotion of cooperation in the developing countries, the rationalisation and mechanisation of agriculture, and the adaptation of methods of distribution to the needs of modern times.

As in the past, we must uphold the principle of economic democracy and do all in our power to ensure as many benefits as possible for the members of cooperatives throughout the world.

The Congress inaugurated today will have to answer an important question which was raised at the last I.C.A. Congress in 1963, namely, the practical application of the classical idea of cooperation in our day and age. The answer which you find to this question will be crucial for the future of the I.C.A. I wish you the fullest success in your deliberations.

Your colleagues in the Austrian cooperatives will be more than pleased if you, dear guests and dear delegates, will make ample use of Austria's hospitality and if you take home with you the very best impressions of this country.

May this Vienna Congress provide new evidence of the moral strength and economic power of the international cooperative movement.

With this wish, I declare the 23rd Congress of the International Co-operative Alliance open.

The President: Your Excellency, I thank you very sincerely and very heartily for your kind words of welcome in opening this Congress. I am sure that we all feel greatly honoured by the thoughts you have expressed concerning the cooperative movement, and are most grateful for them.

Welcome on behalf of the Austrian Cooperative Movement

The President: Now that the Congress has been officially opened, my first pleasant duty is to call upon Mr. Korp to speak on behalf of our Austrian host organisations.

Mr. A. Korp: The three Austrian cooperative unions affiliated to the I.C.A., namely, the Raiffeisen Union of Agricultural Cooperatives, the Union of Housing Cooperatives and the Central Union of Consumers' Cooperatives, have asked me to extend to you a very hearty welcome to Vienna and to thank you for having honoured our country by choosing Vienna as the venue for your Congress.

We are extremely pleased that this Congress offers an opportunity to the Austrian cooperatives to express our feeling of appreciation and gratitude for the great help and the many ideas we have received from you, thanks to our membership in the I.C.A., and also gives us an opportunity of reciprocating the many gestures of friendship that have been extended to us.

The Austrian cooperators are more than prepared to make your stay in Vienna pleasant and useful. If, despite this, there should be any shortcomings in the organisation of the Congress, let us ask you in advance for your understanding.

In these days the older cooperators of necessity look back to the year 1930, when

the I.C.A. Congress met in Vienna. We remember the great men of that time: Väinö Tanner, the President, Henry May, the General Secretary of the Alliance, Dr. Karl Renner, Austria's great cooperator and statesman, to mention only a few. These were the men who spoke to the young in those days and created great enthusiasm. They kindled the fire of enthusiasm in the light of which we saw looming large in the future the signs of a better and more just society; but, the future brought us many unpleasant surprises.

A few years later the world was in the grip of the apocalypse of the world economic crisis, of unemployment, of terror and of genocide. The fire of enthusiasm and inspiration did not last longer than a flame, but its light continued to shine, and we could still see it in the darkness of those years. It helped to sustain our belief in the future; we believed the day would come when the peoples of the world would again join hands and resume their cooperation. These were the experiences characteristic of a generation to whom cooperation was something more than a rational form of economic cooperation. For them it was a manifestation of solidarity, of fraternity and mutual assistance between men.

This memory of the past which the Congress provides an opportunity of recalling should, at the same time, be a great warning to us. It is also a great challenge to us that we pass on this heritage to future generations, and I hope this Vienna Congress will be a great manifestation of our will and determination to do so. It is our ardent desire that this Congress will become a milestone on the road to peaceful and uninterrupted cooperation, leading to the renewed success of the cooperative movement.

The President: On behalf of Congress I offer to Mr. Korp our most sincere thanks for the wonderful and inspiring welcome he has given us, and also in this connection I extend very warm thanks for the perfect arrangements for which we are indebted to our Austrian hosts.

Inaugural Address of the President of the I.C.A. by Dr. M. Bonow

The convening of our Triennial Congress gives the cooperators all over the world an opportunity to assess both the achievements and the shortcomings of our international movement. When we look back on the period which has elapsed since our Congress in Bournemouth in 1963 we have certainly some reasons for satisfaction.

First of all, our International Co-operative Alliance is more and more becoming truly representative of the world cooperative movement. Since Bournemouth, the number of members of affiliated national organisations has increased from 174.4 million in 53 countries to 214.3 million in 58 countries, and a clear tendency towards a gradually more diversified membership is discernible. The problem which in the post-war period has created time and again such strong feelings and difficulties, namely the admittance of new members, seems now by and large to be settled in a calmer and more amicable atmosphere. When less energy will be absorbed in internal frictions, there will automatically ensue better prerequisites for pursuing the central task of the I.C.A., namely to promote cooperative development in a constructive way in all parts of the world.

Bearing this development in mind, I think we can also note with satisfaction that the I.C.A. in its relations to the United Nations and the Specialised Agencies is to an ever increasing extent being looked upon as the only representative spokesman of world cooperation in all its forms. To illustrate that point it may be sufficient to mention only a few facts.

Relations with FAO have been consolidated and expanded into new fields. A practical collaboration in certain concrete projects has been established as is reported by the Central Committee to Congress. With the ILO a still closer relationship has characterised the past triennial as far as technical assistance in respect of cooperation is concerned. One noteworthy example may be singled out; at the general conferences of ILO last year and this year, when for the first time cooperation appeared as a main item on the agenda, very important contributions were made by the I.C.A. and many cooperators were

included in the national delegations. The result was a Recommendation bearing upon cooperative development problems in the newly-developing regions of the world, and it augurs well that this Recommendation was adopted practically unanimously by the ILO conference.

An initiative which was taken two years ago has aroused great interest internationally. I refer to the joint action taken by the three major international non-governmental organisations representing consumers, workers and farmers throughout the world, namely the International Co-operative Alliance, the International Confederation of Free Trade Unions and the International Federation of Agricultural Producers. Their common appeal for a renewal and a substantial expansion of the World Food Programme has undoubtedly had a valuable effect on world opinion, and no doubt contributed to a positive decision by the United Nations' organs concerned to establish the multilateral World Food Programme on a permanent basis and with a considerably increased volume. Nevertheless, it is a deplorable fact that twenty years after the war, when mankind is facing an impending danger of worldwide famine, there still does not exist any international machinery able to meet the problem of world hunger effectively on a multilateral basis. This extremely grave situation calls for further and intensified action by the I.C.A. and other international non-governmental organisations with a similar standing within the framework of the United Nations and its Specialised Agencies. I will revert to this fundamental problem a little later on.

As already mentioned, this Congress gives us an opportunity not only to assess achievements but also to note shortcomings.

As regards the enormous technological, economic and social changes throughout the world, the post-war period has rightly been characterised as the second industrial revolution. The sweeping changes which are now taking place determine, to a very great extent, the economic and social milieu, in which cooperation in its various forms has to work in order to protect the economic and social interests of the huge masses of its members. In an exceedingly dynamic society such as ours is today any form of enterprise must adapt itself to rapidly changing economic and social conditions.

Cooperation is at one and the same time a commercial enterprise and a democratically controlled popular movement. It has, therefore, to meet a double requirement. Firstly, it must represent the highest economic efficiency in a competitive economic setting. But, secondly, it must also maintain its character of a democratically controlled self-help movement, for and by and through the people. The double task of fulfilling these two main criteria has certainly confronted cooperative organisations in practically all countries with problems which are both formidable and urgent. The question of structural reform and adaptation to new and rapidly changing technical and economic conditions has led to national investigations with far-reaching consequences for the structure and the working methods of various cooperative movements.

The I.C.A., within the limits of its very restricted means in respect of finance and personnel, has tried to assist in organising a systematic exchange of experiences in the field of structural reforms necessary under modern competitive conditions. But here we come up against the first very serious shortcoming of our international movement. Not only are the resources for research and exchange of experience through the I.C.A. itself and its auxiliary bodies very limited, but even in most national movements, and among them economically very strong ones, the resources allocated to research and experiments in new working methods and consequential changes in the cooperative structure are appallingly insufficient. We need only to note the information given in national and international commercial journals about the huge amounts, as regards finance and scientifically trained personnel, which national and international private concerns and chain-stores are devoting to research for the continuous efficient adaptation of working methods within private trade and production to meet modern marketing conditions, to make this fact abundantly clear.

May I now, in a few words, illustrate what I think is the second very serious shortcoming within the international cooperative movement. My postulate is that the ability of the cooperative form of enterprise to play a major part towards the solution of some

of the world's most threatening economic and social problems, especially the imperative need for an increased food production and a sensible food distribution, is becoming daily more apparent. This problem, as we all know, is especially acute in the lesser-developed countries. But in these very countries there are great potentialities for a rapid and important cooperative expansion in this field, supported as it often is by governmental action within the framework of general economic development planning.

The role which the cooperative form of enterprise can play, and in our opinion is destined to play, to supplement governmental planning can hardly be overestimated. But in order to reach tangible results as rapidly as possible there must be a great and increasing flow of technical know-how from the well established cooperative enterprises, especially those in the industrialised parts of the world, towards the newly-emerging cooperatives in the lesser-developed regions.

The I.C.A. itself and the national cooperative movements, especially in the industrialised countries, have a very great responsibility in this respect. They are, in fact, the only ones which can provide experts and technical know-how. If their knowledge is combined with governmental finance from national organs in the industrialised countries and from international institutions engaged in financial and technical assistance the impact may, in a reasonably near future, be very considerable.

The I.C.A. has made a beginning by establishing its Regional Office in South East Asia and an Education Centre attached to it. We had sincerely hoped to be able to supplement this first effort by similar Offices and Education Centres in Africa and Latin America, but here again we are up against the hard realities of life. Without powerful backing from its financially strong member organisations in the industrialised parts of the world the I.C.A. itself cannot command money and, through money, resources in personnel sufficient to enable this urgently needed expansion of our activities in Africa and Latin America to take place. In view of the dangerous present world food situation, our entirely insufficient action in the field of technical assistance to promote cooperative development in the lesser-developed continents is a most serious and deplorable shortcoming.

Congress gives us an opportunity to look back, but it is far more important to look forward and to contemplate a programme of action for promoting cooperative development in all parts of the world. On the agenda of this Congress very significant aspects of our programme for the future appear as the main items to be discussed and decided on.

The problems of structural reforms to meet modern conditions were discussed in a preliminary way at the meeting of the Central Committee at Helsinki on the basis of factual information collected from the national movements. [Congress is now provided with an opportunity to deliberate about ways and means, nationally and internationally, to increase both the scope and the speed of those transformation processes which are urgently needed in our national movements. Above all there is the problem of creating such institutional forms through which co-ordination and integration can be brought about in respect of all our cooperative activity, be it on the local, regional, national or even international level. The policies pursued in various national movements to achieve this goal may differ, but the aim of all the practical measures to achieve co-ordination and integration is exactly the same: to make the cooperative form of enterprise an efficient instrument to protect the economic and social interests of our members and to influence the economic development in society as a whole in the interest of the broad masses of citizens. In order to attain such results it will be necessary, *not to change* the basic cooperative principles which we have inherited from the Rochdale Pioneers, *but to adapt them* to fit into the modern competitive pattern.]

In the industrialised countries, whether they are of the mixed economy type or have a centrally planned economy, the rapid increase in the standard of living brought about by the new technology, the continuous process of urbanisation and by many other factors is creating a new milieu for cooperation. The new environment in which cooperation has to work today is entirely different from the hungry forties, when the Rochdale Society was formed. Cooperation has to implement its basic principles accordingly, and, as a consequence, to mould its form of enterprise to meet the requirements

of members under these radically changed and continuously changing circumstances.

Not least for the reasons briefly touched upon, it is very timely and appropriate that the Report of the Principles Commission figures on our agenda this year as an extremely important item. We will have an opportunity later in Congress to express our thanks to the Commission and its Chairman for the very valuable services they have rendered our world cooperative movement.

Without anticipating the outcome of the discussion on the Principles Commission's Report I think it should be said that the study itself and the ensuing discussion, not only in Congress but throughout the national movements, will focus our attention on the most important aspects of our future cooperative activities and working methods.

Last, but not least, on our agenda there is the important complex of problems connected with financial and technical assistance to the cooperative movements in newly-developing countries. We in the industrialised countries may well think that the rapid and continuous transformation of our societies creates some rather grave problems for our movements. But the difficulties we may encounter are, I would say, fairly insignificant in comparison with all the technical, economic and social problems with which the emerging cooperative organisations in the lesser-developed regions of the world have to cope.

Let us for a moment consider the situation in those regions. At the World Food Conference held in Washington in 1963 it was clearly demonstrated with an abundance of statistics that more than half the world population is suffering from undernutrition and/or malnutrition, especially lack of animal protein. This is, in itself, a challenge not only to the peoples in the developing countries themselves to increase and diversify food production, but also to the peoples in the developed countries to render massive assistance.

What, however, gives still more reason for grave concern is the future prospect. If we look at the development trends which are determining the situation in such a short perspective as one or two decades, the picture is indeed an alarming one. First of all there is now a rapid and even accelerating population increase in practically all under-developed countries. In a country like India the population increases by one million every month. If we take the world as a whole, there will be a need to feed one thousand million more inhabitants in sixteen years' time. The present world population is estimated to increase from roughly 3,000 million to 6,000 million by the end of this century. This staggering rate of population increase is the most fundamental factor affecting the future world food situation.

Without entering upon a subject which, from certain religious and political aspects, is looked upon as tabu, or at least as highly controversial, I think the following should be said. There is now a growing awareness of the imperative need to get an action started towards a programme for worldwide family planning. Governments and peoples in the lesser-developed countries themselves are to an increasing extent realising that there is virtually no possibility to solve the problems of economic development unless the present trend of population growth can be radically changed. For that reason, support from the United Nations in the near future must become an absolute necessity. But even if efficient family planning programmes can be implemented with international support, the great proportion of women of childbearing age now living in the lesser-developed countries will, according to all statistical forecasts for the next one or two decades, produce a still greater so-called population bulge than the present one. For this reason all possible means must be used to increase food production, especially in the lesser-developed countries, in the immediate future.

The second fact to be noted with concern is that, in recent years, there has been a tendency for a slowing down of economic growth in the under-developed countries. This is especially the case in respect of food production which in Asia, Africa and Latin America has not, on the whole, kept pace with the population increase, while in many under-developed countries food production per head is now lower than before the war. Without bilateral food aid, especially from the U.S.A., and some multilateral aid, countries like India and Pakistan would already suffer from regional famines; this

year the situation has been especially serious partly owing to unfavourable conditions like droughts.

A third very serious tendency must also be borne in mind. The total volume of aid, even including private capital investment from the rich to the under-developed countries, has tended to decrease in recent years. It has been estimated that in 1961 the industrialised countries channelled to the lesser-developed countries some 0.8% of their total Gross National Product. In 1964 this figure had shrunk to a little more than 0.6% and it is feared that there has been a further relative reduction in 1965. Simultaneously the population of under-developed countries has grown considerably in relation to that of developed ones. This trend has to be contrasted with the estimate that at least 1.5% per year of the Gross National Product in the industrialised countries should be transferred to the lesser-developed countries to enable them to reach the take-off stage when further economic development could be self-sustaining and self-generating. At the same time many rich industrialised countries, and also some lesser-developed ones, are spending 5 to 10% of their national incomes every year on armaments. For ordinary people all over the world this incongruity between what is spent on financial and technical assistance and on armaments, not to speak of costs for landing human beings on the moon, is indeed very hard to accept.

But, as already mentioned, the most serious problem is that of food. All international economists and other experts are agreed upon this. Let me quote one of the most outstanding of them, Mr. Raymond Ewell, Professor at the State University of New York:

“The world is on the threshold of the greatest famine in history. Not the world in which we live – but the under-developed world, the three poor continents of Asia, Africa and Latin America. The population in these continents is increasing rapidly and food production is not keeping up with this increase. . .

If these tendencies of development continue it is probable that the famine will reach serious proportions in India, Pakistan and China during the early 1970s to be followed within a few years by Indonesia, Iran, Turkey and Egypt. Several other countries in Asia, Africa and Latin America risk the same crisis around 1980. Such a famine would be of enormous dimensions and affect hundreds of millions of human beings. If this happens, which appears most likely, it will be the greatest catastrophe in history.”

In the post-war period, FAO, under the eminent leadership of its present Director General, Dr. Sen, has especially focused world attention on this impending danger. It has taken a series of initiatives demanding joint international action, such as the Freedom from Hunger Campaign, the World Food Programme and, quite recently, the Food Production Resources Programme. The latter aims at launching an international assistance scheme to provide agriculture in developing countries with fertilisers, pesticides and other production requisites which fairly rapidly may lead to increased productivity of the land. In view of the rapid depletion of surplus grain hitherto held in storage in the U.S.A. and some other countries, this programme must be given a very high priority.

At the FAO Conference last autumn, Dr. Sen presented the so-called World Indicative Plan for Agricultural Development. Like other initiatives from the FAO in the post-war period, this plan is most commendable. The aim of the Plan is to give an overall picture of what is needed to be done, and how it should be done, to meet the enormous and growing need of food to feed the rapidly growing world population. The only way to avert a worldwide famine affecting especially the lesser-developed countries is to evolve a machinery for co-ordinating national and international action. This is the real aim of the World Indicative Plan for Agricultural Development, which will be prepared and launched for action provided substantial support nationally and internationally can be obtained some time in 1968–1969.

FAO is giving this work a very high priority and in its biennial budget for 1966–1967

\$2½ million are earmarked for this purpose. But for completing the task an additional \$2½ million will be needed for which the member governments of FAO so far have not made appropriate provisions. The Director General of FAO must, therefore, approach private funds and organisations for voluntary contributions. This would seem to be a ridiculous position if the background of the world food crisis was not such a tragic one. There must be a strong upsurge of world opinion to make responsible governments realise that a new scale of priorities should be adopted in judging the spending of governmental funds for different international purposes.

The threat of a world food crisis as mentioned has been the preoccupation of FAO for a long period. Its persistency in reminding national governments and all international agencies concerned of the paramount need for concerted international action has, in recent years, produced some valuable results. In planning bilateral and multilateral financial and technical assistance programmes, there has been a growing tendency to put much greater emphasis than before on support to increase agricultural productivity in the lesser-developed countries. The World Bank and regional banking institutions are taking an increased interest in collaboration with FAO to this effect. At a recent meeting of DAC, the group for technical assistance and development action within the OECD, the need for massive support to agriculture in the developing countries was clearly manifested. Other examples could also be mentioned.

These tendencies to bring agricultural development problems to the fore are of great significance for our international cooperative movement. There is no doubt whatsoever that an application of cooperative methods in order to augment the yields of crops and to step up other agricultural production, is accepted to an increasing extent in the lesser-developed countries themselves. Cooperative forms of enterprise are the best means to engage the producers in meaningful efforts to increase production and productivity. To provide and organise credits at reasonable terms to supply farm requisites like fertilisers, pesticides, feeding stuffs and other requirements, in combination with marketing and processing of crops and other agricultural products, can best be accomplished to the advantage of both producers and consumers through efficient cooperatives. As the recent FAO study, with which the I.C.A. has been associated, has clearly shown, there must be an integrated approach where land reform, community development, agricultural extension services and, last but not least cooperation, are not isolated from each other but planned and pursued as a combined policy. There is no short cut to increased productivity in agriculture in either developed or lesser-developed countries. Determined and sustained efforts are necessary, and for that reason the cooperative form of enterprise must play an integral part in all realistic development programmes.

This very fact gives us as cooperators a chance, as never before, to act in collaboration, nationally and internationally, with all these agencies and institutions in both the industrialised parts of the world and in the lesser developed countries themselves which are actively engaged in planning and executing technical and financial assistance and development programmes for food production, processing and distribution. What we as representatives of cooperative enterprises can provide, which no one else can, is the cooperative know-how. Neither governments nor international agencies can assist with this fund of knowledge without tapping the resources of practical experience which, over many decades, have been accumulated within the various branches of our world cooperative movement. But governments and international agencies can provide the other essential element for speeding up the cooperative development process, and that is finance. The combination of cooperative know-how and governmental and/or intergovernmental finance is the necessary prerequisite for the implementation of cooperative development programmes in the lesser-developed countries to such an extent that a real impact can be made on agricultural production and a betterment of food supply generally be achieved.

I would like to quote what a Swedish economist, Professor Gunnar Myrdal, said when inaugurating the second FAO World Land Reform Conference this year:

“Time is rapidly running out. To avert world calamity we are under the imperative to accomplish within the coming ten or fifteen years a substantial rise in the yields of land in the under-developed countries. . . Speculations and hopes about long-run effects are largely beside the point; it is the short-run that matters” and Professor Myrdal adds:

“I know of no situation where John Maynard Keynes’ dictum that ‘in the long-run we are all dead’ has more of an almost literal validity.”

With the intimate connection between cooperative development programmes and the impending world food crisis, I think these remarks are very pertinent as a memento also for our deliberations and our future actions.

In my introduction I have tried to emphasise the importance of the main themes with which this Congress is going to deal. In a global perspective I think we all realise that our discussions should serve the purpose of acting as guidelines for our world cooperative movement. Bearing this in mind, I am sure that we can all look forward to constructive discussions carried on in an atmosphere of mutual goodwill and in a true cooperative spirit.

Reception of Fraternal Delegates and Guests

The Administrative Secretary: We have fraternal delegates attending Congress from the U.N. Special Agencies, from other International Non-Governmental Organisations, also certain personal guests.

From the U.N. Special Agencies we have, from the ILO, Mr. J. B. Orizet; from the FAO we have Mr. R. H. Gretton; and from UNESCO we have Miss P. Harris.

From the International Non-Governmental Organisations we have, from the International Confederation of Free Trade Unions, Mr. A. Braunthal; from the International Federation of Agricultural Producers, Mr. A. Wijnmaalen; from the International Chamber of Commerce, Mr. S. Rief and Mr. P. Foster; from the European Confederation of Agriculture, Dr. L. Strobl; from the Organisation known by its initials as CIRIEC, Professor P. Lambert; and from the International Co-operative Women’s Guild, Mrs. F. Krämer.

We have as the personal guests of the Alliance, Miss Polley, a former General Secretary; Lord Rusholme a past President of the Alliance; Mr. Watkins, a former Director and with him Mrs. Watkins.

The President: It is a quite special pleasure to see here our former President, Lord Rusholme, Miss Polley and Mr. Watkins, together with Mrs. Watkins. It was decided at the last Congress to invite them and we all know of the outstanding service to the I.C.A. and to the cause of international cooperation rendered by these personalities.

Greetings from the International Labour Organisation

The President: I have now the pleasure to call upon the representative of the oldest of the United Nations Special Agencies, the ILO, Mr. Orizet, to address Congress.

Mr. J. B. Orizet: It is an honour and a privilege to greet this 23rd Congress of the International Co-operative Alliance on behalf of my Director General, Mr. David Morse, also in my own name and in that of my department.

I would, like, first, to draw a parallel between the International Co-operative Alliance and the International Labour Organisation.

The ILO seeks, by all possible means, to promote peace in social justice, and I believe that ever since its foundation the Alliance has had these very precise ideas among its principal objectives. One has only to refer to the origins of the Alliance and those of the ILO to realise that certain men have been associated with the origins of both organisations and have played an eminent role in them. I would mention the first Director

of the ILO, Albert Thomas, who was also a leading member of the Central Committee of the Alliance. When the ILO was founded, under the aegis of the League of Nations, he thought it absolutely indispensable that this Organisation should have a Service of Cooperation.

Since 1920 there has been at ILO a service animated by my illustrious predecessors Dr. George Fauquet, and Mr. Maurice Colombain who died earlier this year. These two outstanding personalities have been for me a real guiding light, they have inspired me with their thoughts and it is with modesty that I have followed in their footsteps.

Today the ILO has, to a certain extent, passed its initial stage, which was a stage of contemplation, into the path of cooperation in order to take up an essential task, that of international technical assistance. But it has never ceased to be preoccupied with the dissemination of its ideals.

Your President has just drawn a picture of the ILO in the field of technical assistance. He spoke of the results of the last two Conferences which discussed the question of cooperatives and made possible the adoption, for the first time in the history of the world, of an international instrument entitled *Recommendation for the promotion of Cooperatives in the developing countries*.

In this Recommendation, thanks to the vigilant action of cooperators and especially of the International Co-operative Alliance, we have been able firmly to maintain the principles of cooperation. It goes without saying, as your President pointed out, that, considering the circumstances, there must be some flexibility in their application, but the principles remain and are clearly defined in the Recommendation.

We have tried within this international instrument to give advice to Governments which desire to promote cooperation. We have given a definition of cooperatives and have described as briefly as possible the conditions for the establishment of cooperatives. We have included some provisions regarding education and training of cooperators, and have given an idea of the means and techniques which should be developed in developing countries to promote cooperative societies.

Finally, there is the financial question which is very important, for this is one of the problems of cooperation. Here again, we have pointed out the ways and means which, whilst safeguarding the autonomy of cooperatives, might help them on the financial level.

We expect very much from this instrument which I am sure will enable many governments, particularly of developing countries, to promote sound cooperative programmes on orthodox bases.

I would like to say a few words, outside the international action which I have briefly described, on activities of a general character. We have a permanent exchange of information with cooperators throughout the world and I would like, here, to thank all those who are participating in this activity by whose help we are able to assemble a most important documentation which is distributed in every country of the world.

At present we are considering a publication which I feel might arouse some concern in the minds of some people. It will have as its title – A Study of the Non-Conventional Forms of Cooperative Organisations. I would like to assure all those cooperators who have been consulted on the subject that it is not a question of departing from the present methods of cooperative organisation, but rather to make a plan of all existing organisations in the field of cooperative, pre-cooperative and para-cooperative. In fact the people we are addressing are not always in a position to establish genuine cooperatives, at least not at the beginning.

We are, therefore, trying, indirectly in certain cases, to meet the needs of specific countries in establishing pre-cooperatives or para-cooperatives which, given appropriate guidance, will be able to transform themselves, very rapidly perhaps and I hope, into real cooperatives. It is, therefore, a question of a way of promoting real cooperatives, not of deviating from the path of true cooperation.

I would like finally to speak about the traditional characteristics of technical assistance which are so perfectly described in the long report which is before you. It is very pleasing to me that this is one of the three problems to be discussed at this Congress.

Your President has made a moving appeal on the necessity for all men of goodwill throughout the world to unite to fight hunger, famine, poverty and misery wherever they exist.

Undoubtedly international organisations have an important role to play, but we must be modest since our means and our knowledge are limited. We can only act efficiently if we rely upon organisations like your own which, fundamentally, constitute a core, a reservoir, of technicians to whom we can appeal to carry out our technical assistance programmes.

Since 1950, when the technical assistance programme was first developed, more than four hundred experts specialising in different fields have been sent to under-developed countries. We have granted about four hundred scholarships to enable those who have been trained in the field by our experts to complete their training in industrial countries so as to be able to take over in due course. We have arranged for the study of technical problems by qualified experts grouped in eight different regions, and have also organised three regional conferences, two in Latin America and one in Asia. The great principle of technical assistance is to train opposite numbers to lead real cooperative organisations towards their destiny.

About thirty seminars have grouped cooperators from all parts of the world, either convinced cooperators or officials, mainly from developing countries. In this connection I would like to pay tribute to the Danish cooperators who, for more than ten years now, in collaboration with FAO have trained hundreds of cooperators from all parts of the world.

As regards technical assistance as such, we are ourselves endeavouring to develop concrete programmes. We make a plan to prepare a diagnosis, to present problems, to draw up plans for the promotion of cooperatives, and then, as a second stage, to put into action a national plan of development with a comprehensive team. We are more and more approaching the problem in this way, that is to say, to make an integrated approach covering all sectors of the cooperative movement.

Starting from the training and initiation of civil servants, the creation of a genuine cooperative service, up to the preparation of concrete programmes for the administrative, technical and financial organisation of the various types of cooperatives, we now have programmes which enable us, practically anywhere in the world, to help developing countries. In 1965 and 1966 we sent eighty experts to forty countries.

I do not wish to abuse the time of Congress and I apologise if I have been carried away by this subject. I would simply add a few words of thanks to the International Co-operative Alliance and its leaders with whom we have always maintained friendly and constructive relations. In particular I pay tribute to Mr. Watkins and to Mr. Alexander for their understanding of the role which the I.C.A. can play to help organisations like the ILO to draw up coherent programmes. We have still much to learn about the cooperative movements of the world.

I conclude by saying in the name of the ILO and in my own name that we wish this Congress complete success and that the efforts of those who animate the Congress will contribute to international peace and prosperity.

The President: In thanking Mr. Orizet for his fine address I ask him to assure the leadership of the ILO that we very much appreciate the close collaboration which has been achieved between us.

Greetings from the Food and Agriculture Organisation

Mr. R. H. Gretton: I hope you will permit me to begin by congratulating your President on his very stirring inaugural address and in thanking him especially for all that he had to say about the work of the FAO.

I now wish to read a message specially prepared for this Congress with the approval of our Director-General.

On behalf of the Director-General of the FAO, Dr. Sen, I have pleasure in extending his best wishes to all delegates to the 23rd Congress of the I.C.A. assembled in this beautiful city. The 23rd Congress is expected to have especial importance because it is held at a time when the affairs of many members of the I.C.A. are in a critical or complex situation. This Congress has also to consider the vital question of revising the Rochdale Principles which, for the past 122 years, have constituted the lineaments of the cooperative movement throughout the world. The Congress has to debate what should be retained of these very old Principles and what should be added to them, on the report of the special Commission appointed three years ago. The Director-General of FAO has seen a copy of this report and believes that it deserves your serious attention. He hopes that after free and full discussion it will be possible to arrive at unanimous decisions, thus creating a picture of cooperative identity which will remain true for many years in future.

With regard to the critical situation which faces many cooperatives, it may be said to have two different aspects. In the developing countries, particularly those which are newly self-governing, the departure of foreign personnel has exposed the fact that cooperatives have not yet taken root, have not yet become naturalised, and cannot survive without governmental support. They have failed to fulfil the early hopes that they aroused, and an era of disillusionment has begun. Without continued governmental help, many of these cooperatives must surely die. We believe that governments will be mistaken if they fail to encourage their people in an effort to learn the cooperative technique and use it to their own advantage.

The other effect of the critical situation is to be seen in the so-called developed countries, where cooperatives are much older and have grown in many instances to a very large size. The present situation can be likened to that of a long-distance runner who has for some time been stepping along well up to his competitors, when suddenly some of these competitors break away and race ahead. Have the ageing cooperatives sufficient power of rejuvenation to sprint after their competitors, or are they going to fall further behind in this fierce stage of the race, when only new methods can save them? Here again it must be hoped that the 23rd Congress of your organisation will be a source of inspiration and guidance.

New ways of developing business are being tested with great energy by various forms of commercial enterprise, including cooperatives, particularly in the countries of Europe and North America and a few other parts of the world. There is plenty of scope for improvement in the production of consumer goods and in their transportation and distribution, also in selling techniques. Agriculture in these countries has become much more efficient, as a source of surplus food for which we must all give thanks. In the Freedom from Hunger Campaign initiated six years ago, the FAO staff in all its branches has been concerned to spread the necessary knowledge for achieving increased agricultural production. We have been concerned, in other words, with finding effective ways of encouraging the use of modern methods of farming.

In that connection land reform is an obvious necessity, and it was the subject of a world conference convened recently in Rome, sponsored jointly by FAO and the United Nations. Part of the discussion at that conference centred on cooperatives as a supporting measure to land reform. Our Director-General was pleased to see present at the conference representatives of the International Co-operative Alliance in the persons of the Chairman and Secretary of its Agricultural Committee.

The FAO representative at the 22nd I.C.A. Congress spoke of an extensive study of the financial needs of agriculture, with particular reference to the role of cooperatives. This study, since completed, was a direct result of the initiative taken by the President and Director of the I.C.A. and it was paid for in large part by the Swedish people by a most generous contribution to the FAO Freedom from Hunger Campaign. The cost of printing and publishing the report, which is No. 68 in the FAO Agricultural Study Series, was met by the I.C.A., and this assistance was greatly appreciated.

Furthermore, we were determined that the study should not end in just another report, and certain measures to follow up the findings have been agreed upon. Once again the Swedish people are very generously financing them. Afghanistan has been

chosen as the first country for a pilot project; experts went to Kabul at the end of July. It is likely that before that pilot scheme starts a national seminar will be convened to focus attention on agricultural needs and the granting of credit which Afghan farmers can use. This will necessitate specially trained staff.

Within the next few months, FAO will publish a guide on visual aids useful to cooperators in the developing countries. In preparing this we have had valuable suggestions from several sources, including the I.C.A. staff. This is only one example of many forms of useful collaboration between the FAO and the I.C.A.

Here I must make special mention of the I.C.A. Regional Office in New Delhi, with which we have had a constant and fruitful exchange of information and training materials. The staff of that office were specially helpful in May of this year, when the FAO convened in New Delhi a seminar to study cooperative farming problems in the countries of Asia and the Far East.

There is not time to particularise all the points of contact between our two organisations. It will have to suffice to say that during the three years since your last Congress and since your new Director, Mr. Alexander, has been making his own imprint on that high office, we in the cooperative branch of FAO have had the full benefit of what has been a most happy collaboration.

The FAO Fisheries Department is also represented at this Congress and can provide further examples of joint action with the I.C.A.

I conclude with an expression of my personal conviction that, though faced with undeniably serious threats, there is in the cooperative technique enough resilience to overcome them. A brief quotation from a special supplement on agriculture taken from a newspaper seems a suitable note on which to end:

“Contrary to previous expectations, these giants of the poultry industry are not multi-million units controlled by one man. Instead, producer cooperators are merging all over the country into large groups. Individual members are go-ahead men.”

In every form of cooperation that is what we must look for, go-ahead individual members, and they must be the ones who are allowed to take the important decisions.

The President: I should like to thank Mr. Gretton very warmly, and we shall be very happy if he will convey our sincere thanks to the Director-General of FAO, Dr. Sen, not only for his message but for his outstanding activity in the field of measures directed to averting a world food crisis.

Greetings from UNESCO

Miss P. Harris: It is for me a very great privilege to have the opportunity of attending your Congress in Vienna and of extending the best wishes of the General Director of UNESCO. My pleasure is the greater because for many years I have been working very closely not only with the Secretariat of the I.C.A. but also with a large number of affiliated national unions which are here represented.

The appointment of an Education Officer and a Women's Officer gives us great pleasure, and we look forward to working with them.

Let me briefly draw attention to some aspects of the programme of UNESCO which may be of direct interest to your members. Our Adult Education Department has so far had the greatest response from the cooperative movement, and it is one which we greatly welcome. There has been cooperative participation, also, in other fields of our work. In the Department for Cultural Affairs we have a great many interesting projects for the promotion of libraries and for itinerant art exhibitions in thinly-populated areas where there are no art galleries or museums, also projects for children's and adult education.

We have published a series of books embodying the results of research. At the present time typical problems under study are the social effects of industrialisation, and other economic and social problems in the newly-developing countries. Apart from studies and research work, we endeavour to train sociologists in the developing countries. In the field of the natural sciences co-operators should be interested in a great number of projects the purpose of which is to deepen and expand teaching and documentation, as well as to promote the application of technology to help in raising living standards in the poorer regions of the world.

Under the heading of communications or mass media we include not only the use of radio, television, films, film strips and printed matter for the dissemination of information and education, science and culture on a very broad basis, but in this field we intend to make an increasing contribution in order to bring about a continuous improvement of audio-visual methods of teaching.

In the UNESCO Training Section, a great effort is being made to rationalise textbooks. Another interesting project is the international schools project, which covers 500 schools in 54 countries which are devoting a large portion of their textbooks to the study of the culture of other countries, as well as human rights and the organisation of the United Nations.

With regard to adult education, we are now finding some response to the new idea of training and education which covers the whole period of the life of the human being. We are very pleased to see that the Union of Swiss Consumer Societies has published a series of brochures on what we call life-long education, and what is in French referred to as *éducation permanente*. We hope that many other organisations affiliated to the I.C.A. will participate in the programme planned for the years 1967-68.

A few years ago, the biennial conference of non-governmental organisations discussed for the first time the subject of organised leisure and culture, a subject which in the next two years is to be studied in greater detail by a specially constituted working party.

The present women's programme, in which the I.C.A. has been playing a major part in recent years, will be changed considerably in future, and we hope that you will be interested in our new plans.

The principal point, however, in the UNESCO educational programme is the campaign for the eradication of adult illiteracy. This is a major effort, because about 40 per cent of all adults in the world are still illiterate. We know that the international cooperative movement has developed over the years a very vast programme of technical assistance and adult education, and we shall be very grateful if we can take advantage of your vast experience and knowledge in our world-wide programme. Cooperation in this field will constitute not only effective support to the UNESCO plan but a powerful instrument for the promotion of the cooperative idea and its dissemination on a practical level.

The President: I extend to Miss Harris our very sincere appreciation of the greetings she has conveyed from UNESCO. She has pointed out the importance of adult education both to UNESCO and to our cooperative movements in all parts of the world, and quite specifically she has drawn attention to the importance of the campaign against illiteracy. Certainly the eradication of illiteracy is one of the most essential conditions for sound cooperative development in the newly-developing parts of the world, so that we are happy to be associated with UNESCO in these important efforts.

Appointment of Congress Committee

The Administrative Secretary: The Central Committee recommends as members of the Congress Committee in addition to the President and Vice-President, Mr. Clement Pedersen, Denmark; Mr. F. F. Rondeau, U.S.A.; Mr. B. Perkash, India, members of the Central Committee and Dr. A. F. Laidlaw, Canada; Mr. R. Kérinec, France; Mr. M. M. Denisov, U.S.S.R., delegates to Congress.

The President: Do you approve these recommendations of the Central Committee?
Congress agreed.

Appointment of Tellers

The Administrative Secretary: The Central Committee recommends that the following nine delegates be appointed to act as Tellers: Mr. C. C. Hilditch, Great Britain; Dr. W. Ruf, Switzerland; Mr. W. McCann, USA; Mr. V. Kondratov, USSR; Dr. F. Cortesi, Italy; Mr. E. Särkkä, Finland; Mr. J. F. van Netten, Holland; Mr. M. Eshref, Cyprus; Mr. M. A. Gilboa, Israel.

The President: Will you approve the appointments recommended by the Central Committee?

Congress agreed.

Report of the Central Committee on the Work of the International Co-operative Alliance 1963—1966

Introduction

The discussion and resolutions of the Congress of Bournemouth in 1963 take their natural place in the evolution of main cooperative themes which maintain a high priority in the very full programme of the International Cooperative Movement. The "Long-Term Programmes of Cooperative Promotion and the Conditions of their Realisation" and "Economic Integration and Cooperative Development", included many factors vital both to the process of structural change and to programmes of cooperative technical assistance. These topics themselves fit into a wider concept of closer collaboration and a renewed endeavour to achieve greater unity amongst cooperators and cooperatives.

The Central Committee has continued its study of structural changes and has singled out for special consideration the relationship between national wholesales and unions and their retail cooperatives in both consumer and agricultural cooperative movements. A background paper was prepared for the 1965 Central Committee meeting in which the I.C.A. Research Section and Secretariat set out in précis form the structural position and changes reported to them by the national affiliated Organisations. The discussion in the 1965 Central Committee has been published and is available for supplementary reading in connection with the Agenda prepared for the 1966 Congress which contains a revised edition of the background paper.

Likewise, acting on the reports from the national affiliated Organisations, a background report on cooperative technical assistance was submitted to the 1965 Central Committee by the Research Section and Secretariat. This report has been brought up-to-date to the 31st December 1965 and will be found in a revised form in the Agenda for Congress.

The decision of the Bournemouth Congress to examine the application of cooperative principles was implemented in accordance with the Congress resolution and the Executive Committee prepared proposals and terms of reference for a Commission which was duly appointed by the Central Committee at its 1964 meeting. The Commission appointed in October 1964 held its first meeting in December of that year and decided that, despite the short period of 15 months available for its work, it should seek evidence from all available sources of the application of the cooperative principles throughout the world so that its conclusions should be reached after due deliberation by its members on the widest possible evidence. A simple form of questionnaire was devised and accompanied by an elaborate memorandum on the subject of the principles and these two documents together with a covering letter provided individuals and organisations with the opportunity to reply either briefly or in full in describing the application of the principles and their opinions on the subject. Evidence received was transmitted, immediately after translation and reproduction, to members of the Commission who held their second meeting in Helsinki and Moscow. In Helsinki they took the

opportunity to meet leading national cooperators present for the 1965 I.C.A. Central Committee meeting and a timetable was drawn up for completion of the report, involving final tabulation of evidence as at 15th November 1965, with a meeting in December 1965 to instruct the rapporteur and secretary to the Commission on the drafting of the report, and a final meeting in February 1966 to finalise and approve the report for submission to the I.C.A. Central Committee meeting in Copenhagen in the first week in April 1966. The report of the Commission features in the Agenda for Congress.

In addition to consideration by the I.C.A. authorities of these three main subjects, structural changes, technical assistance and the cooperative principles, there have been many other activities during this three-year period. A Consumer Conference was held in Basle in October 1965 with the theme of "Consumer Orientation in Cooperative Trading: Obstacles and Achievements". A large number of specialists from consumer cooperatives of the European and American continents participated. The consumer as a member and the member as a consumer were looked at from every point of view and their interests considered at every level of opinion as well as from every aspect. Home economists working on the shop floor, the sales staff, the market and technical research, the publicists and advertisers, the wholesales and factory production managers pooled their experience and knowledge with great effect, leaving a clear impression that despite the many difficulties of assessing the real interests of the consumer and of meeting these interests under competitive conditions, a consumer oriented policy is practicable and essential for a cooperative movement and does not conflict with but rather contributes to its efficiency and its long term growth. This Conference was prepared on the advice of the I.C.A. Consumer Working Party which evolved and issued, after approval of the I.C.A. Executive, an outline programme of minimum action in the interests of the consumer for national cooperative movements and has already discussed this programme with a number of national consumer cooperatives.

The appointment of an Agricultural Secretary has provided an opportunity to the Agricultural Committee to revitalise its activities and a number of new members have joined that Committee. Cooperative buyers and sellers of fruit and vegetables were brought together at a useful conference in Palermo, Sicily, in May 1965.

The appointment of an Education Secretary has assisted in closer collaboration with UNESCO, in a continuation of the International Cooperative School and with the development of the I.C.A. role in cooperative technical assistance.

In accordance with policy approved at the Bournemouth Congress a Secretary for Women Cooperators was appointed in 1964 and meetings of the I.C.A. Women Cooperators' Advisory Council were held in March 1965 and February 1966. National affiliated Organisations have appointed women cooperators to represent them on this Advisory Council and the Council is already active in three important spheres. The Council is considering, in relation to structural changes, the integration of the interests and activities of Women Cooperators with their national cooperative movements and expects to produce a report on this subject on completion of its enquiries and studies. The Council is also studying the Women Cooperators' interests as consumer members and purchasers, as agricultural members and housewives, as contributors to co-operative publications, and as participants in cooperative technical assistance and education programmes. The interest of the Advisory Council in these matters is expected to ensure that they receive a due consideration throughout the World Cooperative Movement.

A Conference for Women Cooperators has been organised in conjunction with the 1966 Congress.

The Regional Office and Education Centre for South-East Asia completed five years' work in 1965, and has established an active collaboration with United Nations bodies operating in the region, with national cooperative organisations affiliated to the I.C.A. and with the Ministries and Departments of Government responsible for national co-operative movements. The Advisory Council continues to advise the Regional Office and the Centre, and also the Japanese Institute (IDACA) which was set up in 1964 in collaboration with the International Co-operative Alliance to enable overseas students to benefit from the experience of the Japanese cooperative movement.

About four-fifths of the total expenditure of the I.C.A. in South-East Asia comes from the members of the Swedish cooperative movement, and in 1966 the Swedish Government started to make a contribution to K.F. towards the expenses of two seminars within the programme of the Regional Office. The Co-operative Ministers' Conference in Tokyo in April 1964 brought together the politicians, senior civil servants and presidents and secretaries of national cooperative organisations responsible for national cooperative movements in South-East Asia, and provided the I.C.A. with valuable advice for its future operations, whilst at the same time increasing understanding of the possibilities and problems for cooperatives throughout the region. In answer to a request from this Conference for a special emphasis to be placed on future commercial development beyond national boundaries, the I.C.A. appointed a specialist on a fact-finding mission for twelve months starting in November 1965, with the task of recording as many facts as possible about the possibilities of, and barriers to, development of co-operative import and export trade in the region.

Closer contact is being established with the cooperatives of Africa and of Latin America in order to establish in due course a proper means for these cooperatives to participate fully in the International Cooperative Movement. Since the start has been made with a regional cooperative organisation for each of these two areas, it will be noted that Congress is being asked by Central Committee to approve amendments to the I.C.A. Rules, making it possible for supra-national cooperatives such as these regional organisations to become individual members of the Alliance, with limited subscriptions and limited voting strength. It is confidently expected that this category of member will in future increase the contacts between the national members of the I.C.A. and the I.C.A. authorities and auxiliaries, and will not in any way detract from the desire of national cooperative organisations to obtain or retain membership of the I.C.A. themselves.

Relations between the I.C.A. and international organisations, governmental and non-governmental, continued to develop wherever a possibility of promoting co-operatives existed, and requests to the I.C.A. for advice and information have shown a significant further increase. The I.C.A. has been represented at conferences of the FAO, the ILO and UNESCO, and more recently, in Category "A" Consultative Status also with the United Nations Trade and Development Conference. It is noted from unsolicited comment that the standing, influence and practical usefulness of the Alliance have further increased during this period from 1963 to 1966.

Membership

Membership continues to increase and it will be apparent from the Directory of affiliated Organisations published regularly in the "Review of International Cooperation" that both the strength and geographical spread of the Alliance grows annually. I.C.A. Missions of Enquiry were sent to Poland and Hungary following appeals under Article 10 of the Rules.

New member Organisations since the last Congress are -

Europe -

Danish Co-operative Wholesale Society, Copenhagen, Denmark (formerly member through *Andelsudvalget*).

Irish Agricultural Organisation Society, Dublin, Eire.

Association of Enterprises on a Co-operative Basis, Amsterdam, Holland.

Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Warsaw, Poland.

"Spolem" - Union of Consumers' Co-operative Societies, Warsaw, Poland.

Polish National Union of Invalids' Co-operatives, Warsaw, Poland.

Central Union of Work Co-operatives, Warsaw, Poland.

Central Union of Building and Housing Co-operatives, Warsaw, Poland.

Folksam Insurance Group, Stockholm, Sweden.

International Co-operative Bank Co. Ltd., Basle, Switzerland.
Federation of Hungarian Co-operative Societies, Budapest, Hungary.

Asia -

Credit and Housing Society of Iran, Teheran, Iran. ✓
Sind Baluchistan Provincial Co-operative Bank Ltd., Karachi, Pakistan. ✓

Africa -

Lagos Co-operative Union, Lagos, Nigeria.
El Ittihad, Tunis, Tunisia.
National Federation of Co-operatives, Kenya.
Uganda Co-operative Alliance Ltd., Kampala, Uganda.
Eastern Province Co-operative Marketing Association, Fort Jameson, Zambia.

America -

Intercoop, Editora Cooperativa Limitada, Buenos Aires, Argentina.

The following Organisations had ceased membership under Article 11b - Non-Payment of Subscriptions:

Co-operative Development Society, Dublin.
The Co-operative Federation of Western Australia, Perth, Australia.
Hutt Valley Consumers' Co-operative Society, New Zealand (since rejoined).
Cercle d'Etudes et d'Action Coopératives "Georges Fauquet", Rabat, Morocco.

The composition of membership according to types of societies in 1964 - the latest year for which estimated figures are available - compared with 1961 as reported by I.C.A. was: -

		Societies Thousands	Members Millions
Consumers	1961	49.9	86.2
	1964	51.6	107.7
Workers' Productive and Artisanal ...	1961	53.1	4.1
	1964	59.4	4.5
Housing	1961	16.3	3.5
	1964	24.7	4.5
Agricultural	1961	93.9	16.5
	1964	101.3	21.8
Credit	1961	306.3	51
	1964	308	68.3
Fishery	1961	8.7	1.5
	1964	8.4	1.2
Miscellaneous	1961	3.2	10.2
	1964	4.3	10.6
Insurance		Number of Societies	Policies Millions
	1961	62	55.6
	1964	62	61.3

The Committees of the I.C.A.

There has been no change in the basis of representation on the Central Committee since our last report. Maximum representation of any one country or union of countries remains at 8 members and the entitlement to additional representatives is still related to each complete £400 of subscription. On this basis the **Central Committee** now comprises 127 members representing affiliated Organisations in 30 countries.

The Central Committee met in Belgrade in 1964, at Helsinki in 1965 and in Copenhagen in 1966. It will also hold a statutory meeting in Vienna during Congress.

The Executive met in Bournemouth immediately following its election and subsequently has held meetings at Geneva, London, Belgrade, 1964; London, Oslo, Helsinki, 1965; Copenhagen, Stresa, Vienna, 1966. Sub-Committees appointed by the Executive dealt with technical assistance and staff and financial matters respectively.

The Auxiliary Committees

Reports of I.C.A. Auxiliary Committees are given as appendices to this report. The Auxiliary Committees are established under Article 4 of the Rules as one of the methods by which the Alliance shall seek to attain its objects. Present Auxiliary Committees and dates of inception are as follows: - Assurance 1921; Banking 1922; Workers' and Artisans' Production 1947; Agriculture 1951; Housing 1952; Wholesale Trade (CWC) 1956; Retail Distribution (CRD) 1958.

While the reports given by the Auxiliary Committees themselves contain details of their activities, it can be said here that the work of Auxiliary Committees is of growing importance. Perhaps the two most significant aspects of this are their liaison with specialised agencies of the United Nations and the growth of a desire for functional institutions operating internationally. The question of liaison between Auxiliary Committees is also of growing interest and the Alliance itself has a co-ordinating role to play in this regard.

Working Parties and Other Groups

The group of **Economic and Market Research Officers** has continued to meet annually.

At the Paris meeting, September 1963, topics discussed included: - The Shop Network; Methods of Calculating the Area of Influence of a Shop; Classifying Consumers for Cooperative Marketing; Methods of making Price Comparisons with Competitors; Assortment Policy; Current Economic Problems facing the Cooperative Movement; Economic Integration and the Work of Cooperative Research Officers.

In Rotterdam, September 1964, the following topics were discussed: - I.C.A. Statistics; Research on Democracy in Larger Integrated Systems; Dividend Accounting, Verification and Control; The Research Work of the Cooperative Wholesale Committee; Euro-Coop; Implications for Consumer Cooperatives of Changing Patterns of Consumer Demand; Regional Warehousing.

The theme of the meeting in Friedrichsruhe, Germany, in November 1965, was Methods and Aims of Cooperative Planning, with papers on: - Consumption Forecasting; Adaptation of Shop and Store Networks to Future Demands; and Cooperative Development: A Problem of Formal and Structural Dynamics.

The reporting of research activities for purposes of a joint return to be circulated to national movements had now been put on an annual rather than semi-annual basis.

The Consumer Working Party held eight regular meetings between the last Congress and February 1966.

In addition, three Country Reviews were conducted (K.F. Sweden, March 1964; Co-operative Union, C.W.S., and S.C.W.S., United Kingdom, October 1964; and K.K. and S.O.K., Finland, June 1965), at which CWP members discussed with officials of the Movement the implementation of an Action Programme in the Interest of Consumers which had been prepared by the CWP and approved by the I.C.A. Executive. A further Country Review is scheduled with F.N.C.C., France, for April 1966.

A major activity of the Consumer Working Party during 1965 was to advise the I.C.A. Secretariat with respect to arrangements for the Consumer Conference held in Basle, October 1965.

A number of papers have also been prepared, for example on Informative Labelling and Cooperative Advertising.

The Working Party of Cooperative Librarians and Documentation Officers has met biennially since its inception in 1956, and the Working Committee, which implements the recommendations of the Working Party, has met at regular intervals. The Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Deutsche Genossenschaftskasse and the National Agricultural Co-operative Federation of Korea joined the Working Party in 1965; the two former organisations sent representatives to the meeting of Cooperative Librarians held in Stockholm in the same year.

Since the Bournemouth Congress the Working Party has sponsored four publications: - a Manual for Cooperative Libraries in English, French and German; a Co-operative Vocabulary in the same three languages; an International Cooperative Directory and a review entitled "Libradoc" issued every two months and giving information on various subjects of interest to librarians. Implementing a recommendation made by the International Jury at Bournemouth, the Working Party submitted a list of selected books on the Cooperative Movement to the Jury to be considered for the 1966 Award of the Jubilee Triennial Prize.

The Working Party has not only assisted libraries in the well-established Co-operative Movements, but has been concerned with the promotion of Cooperative Libraries in developing countries. Mr. Kamp, the Librarian of Co-op Nederland, has been invited by the I.C.A. Regional Office and Education Centre to visit Cooperative Libraries in South-East Asia, and to give expert advice to those in charge in the light of existing conditions in the region.

To commemorate their 50th Anniversary, Co-op Nederland very generously undertook to meet the cost of a much needed extension to the I.C.A. Library, and this work has now been completed.

Organisation of Secretariat

Mr. W. G. Alexander took over from Mr. W. P. Watkins as Director with effect from the conclusion of the 1963 Congress in Bournemouth and Miss G. F. Polley, O.B.E., who relinquished her duties of General Secretary at the end of the 1963 Congress, remained to assist the Director until the appointment of Mr. J. Gallacher as Administrative Secretary on the 1st February 1964. Mr. Watkins continued as adviser to the Director until the 31st December 1963, and Miss Polley continued as adviser on administrative matters until the 30th April 1964. The outgoing officers of the Alliance have given every possible advice and assistance to the new administration with which they continue to keep in touch from time to time.

Organisation of the staff is in accordance with the plan prepared by the Director and approved by the I.C.A. authorities. The essential features of the plan were mentioned in the *Agenda for the 1963 Congress*.

Mr. R. P. B. Davies is Secretary for Education, Press, Publicity and Films and within his department Dr. J. H. Ollman is Publications Editor, assisting Mr. Davies also on matters concerning the Press, Publicity and Films. The department includes two Publications Assistants and a Publications Registrar. It is envisaged that at an appropriate moment this department may also become responsible for and include the Library.

Mrs. L. Stettner is the Secretary for Research and Statistics. The I.C.A. Statistician, Miss M. Balint, works with Mrs. Stettner in this department which also includes either one senior or two junior research assistants.

The Librarian, Miss E. M. Kerr, is a member of the I.C.A. Working Party of Librarians and Documentation Officers.

The Agricultural Secretary, Mr. B. Zlataric, is Secretary to the I.C.A. Agricultural Committee.

The Secretary for Women Cooperators, Mrs. M. J. Russell, is Secretary to the I.C.A. Women Cooperators' Advisory Council.

The Administrative Secretary is Joint Secretary to the I.C.A. Housing Committee. Mr. L. E. Woodcock represents the I.C.A. at the United Nations in New York

and Dr. M. Boson is our United Nations representative in Geneva. Mrs. R. Kaur is United Nations Assistant at I.C.A. Headquarters and is responsible for all U.N.-documents.

Dr. S. K. Saxena is Regional Officer for South-East Asia and is directly responsible to the Director for the Regional Office and Education Centre for South-East Asia.

Finances

Following a complete examination of the financial position of the Alliance, including projected expenditure for a period of five years from 1963, the Executive requested the Central Committee to consider an increase in subscriptions of 35% in accordance with Article 18 of the Rules. This recommendation was approved by the Central Committee and took effect in 1965. The Central Committee also decided to ask member Organisations which can afford to pay subscriptions in excess of the new minimum to do so. Although only one or two member Organisations have responded, we express thanks and appreciation for this generosity. Applications for relief from the increased subscriptions have been few in number and dealt with by the Executive on their merits.

In 1964 membership subscriptions totalled £64,551; the 1965 figure was £91,832; for 1966 the estimated total is £92,000.

As a result of the 35% increase, revenue is now sufficient to meet present work and maintain the Secretariat and Regional Office. In the matter of Regional Office expenditure the Alliance is again indebted to the Swedish Movement for agreeing to take an increased share of the common expenditure from 1963 onwards.

The Executive has given consideration to the possibility of devising an alternative basis of subscription which will be related to turnover. This will give some measurable protection to the Alliance against the effects of continued inflation on a fixed income. There are, however, difficulties as regards devising an alternative basis which will be accepted as equitable having regard to present subscription rates. While the Executive decided against pursuing the matter at the present time, it may be necessary to reconsider this question in the future.

Publications

General

To the 22nd Congress, Bournemouth, England, we reported at length on the difficulties and principal problems connected with the running of a publications section and pointed out the universal problems facing all publishing enterprises such as the high cost of paper and printing, the ever-rising postage rates and increases in salaries. I.C.A. publications have also to contend with certain special factors of which perhaps the least, yet very expensive item, is the heavy translation cost.

Both revenue from publications and the extension of readership of the I.C.A. publications, including the preparation and circulation of Congress Reports, have constantly engaged the mind of the I.C.A. Executive. To provide an adequate service of news and information and keep costs within definite limits has been reasonably well achieved in the years under review.

Early in 1964 a stock-taking of all I.C.A. publications and literature, printed and stencilled, was undertaken. This proved of great importance to the Director of the I.C.A. and helped with the selling of old stock, as well as with enquiries from cooperative schools and university departments all over the world who have been trying to complete their run of I.C.A. publications as reference material for their studies.

Factual reports on publications were made in the years between Congress to the Executive Committee. Generally it can be said that figures disclosed a slight but steady increase in the circulation and revenue of all I.C.A. publications, but also that, after costs have been taken into account, bearing in mind the heavy burden of translation

work, we are still falling short of our ideal, namely, to be able to balance income and expenditure.

There has been a spectacular increase in the use made by the Cooperative Press of articles and news items features in the I.C.A. publications.

Review of International Cooperation

The situation reported at Congress in 1963, namely the reduced readership due to numerous amalgamations, has not changed. It is still true that reduced surpluses and fewer societies have resulted in cancellations of subscriptions to the "Review", but these have been offset by new subscriptions and the general picture is that of a rather similar annual total of subscriptions. On the whole the suggestion adopted by the Executive Committee to issue the "Review" six times yearly as from January 1963 has proved a wise decision, and seems to be approved by its readers. Constant effort is made to widen the "Review's" readership and emphasise the private individual as a potential reader as much as the cooperative official. Some national editors agreed in 1965 to make available, from time to time, advertising space for the "Review" to draw more people from their organisations into the circle of readers, and one or two national movements have already kindly done this.

An estimate has been obtained of the cost of publishing a Spanish edition in Latin America and on satisfactory report about the possible number of subscribers, this matter will be further considered by the Executive.

Liaison with editors of national cooperative publications has been strengthened and this has produced a greater flow of interesting material for publishing in the "Review". We are still concerned to attract advertising, hoping thereby to stimulate international trade and reduce publication costs.

Cartel

Issue number 4, Volume 14 of October 1964 was the last issue of "Cartel". Articles on Cartels and Monopolies will, in future, appear from time to time in other publications of the Alliance. Since notification of ending this publication, there has been a steady demand for back numbers of "Cartel" from universities all over the world.

Consumer Affairs Bulletin

Since 1962 the new "Consumer Affairs Bulletin" has tried to fulfil its purpose of publishing the ever-increasing volume of material available on consumer information and protection. The "Consumer Affairs Bulletin" concentrates on those matters likely to be of most interest to consumers as members of cooperative societies and, here again, the publication has, through its slight increase in subscriptions, proved that it is a valuable tool in the hands of the consumer cooperator.

The "Consumer Affairs Bulletin" will be published monthly in both its English and French editions from 1st January 1966 and subscribers have been told of the change in sequence of appearance of the Bulletin. There has also been an increase in the subscription price to £1 per annum in both editions. It is hoped that by making it a monthly publication a better service can be given of current news.

Cooperative News Service

This stencilled publication continues to serve as a most useful medium for diffusing factual news and information and its circulation has been steadily expanding, reaching eighty countries in all. Its contents are utilised not only by editorial offices in the cooperative sector, but also by government departments, academic bodies and many interested individuals. It is greatly valued by cooperative editors throughout the world.

Agricultural Cooperative Bulletin

News items circulated by means of the Agricultural Cooperative Bulletin are used by the Cooperative Press in many countries and information is given about the increasing work of the I.C.A. Agricultural Committee.

Film Bulletin

Our Film Bulletin has been in heavy demand and stocks of the last issue are now nearly exhausted. Although fewer new films are being made, it is hoped that a new edition of the "Film Bulletin" can be compiled in 1966/67.

International Cooperation - Volume VI

As far back as 1961 Volume V, covering the years 1949-1957 and containing an outline of the growth of the affiliated Organisations of the I.C.A. appeared and proved a steady seller. The intention is that in 1966 a new edition of International Cooperation Volume VI will be taken in hand and a decision for a loose-leaf form of publication has been made. This would reduce costs, expedite publication, facilitate amendments and make the volume, or parts of it which could be separately purchased, of greater practical use to both the library and the student interested in particular countries.

Congress Reports

"Congress in Brief" appeared soon after the Bournemouth Congress in English, French and German. It has been selling satisfactorily, bearing especially in mind that the full Report is only available in the English language. Two hundred copies of the full Report have been sold. The decision of the Executive Committee that the full Report be provided in one language only was taken because of the high cost of production.

The Present Application of the Rochdale Principles of Cooperation

We have published two editions of the off-print on Rochdale Principles from the Report to the 15th I.C.A. Congress in Paris, 1937. The demand for this material arose in connection with the present I.C.A. Commission on Cooperative Principles. This background material for the discussion groups all over the world concerning themselves with the work of the Principles Commission was greatly appreciated.

The I.C.A. Its Aims and Work

The third English, the second French and the first Spanish editions of this brochure were made available for the 22nd Congress and have since been in constant use, primarily as the most useful medium of explaining our work to enquirers from all parts of the world. On exhaustion of the present stock it is hoped that a new edition to carry us three to five years on will be produced.

Films

There has been a steady demand for the showing of films held by the I.C.A., but unfortunately stocks are getting old and replacements are necessary of those films which continue to be of interest.

The Alliance's own production "Cooperative Journey to Sarawak" has been selling well and the provision of magnetic strip, enabling the buyer to put his language commentary on the film, has been greatly appreciated. Continued requests come from the developing countries for suitable film material and the question of producing cooperative films in various countries is a matter of concern. Modern conditions demand local backgrounds and it is unsuitable to use films from other countries for showing to people in a different geographical region.

Press Committee

The Press Committee is a small steering body which meets not more than once between Congresses to make arrangements for the forthcoming Congress and discuss matters of general concern. The Press Committee met for this purpose in 1965 in Germany when Dr. C. Schumacher and Dr. C. Bock, both of Zentralverband deutscher Konsumgenossenschaften, presented papers. The Committee also suggested subjects for consideration at the Press and Education Conference at Congress 1966.

Research and Statistics

The Research Section has been actively engaged in preparing documentation for the Central and Executive Committees on such major issues as I.C.A. Technical Assistance and Structural Changes in Cooperatives. It also prepared the questionnaire sent out for the I.C.A. Commission on Cooperative Principles and summarised the returns from this questionnaire. In addition, it made comparative surveys and analytical studies on a number of other subjects, for example: the United Nations Conference on Trade and Development; Methods of Dividend Accounting; Cooperatives and Development Strategy; Cooperative Travel Facilities; and Cooperative Advertising.

The Secretary for Research serves as Secretary for the Consumer Working Party, and in that connection prepared working documents and also did much of the administrative work connected with the regular meetings of the Consumer Working Party, the Country Action Programme Reviews and the planning and execution of the Consumer Conference.

The Research Section also seeks to achieve a degree of co-ordination in the research activities of national movements by compiling joint research returns from the group of Research Officers, and serving as Secretary for the meetings that have been held by that group annually since 1959.

The Research Section has contributed a number of articles to the "Review of International Cooperation". It edited and contributed to "Cartel" until October 1964 when it ceased publication; and it produces the monthly "Consumer Affairs Bulletin".

Since the last Congress there has been no substantial change in the statistical service of the I.C.A. as regards the amount of data collected. Changes have been made in the presentation of annual statistics to improve the quality of information. The provision of a commentary report has been started to make the tables more meaningful but the absence of uniformity and incompleteness of returns limit the value of statistics. Nevertheless, they fulfil their purpose which is to show the progress of member Organisations and permit international comparisons.

National Cooperative Organisations and their Governments are becoming increasingly aware of the need for accurate and adequate statistics, especially in connection with forecasting, planning and reorganisation. Improving statistical services will facilitate agreement and use of definitions and classifications for national and international use and the I.C.A. is ready to give a lead in this direction.

Education

Activities reported under this heading have dealt with the annual International Cooperative Schools. These Schools are a specific educational activity of the Alliance under the auspices of the Henry J. May Foundation and play an important part in giving to the participants a wider view of the cooperative movement than they would otherwise obtain. It should be borne in mind, however, that very many other activities of the Alliance are also educational in character. As so much of the I.C.A.'s work is promotional, this pre-supposes a great deal of educational preparation. The I.C.A. activities in the field of technical assistance, collaboration with UNESCO and the work of the Regional Office and Education Centre, reported elsewhere, underline this point.

The annual International Cooperative Schools have been the only events organised under the auspices of the Henry J. May Foundation. The Foundation, with no resources at its disposal, continues to exist in name only.

33rd International Cooperative School

The 33rd International Cooperative School was held in September 1963 in Norway (for the first time) and was attended by 61 students from 15 countries. Amongst the participants were an officer of the Japanese Bank for Agriculture and Forestry, and an official of the Government Department of Cooperation for Kenya. The principal theme

was a cooperative critique of current tendencies in market economy. Professor Paul Lambert, Belgium, dealt with this subject from the viewpoint of the consumers and Dr. Frietema, the Netherlands, from the standpoint of the primary producer and the developing country.

34th International Cooperative School

The 34th International Cooperative School was to have been held in September 1964 in Italy, following an invitation of the three Italian member Organisations of the Alliance, to hold the School at Frascati, near Rome. Everything was done to keep down the costs of the School and, in the light of the decision of the Executive Committee that the School should not be run at a loss, the individual fee for the School was fixed at £55. The fee in 1963 had been £38, and this only covered two-thirds of the actual expenses of the School. Member Organisations were asked to notify the number of participants for the 1964 School by the end of April and by the end of May the total number of participants notified was only 19. It was therefore reluctantly decided that, in view of the lack of interest, it was not possible to hold the School in 1964 and member Organisations were advised accordingly, together with a request to forward to the I.C.A. any suggestions about the type of School in the future, and the desirable level of participants.

The three Italian members of the Alliance repeated their invitation to hold the School in Italy in 1965 and although it was not possible to obtain the original venue planned for 1964 (the Villa Falconieri), accommodation was available at the Casa Internazionale dello Studente, Rome, a graduate student hostel under the direction of the Italian Ministry of Education. The cost of the School was fixed at £44 and the theme, similar to that planned for 1964, was the "Problems of Cooperatives in Different Economic and Political Systems". These systems were those obtaining in a mixed or market economy country; in a planned or socialist country; and in a developing country. The three main background lectures were given by W. P. Watkins, formerly Director of the Alliance, Professor Blank of the Cooperative Institute in Moscow, and G. St. Siegens, Chief of the Cooperative Division of FAO. The School also heard lectures on the work of the ILO and FAO in cooperatives in developing countries, and participants were received at FAO Headquarters by senior officials of the Organisation. 59 participants attended from 29 organisations in 15 countries.

35th and 36th International Cooperative School

An invitation was issued on behalf of the French members of the Alliance to hold the 35th International Cooperative School in France. The School will be held in Rouen in late September, 1966.

An invitation has been issued by the Central Agricultural Union of "Peasant Self-Aid" Co-operatives to hold the 36th International Cooperative School in Poland in 1967.

The themes of the International Cooperative Schools have tended to be general ones. This is inevitably the case when participants attend with a wide variety of background, age, experience in different cooperative movements, etc. This does not mean that participation is any the less valuable for being centred around a general theme touching the cooperative movement, but it may be that the Alliance should think of the possibility of holding, probably in addition to the International Cooperative School, smaller and more specialised seminars, both in terms of subject matter and participants. Education and training in the non-cooperative sector of industry, commerce and agriculture becomes increasingly international in character each year. The closer international links being forged within the cooperative movements should mean there is scope for international cooperative seminars on a wide variety of topics. Management training, modern management techniques, personnel policies, are all examples of fields where there must be much to be gained from exchange of national experience.

Education and Press

The Central Committee at its meeting in September at Helsinki agreed that there

should again be a joint Press and Education Conference at the time of Congress in 1966 in Vienna. The subject of this Conference will be "The Responsibilities of Cooperative Education and the Cooperative Press to the Consumer".

Resolutions of the Bournemouth Congress

Resolutions of the Bournemouth Congress were concerned with: – The Distribution of Cooperative Literature; Duties of the Cooperative Movement Towards Young People; Disarmament and Peace; Promotion of Cooperation in Developing Countries; Strengthening Unity and Collaboration in the International Cooperative Movement; World Housing Situation and the Role of Cooperation.

At their meeting in Geneva in 1964, the Executive agreed upon initial action towards the implementation of certain of the above Resolutions. So far as this included responsibilities on the part of member Organisations, they were informed by letter of the decisions of the Executive and asked to inform the Secretariat of measures taken, or to be taken, regarding each Resolution. A summary of replies from member Organisations was presented in the Central Committee meeting in Belgrade in 1964 and accepted by that meeting. The subject-matter of the Resolutions still engages attention.

South-East Asian Regional Office and Education Centre

At the end of 1963 the amalgamation of the I.C.A. Regional Office and Education Centre took place. The Advisory Council for the region agreed to the request that it should advise the Regional Officer on all aspects of the I.C.A.'s work throughout the region. Professor D. G. Karve has served as Chairman of the Council following the death of Sir V. T. Krishnamachari.

The functions of the Regional Office continue to be those reported to the Congress at Bournemouth – to serve the general purposes of the I.C.A.; to contribute to the execution of I.C.A. policy in all its aspects; to supplement the existing means by which organisations are able to keep in touch with one another; to give information and guidance on requests for technical assistance and to maintain contact with projects in the course of execution; to co-ordinate the work initiated by the Alliance and its members in the organisation of conferences, seminars, working groups; to represent the Alliance in its relations with Cooperative Ministries and Departments in national governments and with international organisations in South-East Asia.

The Swedish Cooperative Movement has continued to contribute the major part of the finances – four times the amount found by the Alliance. The Advisory Council has agreed that the aim should be that cooperative movements in the region should eventually take over complete financial responsibility for running the Regional Office and Education Centre. Many of the movements are in relatively weak financial positions, but, even so, the Advisory Council hopes that they will increasingly contribute to the financing of the I.C.A. in South-East Asia.

Conferences and Seminars

A comprehensive programme of seminars and conferences has been held, recruiting participants either on a national basis or a regional basis. Mention can be made of a few of the outstanding events: –

Regional Conference for Cooperative Ministers and Officials in South-East Asia

This Conference was held in April 1964 in Tokyo, and was well attended by Ministers, Senior Officials of Governments, Presidents and Secretaries of National Cooperatives from the countries of South-East Asia in membership with the Alliance. Observers attended from ECAFE, ILO, FAO and AARRO.

The final report of the Conference gives a valuable indication of the extent to which

Government and National Cooperative Officials agreed on policy matters which are of great concern to the International Co-operative Alliance for its future work in the region and internationally in the wider sense.

The Conference was judged to be a success by all the participants and was extremely valuable as a guide for the future work of the Alliance. The excellent collaboration of the Japanese Movement as a host organisation played a very important part in the success of the Conference.

It was clear at the Conference that there was a strong desire on the part of the cooperative movements in South-East Asia for the I.C.A. to appoint a Commercial Officer to the staff of the Regional Office in New Delhi. The need was also apparent for the I.C.A. to prepare the ground for a cooperative trade conference for South-East Asia to be organised at some future time by the I.C.A.

The Commercial Specialist was appointed under the I.C.A. Technical Assistance Programme for a period of 12 months from November 1965. Mr. Walter Eisenberg, of the C.W.S., U.K., was chosen for this work and the C.W.S. generously offered a grant towards the total cost of this project. The Commercial Officer will work from the I.C.A. Regional Office in New Delhi and will carry out a fact-finding mission about the possibility of increasing trade across national boundaries.

Cooperative College Principals

A week's conference of Cooperative College principals in South-East Asia was held in October 1964 at Dacca and brought together the principals for general discussion on techniques and teaching programmes.

Other seminars covered cooperative marketing; the training of employees; member education; cooperative housing; cooperation and trade unions; and fishery cooperatives. An innovation was to bring together the participants returning from the KF/SI Seminar in Sweden for a two-day course in New Delhi to assess and evaluate their training and to discuss its relevance to conditions in their own countries and movements.

In 1966 a Conference of Experts will be held in Thailand on "The Role of Government in Cooperative Development". Other seminars planned for 1966 are "Consumer Cooperatives and the Competition from Private Trade", and "Planning a Cooperative Processing Plant", and "The Organisation and Functioning of Cooperative Unions".

The Regional Seminars organised by the Education Centre recruit from all I.C.A. member countries in the region and the Advisory Council hopes that national movements will try to undertake the organisation of national seminars in the same subject, with, of course, help from the Education Centre. In this way the influence and effect of the work of the Centre will be intensified.

The Office has continued its research and has compiled considerable material on cooperation in India, on agricultural cooperative marketing and on cooperative legislation in the area. A new publication "The I.C.A. in South-East Asia" has been published and selected papers of the Tokyo Conference are being printed.

In March 1965, the Regional Officer, Dr. S. K. Saxena, undertook a month's tour covering Malaysia, Australia and New Zealand. The main purpose of his visit was to attend the ECAFE Conference in New Zealand. On the way he had discussions with cooperatives in Malaysia, particularly about technical assistance that might be given by the Co-operative Federation of Western Australia. He also visited Cooperative Organisations in New South Wales and Queensland, and attended the Congress of the Co-operative Federation of Western Australia. Whilst in New Zealand he visited twelve cooperative organisations in addition to attending the ECAFE Conference.

Fellowship Programme

Under the I.C.A. Fellowship Programme for 1963-64 two fellowships were awarded to participants from Ceylon and the Philippines. The subject of the Programme was "The Role of Cooperation in Agricultural Productivity". In 1964-65 three participants, from the Republic of Korea, Thailand and India were awarded fellowships, although in the event, only two completed the fellowship Programme. The subject of study was

“Agricultural Cooperative Marketing”. The Programme included a month’s study tour in three Indian states. A week’s course in research methodology was included for the first time in the Programme and is to feature as necessary in succeeding programmes. The Programme for 1965–66 dealt with methods of educating members and had a strong practical bias, aimed at training Fellows in the techniques of member education. Fellowships were awarded to participants from India, Philippines, and Nepal.

The Regional Office has arranged representation at a number of meetings organised by other organisations including seminars of the FAO and Conferences of the AARRO; provided material for the I.C.A. Seminar on Audio-Visual Aids held in Tokyo, and provided a consultant for the Cooperative Workshop organised by the World University Service in 1964 at Bombay.

The members of the Advisory Council are also members of the Advisory Board to the Institute for the Development of Agricultural Cooperation in Asia. This Institute was formed by the Japanese Agricultural Co-operative Union after the first Asian Agricultural Conference. Collaboration with the Colombo Plan Authorities has been close, in the provision of buildings and the financing of participants in the early courses, but the Japanese Agricultural Cooperative Movement plans eventually to be able to pay from its own resources for the activities of the Institute; full cooperation with the I.C.A. is assured.

The Technical Assistance Fund

The main contributors to the Technical Assistance Fund have been as follows: –

Konsumverband, Vienna	£ 6,913.4.2.
Co-operative Union of Canada, Ottawa	£ 254.1.3.
Union of Swiss Co-operators, Basle	£ 13,500.0.0.
Cooperative League of U.S.A., Chicago	£ 1,430.2.6.
Norges Kooperative Landsforening, Oslo ...	£ 1,750.0.0.
British Societies	£ 156.7.1.

Certain of these contributions represented 10% of the funds raised by the co-operators of the countries mentioned and the Alliance would like to encourage this practice wherever possible.

While details of the use to which the Fund has been put are contained in the special paper on Technical Assistance, they can be summarised as falling within the categories of grants for equipment, translations of specialised cooperative literature into national languages, expenses of overseas courses for selected students and supplementary grants where funds from other sources do not cover the whole of particular expenditures such as study tours.

Women Cooperators

Congress decision was implemented when the Women Cooperators’ Department opened in January 1965 and the Secretary, Mrs. Muriel J. Russell, took up her duties.

The Women Cooperators’ Advisory Council was welcomed by the Director to its first meeting in March 1965. Austria (Mrs. F. Krämer); Belgium (Mrs. A. Biernaux); Czechoslovakia (Mrs. M. Buresova); Finland (Mrs. S. Rääkkönen); Germany (Mrs. M. Gründer); Great Britain (Mrs. M. Lonsdale); Holland (Mrs. E. Tas-Callo); Israel (Mrs. B. Tall); Poland (Mrs. Z. Staros); Switzerland (Mrs. A. Zopfi-Feldmann); Sweden (Mrs. T. Ström – deputy for Mrs. E. Widhe); U.S.A. (Mrs. A. Smaby); U.S.S.R. (Mrs. V. S. Zagulina) were represented. The representatives of Bulgaria (Mrs. S. Etimova); India (Mrs. A. J. Mathai); Italy (Mrs. L. Grisanti); West Pakistan (Miss Durr-e-Shahmin); Yugoslavia (Mrs. M. Rupena) were unable to attend. Denmark has since appointed Mrs.

Karen Appelt who will become a member of the Council. Mrs. Tas-Callo and Mrs. Lonsdale were elected Chairman and Vice-Chairman respectively.

The following Terms of Reference were approved by the Council and the I.C.A. Executive Committee: -

"The Council will advise the I.C.A. on promoting the active interest and participation of women in every aspect of cooperative activity and particularly

- a. on the forceful promotion of education, information and enlightenment for consumers;
- b. on promoting cooperation between cooperative movements and women's organisations pursuing similar aims;
- c. on the work of women with youth;
- d. on interesting women in international cooperation and in the publications of the I.C.A.; and
- e. on interesting women in the work of establishing lasting peace and security".

Consideration was given to ways and means of assisting women cooperators in developing countries. As a result it was requested that information be collected from which advice might be given on suitable projects. A suggestion was made that money could be deposited in the I.C.A. Technical Assistance Fund earmarked specifically for help to women cooperators.

The Council heard of the work done in Haifa by Israeli women to train women from developing countries and of the financial and practical assistance contributed to this project by the Swedish Co-operative Women's Guild. Swiss women cooperators reported also on their aid to Dahomey.

Consumer affairs are of natural interest to women and it was agreed that the closest contact be maintained by the Council with the Consumer Working Party. Emphasis was laid on the importance of informative labelling and it was recognised that the lack of uniformity of labelling laws in various countries created obstacles to progress in this matter. A questionnaire enquiring into the extent that women are involved in the national movements' programmes for consumer education, information and protection has been circulated. From the returns, it is hoped to present a report to the Women's Conference in 1966.

The work of the Department has been focussed on making initial contacts within and outside the Cooperative Movement. The Secretary has been most kindly received by the women cooperators' conferences and cooperative unions in Austria, England, Germany, Holland and Switzerland. She also gave a short address at the Triennial Congress of the Associated Countrywomen of the World held in Dublin, Eire. Contact with other women's organisations has been established through membership of the Liaison Committee of International Women's Organisations. Preparations are in hand for a visit to Canada and the U.S.A.

Enquiries and requests have been received from developing countries about the possibilities for scholarships, training or other assistance. Information has been sought which, it is hoped, will lead to satisfying many of these needs. Applications have already been submitted to the I.C.A. Technical Assistance Sub-Committee with some success.

There is cooperation between the Secretary and the South-East Asian Regional Office, where a woman member of the staff supplied information relative to women's activities in the region. It is pleasing to note that the National Co-operative Union of India has begun a programme whereby Women's Wings will be set up in National States to encourage cooperative affairs. This project has the blessing and financial support of India's Ministry of Community Development and Cooperation.

Data are being collected on the present activities of women cooperators within the structure of the National Cooperative Movements. From this, a report with advice will be submitted to the I.C.A. Executive Committee on the question of integration and closer collaboration of women's interest in the Movement's ramifications.

Correspondence is being conducted with UNESCO and the United Nations Status

of Women Commission, both of which have plans to widen the scope of work among women. It is hoped that women cooperators will participate fully in these programmes.

Youth

The Director and the Secretary for Women Cooperators have maintained contact with the "International Working Group Youth and Cooperation" and the I.C.A. Executive Committee has authorised them to take such appropriate action at the international level as resources may permit.

Consumer Conference

More than 130 cooperators participated in an I.C.A. Consumer Conference at Basle, Switzerland, from 12th to 15th October 1965. The fourteen countries represented were Austria, Belgium, Czechoslovakia, Denmark, the Federal Republic of Germany, Finland, France, Holland, Italy, Norway, Sweden, Switzerland, the United Kingdom and the United States.

The theme of the Conference, "Consumer Orientation in Cooperative Trading: Obstacles and Achievements", was developed through the presentation of 22 papers plus discussions during plenary sessions. The topics covered included the Action Programme of the Consumer Working Party, Consumer Information in the Shop, the Co-operative Press, Informative Labelling, the Consumer Role of Technical Research and Market Research, Cooperative Advertising and Organisational Problems involved in Consumer Orientation.

The large Festival Hall of the Stadt Casino, in which the Conference took place, and also the foyer were decorated with an exhibition of posters, brochures, photographs, charts, labels and packages illustrating the Conference themes.

The Conference was organised by the I.C.A. on the initiative of the Consumer Working Party. Mr. Ch.-H. Barbier, Vice-Chairman of V.S.K., acted as Chairman for the first day; Mr. Marcel Brot, President of F.N.C.C., was Chairman for the second day; and Dr. Mauritz Bonow, I.C.A. President, presided over the third day's sessions. The Conference was followed by a Press Conference attended by a number of Swiss and foreign correspondents. On 15th October, the participants were invited by V.S.K. to visit either the new Fashion House of A.C.V., the Basle Co-operative Society, or the regional warehouses at Wangen and Coop Bützberg.

International Cooperative Day

From year to year, celebrations of International Cooperative Day are spreading to new areas in the four corners of the world where the idea of cooperation and new co-operative organisations have taken a foothold. Under the leadership of, and guidance from, the International Co-operative Alliance, and particularly through its annual Declaration and the specially featured article attached thereto, cooperative movements throughout the world are not only encouraged but a bridge is built to link the newly-developing cooperatives with the old-established ones, to bring millions of people together in their common aim of creating better conditions and a better world to live in.

Heartened by the impressive Statistics of affiliated Organisations published and distributed by the I.C.A. and well appraised of world and cooperative affairs and highlights of the past year, cooperators reaffirm their faith in the cooperative ideals under the Rainbow Flag.

On the 42nd International Cooperative Day, the I.C.A. Declaration placed emphasis on the development, maintenance and distribution of food supplies throughout the world, on the role of the Cooperative Movement in achieving economic and social

progress towards higher standards of welfare and civilisation, on the interdependence of peoples and nations and, finally, on the need for a wider scope in free international trade aiming at a sound world economy as the basis of freedom for all mankind; believed that the establishment of lasting peace and security was the world's most urgent problem and, to that end, reiterated its previous hope for internationally controlled general disarmament; welcomed the efforts made to prevent thermo-nuclear war as well as the treaty banning nuclear tests in the atmosphere, under the ocean and in outer space; urged its member Organisations to accelerate structural reforms, where necessary, within their national cooperative movements to attain the highest efficiency in operations for consumers and producers and to meet the competition of profit-making interests and monopolies; and stressed the importance of increasing the volume of technical assistance for the newly-developing cooperatives.

In the special article issued for the 42nd anniversary of the Day, the I.C.A., paying tribute to the great strides made in the past by the spreading of cooperative ideas and ideals from the European cradle to the other continents of the globe, looked confidently forward to the future of the world's Cooperative Movement and, aided by the cooperative and United Nations' Programmes of Technical Assistance, to the fulfilment of its immense potentialities for the well-being of mankind.

The year of the 43rd International Cooperative Day was 1965. The year when the world observed the 20th anniversaries of the end of the Second World War and of the creation of the United Nations. The year designated as International Cooperation Year and, last but not least, the 70th birthday of the International Co-operative Alliance.

Consequently, in its Declaration, the I.C.A., recalling the first mentioned anniversary asked for renewed vigorous efforts by all its members in their work for lasting world peace and security and repeated its plea for general and complete disarmament under international control; affirmed its belief in cooperation both in industrialised and developing countries as an important economic and social means to create a just world order and higher economic and human standards; drew attention to the significant part played by cooperators in increasing food production, thereby alleviating hunger, through co-ordinated action in the necessary connected technical fields; appealed to all members to take the International Cooperation Year and the United Nations 20th Anniversary celebrations as singularly suitable occasions for special and widespread publicity of all international cooperative events, both within and without the United Nations; asked all affiliated Organisations and their members to aid the work of the Commission on Cooperative Principles; and, finally, recalled that the International Cooperative Day had been instituted so that cooperators in all countries could annually manifest their united will for the betterment of mankind and, through the I.C.A., make the task of world-wide international cooperation both nationally and internationally known.

The theme of the special article in connection with the 43rd International Co-operative Day was, accordingly, "International Cooperation in International Cooperation Year". In it, the late Prime Minister of India, Mr. Jawaharlal Nehru, was remembered as a man dedicated to cooperation and whose idea it was to set aside one year especially for the observance of international co-operation in order to make known to all humanity the gigantic cooperative effort undertaken inside and outside the United Nations for the well-being of mankind. The other events coinciding with the 1965 International Cooperative Day should, therefore, also be remembered, especially the work done by the United Nations and its Specialised Agencies, with the Alliance's collaboration, in many fields. Thus, as partners in a unique system of mutual aid and self-help and, with a background of an already firmly established solidarity, cooperators all around the world rally on this occasion to re-dedicate themselves to the concept of brotherhood in a determined spirit of not only upholding but further strengthening this international cooperative solidarity among men.

In its Declaration for the 44th International Cooperative Day, in 1966, the I.C.A., affirming its belief in peace being basic to the furtherance of the Principles of International Cooperation and to the true progress of mankind – the declared aim of all cooperators to use their moral and economic forces for the encouragement of the work for peace;

recalled the institution of International Cooperative Day as a symbol of international solidarity enabling all world cooperators to manifest their determination to help banish poverty, hunger and ignorance through the use of cooperative self-help; reminded co-operators that prosperity can be attained by means of cooperative know-how through the world-wide system of mutual aid provided by the United Nations and the world's cooperators; and requested affiliated Organisations and their members to increase and develop their technical aid projects and seek ways and means of supporting the I.C.A. Technical Assistance Fund.

As in the Declaration, the main focus in the special article for the 44th International Cooperative Day was on the I.C.A.'s speaking "with one voice" in support of the need for peace as a fundamental condition for mankind's true progress. Emphasis, too, was given to the Alliance's close contacts with all who have the cooperative interest at heart and its ever-increasing close collaboration with the United Nations and those of its Specialised Agencies specially concerned with co-operation, as well as with a number of international organisations outside the United Nations. The I.C.A. stressed also its good relations with the member Organisations with whom it was engaged on matters of the greatest importance, as, for example, the question of structural changes in the national cooperative movements and the examination of the application of the Rochdale Principles in the present day and age carried out by the Principles Commission. Reference was made to the I.C.A.'s building up of a central record of international technical assistance and calendar of forward events, to facilitate and co-ordinate the future recruitment of cooperative experts, and provision of courses, study programmes and literature in the languages needed.

The I.C.A. and the United Nations

Economic and Social Council

Continuous contact with United Nations Headquarters in New York and Geneva has been maintained by permanent representatives of the I.C.A.: - Mr. L. E. Woodcock and Dr. M. Boson. The various sessions of the ECOSOC have been regularly attended and the regular sessions of the General Assembly have been attended by Mr. Woodcock.

The Second Session of the U.N. ECOSOC Committee on Housing, Building and Planning was a very important session which was attended by representatives of 23 countries of the United Nations, the Specialised Agencies and other bodies of the U.N., the I.B.R.D. and the World Food Programme Organisation. Three Category "A" Non-Governmental Organisations were represented. The I.C.A. proposal for a Specialised Agency to deal fully with the role of housing was a major subject of discussion and the idea had gained considerable ground among a majority of the participants, several of whom spoke in favour of an Autonomous Specialised Agency. Messrs. Woodcock and D. Townsend, representatives of the I.C.A., made several interventions in the light of the 1963 I.C.A. Congress Resolution, emphasising the need for an urgent approach to the solution of the world housing problem. Questions concerning pilot projects were brought up by them, stressing that in some of these at least, cooperative principles should be applied to further the development of cooperative housing in under-developed countries, and the request for a specialised housing agency was repeated. The U.S.A. made an official declaration of willingness to provide additional funds for this purpose and its representative announced his Government's decision to pay 40% of the combined amounts of all the rest for this particular purpose.

A Centre for Housing, Building and Planning within the Department of Economic and Social Affairs has been set up on request from the Economic and Social Council of the United Nations to the Secretary-General of the United Nations, until such time as funds can be produced for a Special Agency.

The 16th Session of the Social Commission and the Meeting of the Ad Hoc Group on Social Welfare of the Commission were attended by Mr. Woodcock as I.C.A. observer. The item entitled "Reappraisal of the U.N. Social Service Programmes and Consideration of Ways of Strengthening the Programmes" was of concern to the I.C.A.

United Nations Trade and Development Conference

This Conference opened in Geneva on 23rd March 1964 with 122 Governments participating. A statement with recommendations considered important by the I.C.A. was sent to the Director-General of the Conference at New York with a request for its circulation as an official paper to all members at the very beginning of the Conference. On the advice of the Secretariat, 1,000 copies in English, 450 in French and 250 copies in Russian were sent to Geneva for circulation where it was accepted as an official paper. The Director and Dr. Boson represented the I.C.A. at this conference. The United Nations Trade and Development Board was later on set up. It has held two sessions so far and both of them have been attended by I.C.A. representatives at New York and Geneva.

National Cooperative Organisations played an important role in ensuring the granting of Category "A" Consultative Status to the I.C.A. with the newly formed Trade and Development Board by making suitable representations to their Governments.

United Nations Educational, Scientific and Cultural Organisation

Since the Congress at Bournemouth, the I.C.A. has been represented at the 13th Session of the UNESCO General Conference, held in 1964. The Conference approved a programme of work for 1965-66 entailing a budget of just under \$49,000,000. Education was continually emphasised at this Conference as being a key factor in economic and social development, especially in the developing countries. Considerable financial resources will be directed against illiteracy, and pilot campaigns are being conducted in eight selected countries. The work of the Non-Governmental Organisations was discussed and conflicting views were expressed about the value of NGOs in relation to UNESCO. Mr. Barbier spoke strongly in this debate about the work of the Alliance as one of the NGOs under survey, and the great extent to which UNESCO was able to rely upon its own ideals and work being implemented by such an organisation at little financial cost to UNESCO. The Director-General of UNESCO at the end of the debate paid tribute to the work of the NGOs emphasising the extent to which all departments of UNESCO relied upon them. It is encouraging to have this official blessing from the Director-General.

International Exchanges

No Workers' Study Tours in Europe were organised in 1964 as the budget of \$40,000 approved at the previous General Conference in 1962 was not sufficient to permit any grants beyond 1963. A budget of \$50,000 was approved at the 1964 General Conference for study sessions for European Workers in 1966, but in the event only \$43,000 was available. Out of a total of 105 applications (from I.C.A., ICFTU, IFWEA, WFTU), 28 came from 24 I.C.A. members in 14 countries. Fifteen awards were made to cooperative organisations, out of a total of 49 awards.

Under the Teacher/Learner Programme, available in 1966, awards were given to several cooperators to travel from developing countries. Most of these cooperators are chosen from cooperative colleges or training institutes, or are generally in positions of authority in cooperative employ. It is intended that they study teaching techniques and programmes in other countries, and also contribute from their knowledge to the teaching in colleges and courses in the host countries.

Under the Youth Leaders' Training Programme, the Canadian Movement was awarded a grant to a Youth Leader to study cooperative youth activities in Scandinavia and Poland.

It is intended that the Workers' Educational Exchange Programme, the Teacher/Learner Grants and the Intercontinental Travel Grants will lose their separate identity and a Global Study Tours Programme will take their place.

UNESCO Meetings

The Czechoslovak Commission for UNESCO held in April in Prague a regional conference on "The Relationship between adult education and leisure in the recent

development of European Societies". Mr. Barbier, V.S.K., Switzerland, nominated to attend by the Swiss Government, also represented the I.C.A. as an observer.

UNESCO organised a meeting for experts on educational exchanges for workers in Denmark in May 1965, and Mr. Clemens Pedersen, of de Samvirkende danske Andels-selskaber, Denmark, attended as observer for the I.C.A. The I.C.A. Secretary for Education attended by invitation of UNESCO and acted as Rapporteur to the meeting. The meeting was concerned with the better use of finance for, and obtaining improved value from, travel grants.

At the UNESCO/IBE 27th International Conference on Public Education in July 1964 at Geneva, Dr. Boson and Mr. Barbier attended as observers on behalf of the I.C.A. Mr. Barbier continues as a member of UNESCO's International Committee for the Advancement of Adult Education.

It behoves the I.C.A. (and other NGO's interested in this field), to watch carefully to ensure that adult educational projects, workers' exchanges and similar programmes are not curtailed and jettisoned. Cooperators, through their national commissions of UNESCO, can do much to ensure that such commissions attach a high priority to the maintenance of such programmes, and that they are aware of the importance of the close links of UNESCO with NGO's.

UNESCO's "International Journal of Adult and Youth Education" ceased publication in 1965. There was no prior consultation about this decision. This journal has been a source of inspiration and encouragement to those engaged in this work, and was a token of the importance placed by UNESCO on this aspect of its programme. Protests against this decision were made to the Director-General on behalf of the I.C.A. by Dr. Bonow and Mr. Barbier, as well as by the Director, but UNESCO's decision remains unchanged.

International Labour Organisation

All the sessions of the Governing Body have been regularly attended on behalf of the I.C.A. by its permanent representative in Geneva - Dr. M. Boson - and when necessary he has made valuable contributions at these meetings. The late Dr. E. U. Corona Martinez attended the ILO Regional Technical Meeting on Cooperatives in Santiago de Chile at the end of 1963 as observer and took a very active part in the proceedings.

Dr. Boson later represented the I.C.A. at the 159th Session of the Governing Body which considered the report of this meeting. A long debate on the report dealt mainly with the establishment of an Institute for Cooperative Development in Latin America. All the delegates supported this proposition and were in favour of supporting the Co-operative Movement in the developing countries, the only objections were with regard to the financing possibilities and not on the principle. Three Latin American Governments officially indicated a desire for the establishment of such a Regional Institute in their countries. The Colombian Government expressed its readiness to accept the financial obligations entailed by its establishment. The Peruvian Government had made a similar offer, stating that it had already made the necessary arrangements to include in its 1964 budget the estimates required for its establishment and operation. The Government of the Argentine Republic presented an identical proposal and offered an initial allocation of US. \$20,000. The latest position on this project indicated by the Director-General is that apart from this sum, which the Argentine Government was proposing to provide on a recurring annual basis, no specific pledges had been received. Consultations with the other Governments in the region so far produced no positive results. The Director-General re-affirmed that although the ILO could not have direct financial responsibility for the Institute, it was still keenly interested in the project and wished to see it initiated on a modest, but sound, basis thereby ensuring its future success. The I.C.A. has also been represented at the various meetings of Non-Governmental Organisations in consultative status with the ILO.

The re-organisation of the ILO came into force on 1st November 1964 as a result of which the Division for Cooperation and Small-Scale Industries ceased to exist. It was

replaced by the Cooperative, Rural and Related Institutions Branch. The new organisation has given much more prominence to Cooperation. The relations of the Alliance with the ILO are not expected to be any different as a result of the re-organisation.

International Labour Conference

The 49th Session of the International Labour Conference took place in June 1965, in Geneva. The Cooperative Movement featured very prominently in the activities of this session. It was for the first time in the ILO's history that cooperatives were discussed at an annual conference of the Organisation. Although the ILO has since its earliest days had close relations with the cooperative movement, this year was the first occasion on which the International Labour Conference had on its agenda a specific item relating to cooperatives. A number of delegates, in the discussion on the Director-General's Report, expressed great satisfaction at the inclusion of the item on the Conference agenda.

The subject of "Agrarian Reform" was one of the items on the agenda which was referred to a committee set up by the Conference, and the role of cooperatives in agrarian reform was accepted as being so important and essential that its description occupied 18 paragraphs of the report. These paragraphs, drafted by the Agrarian Reform Committee and forwarded to the Committee on Cooperatives, formed an appendix to the latter's report.

The Committee on Cooperatives, set up by the Conference to consider the item on the agenda entitled "The Role of Cooperation in the Economic and Social Development of Developing Countries", consisted of 153 members (72 Government, 33 employers' and 48 workers' - members), with representatives of international organisations in attendance. This committee held a general discussion and then considered a set of draft conclusions prepared by the Office on the basis of the replies of Governments to a questionnaire sent out earlier with its preliminary report. During the committee's general discussion, a number of members indicated from their own experience some of the typical problems encountered in the development of cooperatives - one of the most urgent for developing countries being the lack of adequate facilities for the training and education of cooperative members, office bearers, officials of cooperative departments, technicians, managers and leaders.

The points listed by the committee for inclusion in a proposed ILO instrument and adopted by the Conference as conclusions for a second discussion, related firstly to objectives of policy concerning cooperatives and, secondly, to methods of implementing such policy. Regarding cooperatives as a means of improving the situation of persons of small means, promoting personal and national capital and the fuller use of resources supplementing social services, and raising the level of knowledge, the conclusions recommend formulation of a policy for encouraging independent cooperatives within general development plans, and for seeking the collaboration of cooperative movements in national plans.

The committee's report and proposed conclusions were unanimously adopted by the Conference. These conclusions suitably cast in the form of a recommendation will now be transmitted to member Governments for further comments and study and their views will be incorporated in a subsequent report, which will form the basis for a final discussion and adoption of an instrument at the 50th Session of the International Labour Conference in 1966.

The affiliated Organisations of the I.C.A. had been requested by the Director to advise the I.C.A. Secretariat of points which they wished to recommend for particular stress at the Conference. The Director was asked by the Chief for the Small-Scale Industries section of the ILO for a strong representation by the I.C.A. at the Conference and the I.C.A. was represented throughout the Conference by the Director who spoke in the plenary session on the Director-General's report, making a jointly agreed statement on behalf of the Alliance and the IFAP. In this short verbal statement, he introduced the joint written statement which was presented to the Committee on Cooperatives on behalf of the two international organisations. These statements discussed the relationship

between Governments and cooperative movements in developing countries, and stressed the advantage of cooperative movements in which a greater number of persons are directly involved in the operations as compared with other sectors of the national economy. In fulfilling the consultative status of the I.C.A. with the ILO, the Director was consulted by the delegates to the Conference and the rapporteur. He attended the plenary session, the two committees and a drafting committee. After the rapporteur, the committee chairman, and the leaders of the employers' and workers' delegations had spoken in the plenary session introducing the report of the committee on cooperatives, the Director made a further short statement, commenting on the preparations made by the experts and the staff and on the statements made in the plenary session by national delegates. He emphasised the importance of cooperatives, the usefulness of the proposed instrument and the need for further action by the ILO, promised continuing collaboration of the I.C.A. with the ILO on the next stages in considering the proposed instrument and stressed the close liaison which would be maintained on all cooperative matters.

A number of representatives of national cooperative movements and of the cooperative departments and ministries of national governments were present as members of the national delegations to the 1965 Conference, and eminent cooperators were chosen for appointment as rapporteurs to the two committees. Mr. B. Mathsson (Sweden) was rapporteur to the Committee on Cooperatives and Mr. C. Pedersen (Denmark) to the Committee on Agrarian Reform.

Food and Agriculture Organisation

Cooperation with FAO is becoming closer as the I.C.A. is taking more active interest in agricultural matters concerning the world cooperative movement. The forms of cooperation have been almost the same as earlier assistance to FAO in its cooperative matters, attendance at FAO Conferences, and joint schemes. FAO itself has strengthened and developed its cooperative staff, and thereby has been able to help more national cooperative movements, giving technical and other assistance to cooperative schemes of various types, being approved by the respective governments.

1. Agricultural Credit through Cooperatives and Other Institutions

The final Report of the expert group which undertook the study on agricultural credit through cooperatives and other institutions in developing countries has been printed in three languages, and published by FAO in conjunction with the I.C.A. (See 22nd I.C.A. Congress Report, pages 42 and 43). The Report took the view that the main bottleneck in financing agriculture is the inefficiency of the credit system and related services. It emphasises the close relationship between credit and other economic and social services, and confirms the need for an integrated approach. Such approach would involve an investigation to determine whether the minimum pre-requisite for the successful implementation of a programme can be fulfilled. In almost all cases, credit, agricultural extension, marketing and supply have to be tackled simultaneously. The most important factor, however, is the lack of sufficient staff, and the group considers the investment in the "human factor" as the most promising for agricultural development.

Regarding the developing countries themselves, which are too weak to be able to establish in a short time the necessary institutions for the finance of agriculture, the Report considers outside assistance to be vitally important. A follow-up action is proposed, comprising cooperation of governments, central banks, agricultural and cooperative credit institutions, as well as international agencies, to establish and strengthen the necessary institutions for financing agriculture.

The immediate aim of the follow-up action is the strengthening of agricultural credit through cooperatives and other institutions in developing countries, whereas the ultimate objective is the overall welfare of the rural population concerned.

A developing country will be selected in Africa or Asia for a pilot project which will have two phases:

Phase One

A special expert mission will be set up by FAO to visit the selected country, and

after analysing conditions for establishing a scheme in such country, a seminar will be held there, attended by high level officials of the organisations concerned, to gain their support for follow-up action.

Phase Two

a. Implementation in the area selected by the exploratory mission of a pilot project on agricultural credit intimately linked with extension, farmers' training, farm management, improved land tenure arrangements, farmer supply, marketing, co-operative and other farmers' organisations. The main objectives of the pilot projects are not only to demonstrate in practice the effectiveness of combined and integrated services to farmers, but also to develop methods and procedures for strengthening and co-ordinating such services which are applicable to the country as a whole, and to other countries in the region as well. Provisions should be made so that farmers participate in the execution of the pilot project.

b. A permanent training programme should be developed for improving the technical competence of personnel, consisting of intensive courses (two months), fundamental vocational training for intermediate staff (six to twelve months), fundamental training for junior staff (twelve to twenty-four months), and refresher courses.

c. Senior experts involved in the programme should also advise the central government and authorities in matters of agricultural policy.

The duration of the whole programme (Phases One and Two) should be five to eight years, and the cost of the programme in one country, not including the contribution of the host country, should be approximately \$ 1,640,000.

The I.C.A. rendered assistance to FAO in this project through its member Organisation (Kooperativa Förbundet), by its contribution to the Freedom from Hunger Campaign in the follow-up action of this Report, and some of the recommendations in it are in the process of being implemented in accordance with a decision taken by the Swedish International Development Agency (SIDA) in consultation with the FAO.

2. *World Food Programme*

The various sessions and activities of the World Food Programme Inter-governmental Committee of the UN/FAO have been regularly attended by the I.C.A. and on various occasions useful contributions have been made at the meeting by its representatives.

Here it is worthwhile mentioning the cooperation between the I.C.A. and the sister organisations, the International Confederation of Free Trade Unions (ICFTU) and the International Federation of Agricultural Producers (IFAP). The three international organisations representing three hundred million members, cooperators, farmers and workers, sent to the United Nations Secretary-General, U Thant, their Memorandum on a common policy on an expanding food programme. At the end of 1963 these organisations established a joint working party on the matters concerning the World Food Programme. In their statement the three organisations urged the member governments of the United Nations to develop without further delay a dynamic policy of food aid as a part of a general policy for economic development, and the improvement of living conditions all over the world. The Memorandum suggested that a multi-lateral approach should be more energetically promoted, although bilateral aid will no doubt be continued. It advocated that in addition to any programme of food aid in kind, substantial finance was required, and that the World Food Programme should also take into account in its operation the food surpluses from developing countries. During the subsequent World Food Programme Conference this joint Memorandum gave moral support to the FAO for getting through an increase for the World Food Programme from \$100,000,000 in the last three years, to \$275,000,000 for the next three years.

3. *Freedom from Hunger Campaign*

During the European Freedom from Hunger Week which was organised at the end

of November 1964, the Director had consulted European member Organisations of the Alliance on the activities of cooperatives during the Week, with special reference to the use of agricultural products from developing countries.

At the 13th FAO Conference in November/December 1965, it was decided that the Freedom from Hunger Campaign should be expanded to the end of the U.N. Development decade in 1970. This policy Commission also authorised the FAO Director-General to prepare for a Second World Food Congress to be held in 1968. The first one was held in Washington in June 1963. The Commission also approved the resolution recommending that the Director-General encourage industry to increase its investment in developing countries, with the goal of manufacturing such industrial "in-puts" as fertilisers, farm equipment, and pesticides, with the aim of improving food processing and preservation. It asked the Director-General to seek cooperation from funding institutions, and bilateral aid agencies, for more adequate credit to finance such agricultural programmes. An advisory committee to the FAO which had been established earlier and should help the FAO in this task, comprises among its members the President of the International Co-operative Alliance. During the five years of the Freedom from Hunger Campaign a total sum of more than \$405,000,000 had been contributed to field programmes.

4. *Fisheries*

At the 44th Session of the FAO Council two proposals for expanding FAO's work in the field of fisheries were approved. One expanded the present Fisheries Division into a Fisheries Department, headed by an assistant Director-General, and the other established a permanent inter-governmental committee dealing with world fishery problems. It was agreed that FAO should be the leading inter-governmental body in fisheries, playing a major role in helping to conserve the world of oceans, lakes and rivers for future generations. This decision was approved by the 13th FAO Conference.

In 1966 the I.C.A. invited fishermen's cooperatives from a number of countries to send representatives to London to discuss (under the auspices of the I.C.A.) the interests of fishermen's cooperatives at the international level. FAO nominated a delegate to this Conference. The Conference was organised jointly by the Agricultural Committee and the Producers' and Artisans' Committee of the I.C.A.

5. *Attendance at FAO Conferences and Meetings*

The 12th FAO Conference was attended by the Director of the I.C.A., assisted by the Chairman of the Agricultural Committee. A joint statement by the I.C.A. and the IFAP introduced by Dr. L. Malfettani gave considerable backing to the plans of the FAO Secretariat for the development of their cooperative staff and cooperative work. The statement was further accentuated by the Director in the meeting of International Non-Governmental Organisations which took place during the Conference. An additional permanent post was approved for cooperative work, and a further cooperative post for two years was approved as a member of a four-man team to be used in advising governments on integrated agricultural development. It was encouraging to know that the team to give advice on agricultural development would have a cooperative member.

The 13th FAO Conference which was held in November/December 1965, was attended by the Chairman of the Agricultural Committee and the Agricultural Secretary of the I.C.A. The main theme of the Conference was the 20th Anniversary of the FAO, and a review of the work, past, present and future.

The Conference discussed the Indicative World Plan for Agriculture, which will be launched by FAO in cooperation with national governments. It should serve as a guide to governments in carrying through their policy of agricultural development, and help at the international level to attain better balance between supplies and requirements. The World Food Programme was approved with a budget of \$275 million, and the budget of FAO amounting to almost \$50 million was unanimously approved for the next two-year period. (Last budget \$38.8 million.)

The Freedom from Hunger Campaign, as mentioned earlier, will be extended to the end of the U.N. Development decade in 1970.

The I.C.A. delegates attended the meetings of the Conference, and the meetings of the non-governmental committee. The Chairman of the Agricultural Committee made a statement at the FAO Conference explaining the work of the I.C.A., and seeking support and cooperation in two important problems facing world agricultural co-operatives; (a) processing industries run by agricultural co-operatives which make a great contribution to the increase of farmers' income and efficiency of agricultural food production, and (b) finance of agriculture. In this field it was urged that the follow-up of the Report of the experts should be given more swift implementation, and that the pilot projects should take into account specific needs of individual countries.

The Chairman of the Agricultural Committee stressed that an expansion of FAO's work in the field of co-operatives will not be possible without strengthening the unit responsible for these activities in the organisation. Being confident that the Director-General was well aware of such a need and would take the necessary action, he assured the Director-General of continuing support from the I.C.A. in this field.

Besides the two general conferences in 1963 and 1965, the I.C.A. was represented at many other meetings of the FAO. The Director and Agricultural Secretary attended the 6th Session of the Inter-Governmental Committee of the UN/FAO at the beginning of 1965, and at the request of the Chairman of the meeting the Director of the I.C.A. made brief comments on the joint statement of the I.C.A., IFAP and ICFTU, demanding renewal and extension of the World Food Programme.

The 43rd and 44th Sessions of the FAO Council were both attended by observers on behalf of the I.C.A., and the FAO/IFAP Seminar-cum-Study-Tour on farmers' Organisations, held in Tokyo in 1963, was attended by Mr. S. Katayanagi as observer on our behalf.

Mr. E. V. Mendoza represented the I.C.A. at the FAO 7th Regional Conference for Asia and the Far East held in Manila (Philippines) at the end of 1964. The Workshop on Agricultural Financing in Latin America, held by the Inter-American Development Bank and the FAO in conjunction with the FAO Latin American Conference on Food and Agriculture at Vina del Mar, Chile, held in 1965 was attended by Mr. Adriano Rossi as I.C.A. observer.

An FAO Seminar on Cooperative Farming was held in New Delhi, India, at the end of 1965. Comments and suggestions on the Tentative Programme were invited from the Regional Office in New Delhi, and a note embodying them was sent to the FAO in which some additional topics which the Regional Office considered important were suggested for the Seminar. It was attended by Dr. S. K. Saxena and Mr. P. R. Baichwal from the Regional Office in New Delhi.

Regional Economic Commissions

A close contact is maintained between the I.C.A. Secretariat and the Secretariat of the four Regional Commissions. Observers on behalf of the I.C.A. have been attending the Annual Sessions of the various Commissions. Dr. M. Boson represented the I.C.A. at the 20th Session of the Economic Commission for Europe and the various meetings of the ECE Committee on Housing, Building and Planning have been regularly attended by Dr. Walter Ruf at Geneva, whereas its 25th Session held in Washington in June 1964 was attended by Mr. Dwight Townsend.

Mr. Byron Johnson attend the Conference of the Standing Committee for Housing and Physical Planning held under the auspices of the Economic Commission for Africa in Addis Ababa at the end of 1964.

Dr. S. K. Saxena represented the I.C.A. at the 21st Session of the Economic Commission for Asia and the Far East held in Wellington (New Zealand) in March 1965. This session was attended by more than 300 delegates from 34 Asian and Non-Asian countries.

The 11th Session of the Economic Commission for Latin America held in Mexico City in May 1965 was attended by Mr. J. F. Torres, OCA, on behalf of the I.C.A.

The I.C.A. and Other Non-Governmental Organisations

International Chamber of Commerce

Mr. Ch.-H. Barbier has continued to represent the I.C.A. at meetings of the Commission on Distribution held in Paris and Dr. S. K. Saxena attended the 20th Congress of the ICC held in New Delhi in February 1965.

ICA/IFAP/ICFTU Working Party on Food Aid

At the end of 1963 these three organisations established a joint working party to study the problem of world food surpluses. The President and the Director of the I.C.A. represented the I.C.A. at its meetings. A joint statement was submitted by these organisations to the Secretary-General of the United Nations, the Director-General of FAO and the Executive Director of the World Food Programme entitled "An Expanding Food Programme" urging the member Governments of the United Nations to develop without further delay a dynamic policy of food aid as a part of a general policy for economic development, and the improvement of living standards in all parts of the world.

International Recreation Association

Mr. I. Yonekura of the Japanese Cooperative Movement attended the World Recreation Congress of the International Recreation Association held in Tokyo in October 1964.

International Centre for Research and Information on Public and Cooperative Economy

The Director represented the I.C.A. at the VIIth International Congress of the Centre held in Berlin in May 1965. The Paper of Mr. Lars Eronn on "Practical Experiences of Swedish Cooperation" and a quite outstanding Paper by Mr. Ch.-H. Barbier entitled "Cooperative Enterprise in a Growing Economy" were particularly well received, not only by the large number of cooperators present, but also by representatives of other sections of the public economy.

Commonwealth Agricultural Cooperative Conference

The Director represented the I.C.A. at this Conference held in Exeter in September 1964. The debates included one on the application of the Cooperative Principles to Agricultural Cooperatives in the conditions applying today.

The World Federation of United Nations Associations

Dr. S. K. Saxena attended the 19th Plenary Assembly of WFUNA held in New Delhi in January 1965.

International Federation of Agricultural Producers

Relations with IFAP become closer as the agricultural members of the I.C.A. develop their programme of work. The close relationship between the I.C.A. and IFAP became particularly evident from the joint efforts made by the two organisations during the campaign for increasing the budget of the World Food Programme. Early in 1965, a meeting took place between the Director of the I.C.A. and the Secretary-General of the IFAP, when various aspects of cooperation between the two organisations were discussed, especially their relations with the United Nations and its Specialised Agencies (FAO, ILO, etc.). A decision was reached that the IFAP Secretary for Cooperation should regularly attend the meetings of the Agricultural Committee of the I.C.A. and the Agricultural Secretary of the I.C.A. should regularly attend the meetings of the Committee on Agricultural Cooperation of the IFAP. In pursuance of this decision, the Agricultural Secretary of the I.C.A. attended the meeting of the IFAP Standing Committee on Agricultural Cooperation held in Oslo in June 1965 and the IFAP Secretary on Agricultural Cooperation attended the meeting of the Agricultural Committee of the I.C.A. held in Helsinki in September 1965.

The representatives of the two organisations cooperated closely in the meetings of the Non-Governmental Committee and the discussions with regard to problems

related to the World Food Programme during the 13th Session of the FAO Conference in 1965 and joint statements were prepared and delivered to the FAO Conference of 1963 and the ILO Conference of 1965.

International Confederation of Free Trade Unions

The I.C.A. was invited to send an observer to the 8th World Congress of the ICFTU held in July 1965 at Amsterdam. The Secretary for Education represented the Alliance and conveyed fraternal greetings to the delegates. The report submitted to the Conference on the activities of the ICFTU included a section dealing with cooperatives and vocational training. Under this heading, detailed mention was made of the work of the I.C.A. in developing countries and of the joint consultation between the I.C.A. and ICFTU which had taken place.

The ICFTU agreed to set up a working group on cooperatives and vocational training which would act as a "clearing house" with the task of bringing about co-ordination and orientation of the many efforts being undertaken in this field. The first meeting of this working group was held in November 1965 in Brussels and the Secretary for Education represented the I.C.A. as an observer. The composition of the working group comprises representatives of organisations affiliated to the ICFTU in Austria, Belgium, Canada, Denmark, Germany, Israel, Italy, Netherlands, Norway and Sweden, as well as a number of international trade secretariats and the representatives of the regional organisations of the ICFTU in Africa, Asia and Latin America. The cooperating organisations invited to attend, apart from the I.C.A. are the Austrian Institute for Development and Assistance, the Friedrich-Ebert-Stiftung, in Germany, Neue Heimat International, Weltweite Partnerschaft, Germany, and the African-American Labour Centre in the U.S.A.

The working group recommended to the Executive Board of the ICFTU that a small unit be set up within the Secretariat of the ICFTU with the responsibility of co-ordinating the work in the field of technical assistance which is being undertaken by affiliated Organisations or by other organisations working in this field. The unit would be authorised to call meetings of specialised working parties, which would deal with the specific fields of activities coming within the purview of the unit. It is intended that these working parties should be constituted on an ad hoc basis comprising representatives of interested organisations. The working group should meet at least once a year to undertake a general review of the work that has been done by this unit, and by the various working parties.

International Federation of Workers' Educational Associations

The I.C.A. was invited to attend and send an observer to the 7th General Conference of the IFWEA in Milan in September 1965. It was not possible to arrange representation at this Congress as the date coincided with the meetings of the authorities of the Alliance at Helsinki. The Association has kindly asked the I.C.A. to consider whether it might be found appropriate for the I.C.A. to become a member of the Association. The I.C.A. has expressed its appreciation of this suggestion and has stated that whilst every endeavour would be made to collaborate on appropriate matters it is not the policy of the I.C.A. to become a member of sister international non-governmental organisations.

First Inter-American Housing Cooperatives Congress

Dr. F. L. Jiménez was the I.C.A. observer at this Congress held in Lima, Peru, in October 1964. He made a statement to the Congress acquainting the participants with the aims and activities of the Alliance laying special stress on the necessity of cooperative societies identifying themselves with the programme of the Alliance, which is designated to promote Cooperation throughout the world. He reported that there was a good deal of admiration for the Alliance in Latin America, and he considered that, with very little effort, affiliation of all secondary and tertiary organisations could be secured. The report submitted by him revealed a keen desire on the part of all participants to the Congress for a strong Cooperative Movement in Latin America.

The I.C.A. and Inter-Governmental Organisations

Relations with Organisation for Economic Cooperation and Development

A Seminar on agricultural advisory services and marketing, held in November 1964 by the OECD was attended by the Agricultural Secretary of the I.C.A. During this meeting, attention was drawn to the role which cooperatives in many countries play in agricultural marketing, and agricultural extension services.

Early in 1965, the OECD organised a course for advanced training of the staff for agricultural cooperatives in Greece, and requested the I.C.A. for assistance in this field. The I.C.A. was able to assist in obtaining an expert from Sweden for conducting this course. The Greek member Organisation was later commissioned by the OECD to organise a school for officials for agricultural cooperatives. As a result of consultations with the I.C.A., the former Director of the I.C.A., Mr. W. P. Watkins, was appointed consultant for this project, along with the Swedish cooperator who conducted the training course. The school opened its first course in temporary premises at Salonica in January 1966.

Afro-Asian Rural Reconstruction Organisation

The Alliance was represented by Mr. J. M. Rana of the Regional Office at the First General Session of the AARRO Conference in February 1964 in Kuala Lumpur. The Director of the I.C.A. attended the Second General Session of the AARRO Conference held in Nairobi in January 1966. The second observer was Mr. J. F. Musundi, General Secretary, Kenya National Federation of Co-operatives Ltd.

Discussion on the Report of the Central Committee

The President: You will all appreciate that in the Report of the Central Committee we have before us a full, though concentrated account of the work which has been undertaken since the Bournemouth Congress. I wish to draw attention not only to the Report itself but to the appendices which include reports of the activities of the Auxiliary Committees of the I.C.A.

With these few remarks I submit the Report of the Central Committee for discussion.

Introduction

The President: The first two speakers wish to deal with the report as a whole.

Mr. E. Wijesuriya, Ceylon: I bring you greetings from my country-men of the comparatively small but famous and beautiful island of Ceylon, and particularly from the cooperators of Ceylon who are gathered into our 15,000 cooperatives, and who, with their families, represent 70 per cent of the total population of Ceylon today. The majority of our people have learnt to believe in the cooperative way of life and are naturally very anxious that cooperation, nationally and internationally, shall prosper and achieve positive results.

I would like to congratulate our President, Dr. Bonow, our Director, Mr. Alexander, and all those connected with the I.C.A. on the progress which has been recorded since the Bournemouth Congress in 1963. We all know how difficult it is to make real progress, particularly in a field such as that of cooperation, where the human factor predominates. It is difficult enough nationally and we are glad that so much progress has been accomplished in international cooperation.

We in Ceylon have maintained very close contact with the I.C.A. Regional Centre at New Delhi, and we are very grateful to the Regional Officer and his colleagues who have given of their best in assisting us. Ceylon has been represented in all the regional seminars held under the auspices of the I.C.A., two of which took place in Ceylon. The Regional Conference for Cooperative Ministers and officials in South-East Asia held in Tokyo in 1964 was an outstanding success. For the benefit of our present cooperative set-up it is very necessary, if cooperation is to succeed, for Ministers and civil servants to become conversant with cooperative principles and the intricacies of operating cooperative institutions. I do not intend to suggest that cooperation cannot do without politicians and civil servants, but in Asia they play a part in the cooperative movement of the respective countries, and as they often affect the destinies of the movements they must be educated in cooperation. In that respect the Tokyo Conference served a very useful purpose.

I understand that the commercial officer who recently came to Asia to undertake a fact-finding mission on the possibilities of increasing trade across national boundaries has almost completed his enquiries. We eagerly await his report and the implementation of its recommendations. We have no doubt that he will recommend the intensification of international inter-cooperative trade. I find from the Report before us that the same point arises in regard to some cooperatives in Europe. We are happy to learn of the developments which have taken place, but naturally our happiness would be doubled if the cooperatives in our region were to be drawn into the movement in question.

Mr. J. Szirmai, Hungary: Allow me to greet all the cooperators in this Congress in the name of the 2,500,000 Hungarian cooperators, when after an absence of about

20 years they are affiliated to the I.C.A. and can once again be represented in Congress. Hungarian cooperators took part in the foundation of the I.C.A. and have always identified themselves with the principles laid down in its Rules. We are heartened by the fact that the Federation of the Hungarian Cooperative Societies can take its legitimate place once again in the I.C.A.

Between the member organisations of the Alliance there are possibilities of far-reaching cooperation in many fields of activity based on common interest. Among the main forms of cooperation the following, I suggest, affect the interests of cooperators all over the world. First, the extension of inter-cooperative trade between the cooperative organisations of the various countries. International trade conventions based on mutual advantage not only add to the economic strength of cooperatives but they contribute to making available cheaper goods and are thus in the interest of the members of consumer cooperatives, while many producer cooperatives secure better marketing facilities for the products of their members.

Next, we have the lofty idea of international cooperative solidarity, whereby cooperatives of the economically developed countries can help the movements of the under-developed countries. Multi-purpose cooperation is one of the best means of helping the developing countries and increasing the well-being of their peoples. The Hungarian Federation, within the limits of its possibilities, has already given support to cooperatives in the developing countries. We organise seminars for them, we award scholarships and we send experts to the developing countries.

Thirdly, collaboration between cooperatives and trade unions should be promoted and supported. The two great mass organisations are working for common aims and endeavouring to contribute to the economic and cultural benefits of their members. The development of international social relations can also be advantageous to the cooperators of the various countries, and experiences gained in cooperative movements in different countries should be exchanged to promote a more rapid development of cooperation nationally. The Hungarian Cooperative Movement, which is based upon the Rochdale tradition, has profited by the experiences and the practice of both socialist and western cooperatives.

Again, it is of interest to the many millions of cooperators to maintain world peace and security against warmongers, eliminating all risk of war. It is a requirement of our rules that the I.C.A. as the representative of the great fellowship of cooperators throughout the world, should regard the maintenance of peace and security as one of its primary objects. We should condemn the war in Vietnam. Also, in expanding economic and trade connections and in helping cooperatives in the developing countries we need good relations between cooperatives and trade unions and a mutual exchange of experiences and endeavours to maintain world peace. In these aims cooperators of the whole world can collaborate.

A great number of examples prove the possibility of this constructive collaboration. We must not support the spirit of the "Cold War" but seek international solidarity, disregarding ideological and racial differences. We must look for points of contact in the lofty cooperative idea. The building and development of international economic links occupy a significant place for us and should form a more important part of our future activities. We are convinced that our membership of the I.C.A. will permit a further widening of our action in this connection. We want to cooperate with all other cooperative movements and actively participate in the realisation of a common programme which will promote unity in the I.C.A. and peace among the peoples.

We have carefully studied the Report of the Central Committee, and it can be seen that the cooperative movement is developing the whole world over. Since the 22nd Congress there has been considerable growth in the number of our member organisations. This helps the spread of cooperative ideas and promotes interest in the activities of the I.C.A. We recommend Congress to approve the Report of the Central Committee. I should like to say in conclusion that Hungarian cooperators in all their activities do their best to promote international collaboration among cooperators, the unity of the International Co-operative Alliance, and peace in the world.

The President: I should like to mention here that an emergency resolution on Vietnam, proposed by the Executive and approved by the Central Committee without a dissenting vote, will come before Congress at the appropriate time. For that reason I would ask speakers not to touch on such questions as peace and the situation in Vietnam except when the Congress is dealing specifically with these questions. In that way we shall avoid repetition and it is essential to do so having regard to the amount of work which we have to accomplish and the very important matters with which we have to deal, particularly the three main items on the agenda.

Mr. M. M. Denisov, U.S.S.R.: Allow me on behalf of our 53 million cooperators and of the Soviet delegation to greet the participants in this Congress.

In the first section of the Report there is a short survey of the important decisions of the 22nd Congress of the Alliance and of events which followed the Congress. That is the purpose of an Introduction. The last Congress was not at all a bad one, both from the friendly atmosphere which pervaded and its results. The whole Congress showed a desire to reach agreement on the more important questions which are of interest to the international cooperative movement and to national cooperative organisations also. At Bournemouth, many important and useful decisions were taken, but in the Introduction to the Report now before us we find, strangely enough, that some of those decisions are not mentioned. For instance, it is said that the Congress devoted a great deal of attention to the long-term programmes of cooperative development, economic integration, the development of the basic principles of the cooperative movement, consumer questions and other problems which are important, but we are surprised that nothing is said, for instance, about such important resolutions as that on peace and disarmament, strengthening unity and collaboration in the international cooperative movement, and the duties of the cooperative movement towards young people. It is true that these are listed under the resolutions of the Bournemouth Congress, but there is no mention of their implementation by the national organisations and by the I.C.A. itself. Yet these resolutions are extremely important and reference should be made to them in the introduction, which is supposed to provide a short analysis of the most outstanding matters in the work of the Alliance.

Take, for instance, the resolution on the strengthening of unity and collaboration in the international cooperative movement, it will be recalled that the Bournemouth Congress expressed its conviction that the national cooperative organisations and the authorities of the I.C.A. should adopt all possible means leading to the peace and security of the people of the world, but this was not implemented, or at any rate not implemented sufficiently. Reference has already been made to American aggression in Vietnam and the danger which could result to the whole of humanity, and yet the Alliance, or some specific part of it, has put obstacles in the way of giving effect to the decision, and it is only now, under the pressure of cooperators everywhere, that a resolution has been drafted. A resolution, however, which is not strong enough.

The President: I ask you to refrain from introducing the question of Vietnam in this context, because we are going to deal with it as a separate item.

Mr. Denisov continued: We have here a clear example of how the Alliance sometimes forgets its good decisions and they remain on paper, that it is possible to make fine speeches but to do very little. Future historians will speak about this, but we, the people living in a complex and strenuous period, should see that we cannot in the future be accused of having been lax. The Director of the I.C.A. is responsible for measures to implement the decisions of the Congress, the Central Committee and the Executive. In this connection we should give due credit to Mr. Alexander for his wise approach to the solution of many complex problems which arise in the work of the I.C.A., and it is the duty of all the members of the Alliance to help him in this enormous task, to strengthen the unity of the international cooperative movement and the importance of the role played by the Alliance as a whole.

I express the hope that the present Congress will mark a further step forward in strengthening the unity and collaboration of our organisations in the movement as a whole, and that it will be a great force in showing that the goodwill which existed in the previous Congress still prevails within the international cooperative movement.

Mr. S. Berent, Israel: I hope that in the next Report of the Central Committee there will be a chapter entitled "Encouragement of cooperation amongst cooperators", for in my humble opinion the best course to pursue in order to create more understanding between people, and to foster good relations between them, is to bring them together. Meetings and personal conversations and exchanges of views promote harmonious and close relationships. We must create better understanding and mutual respect between the nations in general and between cooperators in particular. The last decade has witnessed the growth of international tourism, with hundreds of thousands of men and women visiting countries other than their native lands. There are among them many cooperators. These tourists visit towns and villages and go to theatres and other places of interest. Should they not also visit cooperatives and meet cooperators? Cooperatives exist in towns and villages and are certainly worth visiting.

I should like to cite an example from my own experience. Thanks to UNESCO, I was able, together with two colleagues, to visit cooperatives in India. Ever since then the Indians and their cooperative movement have become better known to us and close to our hearts. In my office we have cooperative literature from many countries but, being immersed in my daily routine work, I have little time to go through this voluminous material. However, I do manage to read with profound interest everything from the cooperative movement in India. That is because I have visited India, and I may perhaps know the author of the article; at any rate, I already know something about cooperation in that country which has stimulated my further interest.

The question is how such tours can be arranged and organised. I am sorry not to be able to offer any concrete proposals as to how this might be done but I hope the idea will be followed up and that some means will be found to carry it out. It seems to me that no extra budget would be required. It may not be as simple to arrange as one might think but certainly I think it could be done. There are many organised trips for tourists all over the world. Would it not be possible for a cooperative organisation in a country from which a collective tour is arranged to approach its counterpart in the country to which the people are going, with a view to arranging visits by the cooperators to cooperatives in the host country? I am the representative of a small union in a small country but we should be only too pleased to welcome cooperators from any country, to show them round our cooperatives and acquaint them with our progress and developments to the extent that they exhibit an interest in them. I am sure that the other members of our delegation would also be very happy to give their assistance in arranging such tours.

I would be pleased if favourable consideration could be given to my suggestion.

Membership

Dr. W. Sommerhof, Chile: The statistics of the I.C.A. show a reduced participation of Latin American cooperatives in the Alliance and the absence of Spain. The importance of Spanish-speaking cooperatives is increasing rapidly and in Latin America a clear understanding is arising of the considerable part cooperatives have to play in enabling our newly-developing countries to reach the "take off" stage, especially in the agricultural field, where the situation is dangerous, as already pointed out by the President.

A survey made in 1963 by the recently formed Organisation of the Cooperatives of America, OCA, established for twenty Latin American countries a total of 16,838 cooperatives with 5,700,000 members and a paid-up capital of 688 million dollars. Chile figures in that survey with 994 cooperatives, but today the number surpasses 1,400, with 508,000 members, in a country with eight million inhabitants. I do not know the statistics of the Spanish cooperatives but I understand the movement is rapidly expanding.

The insignificant participation in the I.C.A. of Spanish-speaking cooperatives in relation to their number may be due firstly to the young age of their movements, which have been overwhelmed by problems of lack of leadership, experience and financial resources, while they are in a state of explosive growth, and where integration is often given secondary importance because of these urgent problems or lack of knowledge of their importance. Secondly, there is the language barrier, and that is a very serious handicap.

In the section of the Report on Publications we see that the publishing of a Spanish edition of the "Review" in Latin America, through Intercoop in Buenos Aires, is being considered. We trust that this will soon be a reality. A later section records the desire expressed by Dr. F. L. Jiménez of Colombia at a Congress in Lima for closer relations between the I.C.A. and the rapidly growing Latin American movements.

We applaud these steps and these good proposals but, as Dr. Bonow has said, "Time is rapidly running out", and we urgently need all the information and knowledge that the I.C.A. can give to us in Spanish. We know this is a major financial problem and we do not want to ask only but also to give. For this reason I would make the following proposals.

First, we must establish the cost of publication in Spanish of all information issued by the I.C.A. including the "Review of International Cooperation" and the "Cooperative News Service". Intercoop of Argentina is helping to this end and I offer the collaboration of Cooperativa Sodimac, Chile, so that we may see to what extent we might participate in this work.

Secondly, we must establish the minimum necessary membership contribution from Spanish-speaking cooperatives, which would allow the I.C.A. to adopt Spanish as one of the official languages.

Thirdly, we should like to have these two matters studied before the 3rd April next, when the Third Inter-American Congress of Cooperatives will be meeting in Chile, so that agreement may be reached by the Latin American cooperatives on their financial contribution and a suitable resolution adopted.

Fourthly, we would like to ask the Central Committee for one of its members, if possible the President, to be designated to participate in that Congress on behalf of the I.C.A. We are expecting some 300 delegates from most American countries. On that occasion there will also be a conference on finance, organised by the recently-formed Inter-American Society for the Development of Cooperative Finance in Latin America, in which OCA, the Cooperative League of the USA, and four Latin American cooperative banks will participate.

Mr. J. Voorhis, U.S.A.: I support the appeal of my friend from Chile, Dr. Walter Sommerhof. We believe that the development of cooperatives among the nations of Latin America will, in the course of time, give to the Alliance and to the cooperative movements of the world a great new strength, and I am sure that the proposals he has made, and particularly the one with regard to having Spanish become one of the official languages of the Alliance, are most important. I hope they will receive the careful consideration of the Central Committee and the Executive.

Dr. M. Boson, Switzerland: I wish to comment briefly on the figures in the Report of societies of different types and their members for 1961 and 1964.

When comparing these figures, one notes a general progress in the period. As regards the data concerning members, I calculate that the progress is approximately 25 per cent for consumers' cooperatives, 10 per cent for workers' productive and artisanal cooperatives, 30 per cent for housing cooperatives, 32 per cent for agricultural cooperatives, and 34 per cent for credit cooperatives.

On the other hand, fishery cooperatives appear to have lost 20 per cent of their members. This figure represents a surprising anomaly since the overall picture shows such positive results as regards other types of cooperatives.

One cannot help being puzzled by this setback, and wishing to know the reasons. But the Report is silent on this point. It would be interesting, if possible, to be informed about the cause of such an unhappy evolution. I am not requesting that the information be given here, but perhaps the "Review of International Cooperation" might give space for an article on the question in one of its coming issues.

Mr. F. Kolesnik, U.S.S.R.: The question of membership of the I.C.A. is most important. The strengthening of unity within the international cooperative movement and the transformation of the I.C.A. into a truly international organisation will depend on how this question of membership is dealt with.

The Soviet delegation considers as a positive factor the admission of the Polish and Hungarian cooperators. In the period between the 22nd and 23rd Congresses four organisations from African countries were accepted – Zambia, Kenya, Tunisia, and Uganda.

There was also one Asian country admitted, the Philippines, and the membership of Ireland and of New Zealand was resumed after a lapse of some years. At the same time, it should be noted that the Moroccan study circle of "Georges Fauquet" has left the I.C.A.

We believe that, in principle, the I.C.A. should accept national organisations which are able to make a contribution to its work. According to the Statutes, the I.C.A. should comprise cooperative organisations of all countries, thus strengthening its role in the world. A great deal remains to be done in this respect before the Alliance can in truth be regarded as the world centre of cooperation.

I would draw attention to the fact that, in spite of the admission of new member organisations from Africa and from the socialist countries, this is not reflected in the authorities of the I.C.A. For instance, in the Executive the predominant positions are occupied by members from western capitalist countries. We feel that the representation of organisations in socialist countries, as well as African, Asian and Latin American countries should be made possible. This would emphasise the democratic nature of the organisation. There should be a proper representation of the various social and political systems, also geographical representation. In this way, consideration could be given to the views and opinions of all members of the Alliance.

The Committees of the I.C.A.

There was no discussion on this section of the Report.

The Auxiliary Committees

Mr. L. Smrcka, Czechoslovakia: For many years several Auxiliary Committees and Working Parties have functioned within the I.C.A. Considering that the number of members of the Alliance continue to increase, also the number of the branches of cooperatives, those of agricultural, production, credit, housing and others, and that consequently the I.C.A. is no longer mainly an organisation of consumer cooperatives, it would be appropriate that the special problems of the individual branches should be entrusted for study to the respective Auxiliary Committee or Working Party.

The importance of the Auxiliary Committees and Working Groups will increase if the experts who constitute them can give greater and more profound attention to each problem and find the best solution.

In view of the prospects for the development of the activity of its Auxiliary Committees and Working Parties, we consider that the solution of some fundamental problems is urgent, in order to create the necessary conditions for the Auxiliary Committees and Groups to fulfil their functions.

In my opinion, the tendency on the part of certain organisations to make the Auxiliary Committees and Working Groups, also their activities and results, accessible to only a limited number of member organisations must be removed. This applies for instance, to the group of economic and market research officers, to the Cooperative Wholesale Committee and some others.

Therefore, we propose that the activity of the Auxiliary Committees and Working Groups be developed according to uniform principles by which representatives of all interested organisations should take part in their work; and the results of their work and research be made freely accessible to all member organisations.

One of these principles must underline that these Committees and Groups are only auxiliary bodies and cannot in any way replace the activities of the statutory organs of the I.C.A., but that they prepare various subjects for the statutory organs and submit to them for approval the results of their work and research.

Only if these principles are observed can the Auxiliary Committees and Working Groups fulfil a proper and important place within the I.C.A.

Dr. L. Malfettani, Italy: I am sure Congress will allow me to give some additional information about the activities of the Alliance in the agricultural sector, to that contained in the Report of the International Committee on Agricultural Cooperation.

A revision of its rules has made it possible, during the last two years, to define more clearly the sphere of influence, the tasks and future prospects of the Committee, whose main feature is to group cooperators under their specific role as producers, including among others, agriculture proper, forestry and fisheries.

About half of the 250 million cooperators in the world are agricultural cooperators and about 35 per cent of I.C.A.'s affiliated members are engaged in agriculture. Finally, if account is taken of the fact that in many countries the consumers' cooperatives are functioning in rural areas, the agricultural members of the Alliance constitute half of the total.

Unfortunately, there are still too many cooperative associations which, not being affiliated to the I.C.A., remain outside our Committee.

Once again, we must dispel the misconceived idea that the Alliance is only concerned with cooperation between consumers, and I would like to thank the President, Dr. Bonow, most warmly for having stressed in his Inaugural Address the growing importance of the farming population in the world and the necessity of its development to save mankind from famine.

The fact that, in his introduction, agricultural cooperation has been placed in the foreground of the future programme of the I.C.A. encourages me to ask for the attention, sympathy and support of all delegates for the activities of our Agricultural Committee. We are confronted with a very heavy task and all organisations grouped within the Alliance should be ready to collaborate with us.

As regards the importance of agricultural cooperation, since the first action to be taken to give life to cooperation in most of the developing countries has generally an agricultural character, consequently, the initiative of the Alliance must be in this direction.

Naturally, agricultural cooperation does not mean only to cultivate the land according to a cooperative pattern, but also the preservation, processing and marketing of agricultural products and thus to combat intermediary speculation by assuring, on the one hand, an adequate income to the producers, and on the other hand a fair price to the consumers.

The other essential point is that credit for agriculture must be channeled through the intermediary of the cooperatives, which is the only sure way to secure the best use of the available finance, a higher standard of living in the rural areas, a higher productivity and, finally, a substantial contribution towards a solution to the world problem of hunger.

All these facts were stressed by us at the 13th Conference of the FAO, which discussed the extension of the World Food Programme, the Freedom from Hunger Campaign, and the preparation of a World Indicative Plan for Agricultural Development.

As was pointed out earlier, we have also taken part in the World Land Reform Conference, organised a few months ago by the FAO, in collaboration with the United Nations. Also, a representative of FAO attended the meeting held in London at I.C.A. headquarters to prepare the constitution of a sub-committee for fisheries within our Agricultural Committee. This new body, the creation of which has been requested several times since the last Congress, has been finally constituted here in Vienna.

In conclusion, I would recall that the two essential aims of the activity of the Agricultural Committee are to improve the economic and social standard of living of the rural populations and to defend mankind against the danger of famine.

Dr. G. Banchieri, Italy: I would like to make a few comments regarding the group of economic and market research officers mentioned in this section of the Report.

We feel that this is a working instrument of the Alliance which is called to play an increasingly important role in strengthening its function so that it will in time constitute an international centre fully competent to place at the disposal of the affiliated organisations complete information on the various trends of economic and world life, on the evolution of the markets, on the prices and on other factors affecting conditions of international trade, especially of industrial and agricultural products, which are of particular interest, both to consumers' and to agricultural cooperatives.

The need for such a centre of international information is particularly felt in the cooperative movements of developing countries, which are often very interested in the problems of international trade but have not the financial means which other cooperative movements possess, to establish their own research and study centres.

During the last few years, the group of economic and market research officers has carried out a very important work which is of great interest to cooperative movements. But it meets with great difficulties because very few movements respond to its appeal for collaboration.

We wish, in the first place, that all the movements in a position to do so will in future place a greater number of experts, economists and specialists at the disposition of the working party for economic and market research.

Secondly, we think that it would be opportune to establish a more organic link between the study centres which exist in the various movements and the I.C.A. Group.

Finally, with this aim in mind, it is important that the improved statistical facilities of the research section, which are envisaged in the report of the Central Committee, should be realised as soon as possible.

Mr. A. Mayr, Italy: The Report shows the increase in the activities of the Agricultural Committee within the I.C.A., which has been quite considerable, and we have to make every effort to see that the agricultural sector continues to develop and that it plays its role in the work of the Alliance. Agricultural cooperatives are the most important part of the agricultural field for us, enabling the farmer to increase his production, and to help in the struggle against famine. Cooperation between agricultural and consumer cooperatives makes it possible, by means of vertical integration, to improve international trade channels and to achieve many things which otherwise would not be possible. I would request, therefore, that within the Alliance agricultural cooperatives should be given a special function. It should also be made possible for them to be able to exchange ideas with the workers' productive cooperatives in trying to solve the big problems of transportation, etc.

Mr. B. Vinizky, Israel: I have the honour to participate for the second time in the I.C.A. Congress as a representative of the cooperative banks in Israel.

Since the Bournemouth Congress I have followed closely the work of the authorities which lead the two hundred million members of the world cooperative movement, in the hope of understanding the kind of daily activity for bridging the gaps between

those all over the world who believe in cooperation. To my great sorrow, however, I have found that this contact is very loose. Having been delegated again to this Congress I would like to suggest to the new Committees which will be elected at this Congress some points on which improvements could be made.

I belong to the financial sector of cooperation, and represent a movement of about a quarter of a million members – about 10 per cent of the population of Israel. I am not exaggerating when I state that many of those who belong to the cooperative movement lack a clear understanding of the essence and goal of cooperation. They do not know the lofty declaration of the Rochdale Pioneers that the task of cooperation is to enable the members to be their own masters. In my opinion this is due to defects in organisation.

My first point concerns us as members of the Congress. I do not understand why we cannot receive reports on the discussions and decisions within a short time.

Secondly, why cannot the Alliance maintain a permanent contact with the members of the Congress by sending them useful information about its work, about changes and developments in the I.C.A. family? A lack of such contact creates the impression that after the Congress is ended delegates return to their homes for a sweet sleep until the bells of the next Congress are ringing.

In my country cooperation is deeply rooted and great attention is paid to cooperative ideas in many governmental and public institutions.

It would be very useful and encouraging if the I.C.A. were to use these instruments to strengthen the communication among the different sections of our movement all over the world.

I would therefore like to suggest that this Congress should decide on the appointment of local committees in every country. These committees would have representatives of the Congress as members and would act as permanent links with the I.C.A. between one Congress and the next. Being up-to-date regarding the problems of the I.C.A., they would provide continuous and active communication with the local movements and with every governmental or public institution concerned with cooperation in its different branches. By this means the I.C.A. Authorities would know about national activities, and the national movements would know what was happening all over the world.

Organisation of Secretariat

Mr. Z. Engel, Poland: In the name of the Polish delegation I would like to speak on the Organisation of the Secretariat.

We know that other international organisations such as the FAO, the ILO, and the United Nations in their various divisions endeavour to have a balanced representation of different political systems. Thus the countries concerned should be able to cooperate on questions in which they are interested and find solutions.

The statistics show that the member organisations of the Soviet Union and the People's Republics together comprise a considerable part of the total membership of the I.C.A., but this is not reflected in the staffing arrangements at headquarters, where there should also be a better representation of the African, Asian and Latin American member organisations.

Finances

There was no discussion on this section of the Report.

Publications

Mr. V. Jakovenko, U.S.S.R.: The cooperative movement is a living organisation of hundreds of thousands of workers who, with the rest of humanity, react to all the modern problems facing them. The 22nd Congress of the Alliance adopted a proposal

from the Soviet cooperators which pointed out that one of the most urgent problems of the day is the establishment of peace and security. Another important resolution of the Congress dealt with the strengthening of unity and cooperation in the international movement. Once again, there has been no proper reflection of these resolutions in the work of the Alliance, although cooperators in many countries have been struggling for unity and cooperation. It was also said at the last Congress that cooperators throughout the world should struggle to remove the last vestiges of colonialism in whatever form they manifested themselves. This again has not been properly reflected in the press of the international movement.

There seems to be a tendency for the press to talk about the activities of cooperatives in the capitalist countries and to forget that, of more than 200 million cooperators, 70 million live in socialist countries. The activities of these 70 million have been dealt with in the past two or three years in only three articles, whereas there were ten articles on the cooperatives of the United States of America, a capitalist country. It is true that a certain amount of material on cooperatives in Asian and Latin American countries has been published, but this does not constitute a large part of the publications. I hope that the new Executive will look into the activities of the I.C.A. Press Committee and publications and fill in the omissions that I have mentioned.

The President: Questions raised during the discussion will be replied to later, but in regard to the last speaker's remarks I would remind him that, to the best of my knowledge, only a very few copies of the "Review of International Cooperation" circulate among the top leaders of Centrosoyus.

Mr. M. Palacin, Argentina: I would like to support the desire of Dr. Sommerhof regarding the use of the Spanish language in the activity and publications of the Alliance. We must find some way of doing this for the information of the 1,300,000 cooperators in the Organisation of the Cooperatives of America, and in this way try to establish relations with them.

Mr. P. Tonhauser, Czechoslovakia: There is only one small paragraph in the Report devoted to the Press Committee and this seems to correspond to its activities over the past three years. It met only once and that was to prepare for the 23rd Congress. This was in a period when it was necessary to fight a concerted battle against capitalist organisations. The Press Committee should promote an exchange of information and do everything in its power to disseminate cooperative ideas in the national and international sphere. The Committee should be reorganised for this purpose in conformity with the present membership of the I.C.A. I, therefore, urge that Congress asks the Central Committee to investigate the possibility of making the work of the Press Committee more effective.

Research and Statistics

Mr. L. Hofman, Czechoslovakia: The Report shows that the Research Section of the Secretariat, in addition to the preparation of documentation on cooperative principles and structural changes, has devoted its attention notably to studying certain problems of the consumers' movement.

I would draw attention to the fact that the International Co-operative Alliance is no longer an organisation of consumer cooperatives, more and more other cooperative branches are increasing. In the developing countries, this trend applies mainly to various forms of agricultural or mixed cooperatives the importance of which is paramount, but it applies also to the housing and artisanal branches. Even a small branch of the cooperative movement is faced throughout its development with a number of problems and difficulties which merit being studied at international level, with the specific aim of helping any organisations which ask for assistance.

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Some of these branches would like the help of the Auxiliary Committees concerned with agriculture, housing, workers' productive and artisanal societies.

What has been done so far as regards research is insufficient and, moreover, the results of the studies undertaken should be published and made available to all interested cooperative organisations. This would be a practical form of I.C.A. aid for its members.

I, therefore, suggest that the Executive and Central Committees be asked to decide the principles which the work of the research section should follow to assure the maximum efficiency.

Education

Mr. V. Kondratov, U.S.S.R.: Reference is made in this section to the 34th International Cooperative School which took place in Rome in 1965. There is also some information concerning the preparation of a School to be held in Rouen, France, in 1966, and one in Poland in 1967. I had the pleasure of participating in the work of the School in Rome, and I should like, on behalf of the Soviet delegation, to express a view on its work.

The I.C.A. School should be an important forum for contacts between the cooperators of various countries and for a wide exchange of information. In view of certain difficulties which stand in the way of the development of the cooperative movement, it is necessary at the School to bring more closely together those with different economic and social backgrounds in order to foster understanding and to permit an exchange of the rich experience which has been accumulated in different countries.

At the Rome School there were 55 students from 14 European countries and one from an Asian country, Japan; from Africa and Latin America there was not a single representative. I do not think this should be regarded as satisfactory. It is with satisfaction, however, that I refer to the lecture of Professor Blank on the work of cooperatives in socialist countries, which served as a good foundation for discussion within the groups. The work of the School was well organised, thanks to the able leadership of the I.C.A. Secretariat and the assistance of the Italian cooperators. It is also a matter of satisfaction to us that the School in 1967 will be held in a socialist country, Poland.

In order to attract participants from a wider sphere the question of expense should be examined, with the possibility of assistance in some cases. It was noticeable at Rome that lectures on the developing countries were given by people from Europe. Among the cooperators of Latin America, Asia and Africa there are highly qualified specialists whose services should be sought for this purpose. In this connection I would refer to the outstanding contributions to cooperative thought made by Professor Karve of India. There is no doubt that it would be most valuable if he were to lecture at one of the Schools.

Resolutions of the Bournemouth Congress

Mr. P. Poruben, Czechoslovakia: I wish to state that the Czech delegation considers this section of the report quite inadequate and we are not satisfied with the manner in which the Central Committee at Belgrade in 1964 dealt with the replies from national cooperative organisations on the measures they had taken regarding the resolutions.

In our opinion, the resolutions having been adopted at the 22nd Congress, a report should have been submitted to the present Congress on the measures which the Alliance and its member organisations have taken during the last three years to fulfil their respective tasks.

Is it not a fact that these resolutions deal with burning problems – even today? Their importance, as regards the orientation of the future development of the cooperative movements, has by no means diminished. On the contrary, it is even more acute.

This applies to the distribution of cooperative literature as well as to the duties of the cooperative movement towards young people.

In view of American aggression in Vietnam, the resolution on peace has not ceased to be topical. The resolution on strengthening unity and collaboration in the international cooperative movement is also of great practical importance for the work of the I.C.A.

The evolution in the world underlines the important task of the cooperative movement as regards the solution of the world housing problem which was also the subject of a resolution.

Only two detailed reports are to be examined at the present Congress. One concerns the implementation of the resolution on technical assistance to the cooperative movements of the developing countries, the other the results of the work of the Commission on Cooperative Principles.

The fact that, in most cases, this Congress will not receive any reports on the implementation of the resolutions adopted at the previous Congress weakens the importance of the decisions and resolutions, as well as the prestige of the Alliance and its authorities.

It is hardly possible to accept that the resolutions and decisions in the study of which delegates had passionately discussed every word, exist only on paper after adoption by the Congress, and that neither the Secretariat nor the member organisations devote themselves to the realisation of these decisions.

Within the seat of the I.C.A., the principle must be observed that resolutions are not adopted to be placed in archives but to be really implemented and to be a real guide to practical work.

South-East Asian Regional Office and Education Centre

Mr. H. Yanagida, Japan: I would like to make some remarks concerning the report on the work of the I.C.A. Regional Office and Education Centre, but first I wish to express our appreciation of the great contribution made by the Regional Office towards the development of cooperatives in South-East Asia. When we look at the situation there we find that many tasks are being left to cooperatives in the field of raising agricultural productivity and the standard of living of producers. These are very important and urgent tasks for the movement in this region. But the social and economic conditions with which cooperatives have to contend are quite different from those in European countries, and that is why the Asian Agricultural Cooperative Conference was organised on a voluntary basis to give the movements an opportunity to discuss problems of common interest.

One result of the Conference was the establishment of an Institute for the Development of Agricultural Cooperation in Asia. The Japanese agricultural cooperatives provided the facilities for this Institute, the cost of which was about £100,000, and the Central Union of Agricultural Cooperatives is taking full responsibility for its management and financing.

The Institute has been maintaining close collaboration with the I.C.A. Regional Office and Education Centre in the sense that its advisory body consists of the members of the I.C.A. Advisory Council. The Institute has organised a seminar under joint sponsorship with the I.C.A. in addition to various training courses organised by the Institute itself.

We are pleased to note from another section of the Report that some countries which participated in the first Asian Conference as non-I.C.A. members have since become members of the Alliance.

The third Asian Conference is planned to be held in New Delhi in January 1967 under the auspices of the National Cooperative Union of India, when problems of cooperative trade will be dealt with as the main subjects in a practical and technical way.

In view of these facts, we feel it is very necessary, for the further promotion of the

cooperatives in this region, to link such a voluntary movement with the activities of the I.C.A. and we think it is very significant that the possibility of establishing an I.C.A. Agricultural Sub-Committee for South-East Asia has been given to the movements in this region. We hope that the problems of agricultural cooperatives will be discussed in the future by this Sub-Committee, particularly with reference to the social and economic conditions in the South-East Asian countries.

The President: I am sure that I express the feelings of Congress as a whole in saying to Mr. Yanagida and his colleagues of the Central Union of Agricultural Cooperatives that we appreciate very much indeed their fine example of practical action in the field of technical assistance to the agricultural cooperative movement in Asia. It is one thing to pay lip service to technical assistance, but quite another to take practical action of this kind. When we hear the impressive figures of what this Agricultural Institute has cost to establish, and the cost of running it for the benefit of the whole Asian agricultural movement, I think we should place on record at this Congress our sincere appreciation of the Japanese cooperative movement for what it has done in this field, in very close collaboration with the I.C.A. Regional Office and Education Centre in New Delhi.

Dr. W. Sommerhof, Chile: Several criticisms have been made of the lack of attention in this Report to international unity and world peace. My own view is that the action most dangerous to world peace is lack of help to the under-developed countries. The work of the I.C.A. in giving technical assistance to the cooperatives of the developing countries is the most important work for peace, and contributions to the Technical Assistance Fund are, therefore, of the greatest importance. Cooperation is a movement of economic action and not of words. For that reason I, as a member of a newly-developing country, want to underline the extraordinarily generous contributions to the Technical Assistance Fund from two countries similar in size to my own, Switzerland and Austria. That is what I call true cooperative action for peace and unity.

Mr. R. Ahmed, Pakistan: The establishment of the Regional Office and Education Centre was indeed a landmark in the history of the I.C.A., in so far as it was the first time that the Alliance addressed itself to the problems of the Eastern developing countries and took tangible steps to do something to build the cooperative movement in that part of the world.

Thanks to the generosity of the Swedish cooperative movement and to the ability of some young officers like Mr. Mathsson and the present Regional Officer, Dr. Saxena, a great deal of good work has been done. The Education Centre and the Regional Office have jointly organised seminars and conferences and have published literature. However, what has been done, though good, is in itself very inadequate. Without being ungrateful, I say that because the problems in this part of the world are colossal. What has been done so far is in the nature of ground work for future action, and what has happened so far should be regarded as a first step towards doing more work in the developing countries. The next step is more difficult, it is that of helping to build autonomous and efficient cooperative enterprises in this area.

Exactly what should be done to achieve this object I shall deal with in a future intervention, if I have the opportunity, but we have to look at the problems which have retarded the development of the cooperative movement in the Asian region. To mention a few of them, they include poverty, illiteracy and tradition as the first three; dependence on governments, inefficient management, and lack of member education as a further three. I feel that we can do practically nothing to remove the first three causes, but the I.C.A. can help to remove dependence on governments, inefficient management and lack of member education. Exactly what it should do I shall touch on later, but, whatever it wants to do, it will need funds for the purpose; it will not be able to do anything unless it has sizeable funds at its disposal.

This brings me to the subject of the Technical Assistance Fund. If we look at the

Report we find sums mentioned which are rather meagre. This is the fourth Congress which I have attended, and at every Congress we have heard noble speeches expressing sympathy for the down-trodden and under-privileged peoples of the world, but I would like to use the President's phrase and say that quite often such speeches amount to no more than lip service and that the sincerity of sentiments is proved by action. I do not accuse any of my colleagues of insincerity; I would only say that their attention has not yet been drawn to this problem to the extent that we should like it to be. Perhaps we should ask ourselves this question: Are we conscious of the ideological aspect of cooperation, is cooperation only a mere technique of business or is it an ideology which comprises human values and human sympathies? If cooperation is an instrument for the economic and social uplift of the under-privileged, then the I.C.A. should turn its eyes towards those parts of the world where more than two-thirds of mankind live and where poverty and disease abound. These are the areas of Asia, Africa and Latin America.

The I.C.A. must not be content with establishing one Regional Office or Education Centre. We have to go into Africa and establish a similar Education Centre and Regional Office, and we may have to do the same thing in Latin America. So far we have not done enough, and therefore what I want to say is that whether we believe in the Christian principle of charity and self-denial or whether we have faith in the Marxist principle "From each according to his capacity, to each according to his needs," we have to share our affluence with those who are poor.

Therefore, I make the specific suggestion that this Congress should instruct the Central Committee to explore the possibility of calling on those affiliated cooperative enterprises which are commercial enterprises to contribute a certain percentage of their net profits to the Technical Assistance Fund. I suggest that this contribution should vary from 1 to 5 per cent of the net profit made on business each year.

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Mr. B. Perkash, India: This is the second time that I have attended the Congress of the I.C.A. I have heard here many good speeches, there have been many very good resolutions, and there has been some outstanding work done by the Regional Office and Education Centre in South-East Asia, which has given us a lead and some technical assistance, particularly in the fields of education and training. So far so good, and we have no doubt derived benefit from the Education Centre not only in India but in all the countries of South-East Asia. Within the Cooperative Union of India we have appointed a standing advisory committee for women and a standing advisory committee for youth, because we think that bringing women into the cooperative fold in the field of education and consumer cooperation can remove a handicap from which we have suffered in the past and introduce new blood into the cooperative field. I am happy to report that in every State in India we have opened branches for women, and have appointed an education officer to conduct classes among the women.

While giving this information and according due credit to the I.C.A. Education Centre, and while being grateful to the President for saying in his address so much about the problems of the developing countries, I should like to associate myself fully with the delegates from Japan, Chile and Pakistan who have said that much more has to be done. Merely to add some scholarships or other activities of that kind will not help much, because what is really needed is good productivity in the sphere of agriculture. Productivity is the most important factor, as will be readily appreciated, because in the developing countries we want also to see the development of marketing and processing. In that respect, as I said at the last Congress, technical assistance will be required in the matter of management training and collaboration. We shall need collaboration on projects between the developed and the developing countries. In India there is a good prospect of that happening, because, as I have said before, we have developed sugar factories and today 29 per cent of all sugar is produced in the cooperative sector. We want to extend that achievement to other fields and to more technical and more advanced processes. I hope, therefore, that the more advanced countries will appreciate the needs of the developing countries in these respects.

Mr. K. Leu, Switzerland: I am deeply moved by the remarks made this morning about the population explosion. I am also concerned about the magnitude of the task which we have undertaken in the field of assistance to the under-developed countries, but I am convinced that the situation at present is not as bad as our friend from Pakistan has suggested. He suggested that we pay only lip service to the need for the positive development of the cooperative movements in the developing countries and that we do not translate our thoughts into action. The problem is nevertheless great, and it has its origin in the lack of mutual trust and confidence between individual countries.

The list of countries making contributions to the Technical Assistance Fund which is given in the Report is, unfortunately, a short one and apparently only six countries have been able to influence their people to put money at the disposal of the Fund. It is, however, a valid beginning which should be encouraged. We in Switzerland and Austria have, in the past three years, given 85 per cent of the amount collected. It might be premature today to ask for decisions to contribute specific funds, but there is another possibility, which we suggested three years ago, the possibility of each organisation giving approximately 10 per cent of the available sums for technical assistance. In this wonderful city of Vienna, so full of monuments of the past, we might decide to take some action which would in the next few years be a monument to us and a monument to developments in the developing countries.

Mr. G. J. Nijhof, Holland: This morning the President addressed the cooperators assembled here, and this is the second time that at a Congress he has emphasised the need to seek practical avenues for the development of cooperation and to do everything possible to help so that in the developing countries we can answer the needs that will arise in the future. This afternoon Mr. Ahmed of Pakistan and Mr. Perakash of India have stressed the need for immediate assistance, and our friend Mr. Ahmed pointed out that cooperatives should not only give lip service and promise assistance but should provide practical assistance. He suggested that commercial cooperatives in the highly developed countries should contribute from 1 to 5 per cent of their net profits for this assistance.

On behalf of Co-op Nederland I can say that we have decided that 5 per cent of our net profits shall be made available for such technical assistance.

Women Cooperators

Mrs. F. Krämer, Austria: I want to speak about the position of women in the cooperative movement. We learn from the Report that Mrs. Russell has taken up her duties, and we hope that soon we shall be able to overcome the initial difficulties. From the Report it will be seen that the Women Cooperators' Advisory Council has appointed a chairman and vice-chairman. Last week we held a conference of women cooperators and we decided to submit a memorandum to the Executive Committee in which all the national associations are requested to continue the work which was formerly done by the Guild.

The funds of the Guild are being transferred to the I.C.A., with the request that they may be used for the benefit of women in the developing countries. I have now handed over the money to the I.C.A. and I hope that it will be used for the purposes which I have outlined.

The President: The Congress has already expressed its appreciation of the nice gesture of the ICWG, which has now been dissolved, and the activities of which will be carried on within the framework of the I.C.A. Women Co-operators' Advisory Council. I thank Mrs. Krämer most sincerely for this gesture and I can assure her that the money handed over to the I.C.A. will be used for the purpose which she has indicated.

Mrs. Z. Staros, Poland: I want to say on behalf of our delegation that the women cooperators in Poland have noted the formation of the Women Cooperators' Advisory Council with great satisfaction. It should play an important role for cooperative or-

rganisations in all countries as regards the specific problems of women. As yet, this new Council has no great achievements to its credit, but it is important that it should help the Alliance in dealing with the activities of women in cooperatives and help find the solution of a host of problems which arise because in many countries there are great numbers of women cooperators, in certain countries more than half the members of cooperatives are women. In some countries good use is made of women in cooperative activities, but when we study the position of women in the different movements we are convinced that the influence and the potentiality of women in cooperative activities are still not sufficiently known.

The new Advisory Council can, in a very concrete way, contribute to the solution of the problems of women and their appropriate role in the cooperative movement. Especially since the ICWG has ceased its activities, we need an authoritative presentation of the views of women in the movement, and it will be most useful if the I.C.A., with its organisation and financial resources, will organise the necessary activity by international seminars and meetings of women at which experiences of methods of work can be exchanged.

It might be useful to have one of the courses of the International Cooperative School devoted to the participation of women in the cooperative movement of the developing countries, so as to lay down their place in the development of the movement.

Mrs. V. S. Zagulina, U.S.S.R.: The Report mentions the setting up of a Women Cooperators' Advisory Council and what the Council intends to do in the future. But it should be pointed out that, for the past three years, the Council has done very little. The reason for this, in our view, is that the I.C.A. Executive and Central Committee have taken too long to organise this Council. The decision to create a Women's Department in the I.C.A. and a Women's Advisory Council was taken at the last Congress in October 1963, but the Secretary of the Department was appointed only in January 1965, and the first meeting of the Advisory Council was held in March of that year. The cessation of the activities of the ICWG and the delay in the implementation of the Congress decision has led to a weakening of contacts between women's organisations.

The I.C.A., in creating a Women's Department and an Advisory Council for Women, has accepted a definite responsibility for the organisation of work among women, but during the past three years the Central Committee have not devoted enough attention to this work. In the meantime, in many countries, although women contribute 50 to 60 per cent to all the efforts of cooperatives, there are very few women who occupy leading positions, and they are not sufficiently attracted to active participation in cooperative affairs.

The fact that insufficient attention has been paid to women within the framework of the I.C.A., as well as by the national organisations, is reflected in the fact that very few women cooperators are present at the I.C.A. Congress. We regret very much that the ICWG no longer exists, because during the 45 years of its activity it did a great deal of useful work for the women's cooperative movement.

The I.C.A. Central Committee should consider the problem and perhaps indicate guide-lines for several years in advance for a programme for women cooperators, so that they can actively participate in cooperative work. We also think that the Executive and Central Committee should endeavour to create favourable conditions for social work by the Women Cooperators' Advisory Council.

Mrs. L. Johnson, Canada: I am very pleased to have this opportunity to speak about the work of women cooperators in Canada. They are taking an active part in all phases of the cooperative movement and have not confined their interest to being an auxiliary group. Thousands of women are active members of credit unions and take their place on boards of directors and at managerial level. They play a very important part, too, in the agricultural producer cooperatives. In the rural areas they carry on the work of the menfolk when they are attending directors' meetings, and on many occasions this involves great hardship.

Women are playing a very important role too in housing cooperatives, for the home is, of course, their special interest and one of the most important aspects of a woman's life. They take their place also in library and press communications work, which provide the opportunity to publicise the activities of the cooperative movement. The main interest of mothers is their families, and so again women take their place in the co-op youth camps and co-op schools. They act as "house mothers" and they also give leadership in teaching the philosophy of the cooperative movement to our young people at these camps and schools which are held regularly throughout the summer holidays.

I would like to mention the use that cooperative women make of cooperative colleges throughout Canada. They take courses along with the menfolk, and in addition they make great use of the correspondence courses run by colleges. But since all women cannot leave their homes and attend courses in a distant city, those who have taken leadership courses help to conduct further courses locally so that more and more women may become involved and take an active part in the cooperative movement.

In the consumer coops, our women play an important role through the guild movement. Various activities are carried on, including nutrition classes and charm schools for young people, so that they may learn through recreation and entertainment and so on how to be well groomed, as well as something of the basic philosophy of the cooperative movement.

Women in Canada are all the time equipping themselves to take their full place in the movement, so that they may be co-leaders with the men. If we believe in cooperation we must really work for it, at the same time benefiting our homes and our families.

Youth

Mr. J. Sobieszczanski, Poland: At the meeting of the Central Committee in Helsinki the Polish delegation proposed the creation of an advisory committee on youth as a co-ordinating body to ensure the collaboration of cooperative youth all over the world. In explaining our position we pointed to the importance of the cooperative education of youth and its significance for the future of the cooperative movement. It is obvious from the Report of the Central Committee on this subject that the attention paid to the problem of youth is not satisfactory. The Polish cooperative movement has successfully solved the problem of how to gain youth for cooperation, how to link them with the cooperative movement in towns and villages also in primary, secondary and high schools. At present we have more than 8,500 schools where youth are being educated in social and civic matters, gaining knowledge of cooperative ideas and principles as well as with the economic activities of cooperatives. In the countryside we are organising farmers clubs which successfully link activity with education. In cooperative stores dances and other activities are organised.

The I.C.A. could accelerate youth work through the exchange of experiences between the national cooperative movements. The Polish movement is willing to share its experiences, and will be glad to avail itself of the experiences of other organisations.

I spoke about this problem at the meeting of the Central Committee in Copenhagen, when I was told that the Central Committee's report dealt with the subject of the I.C.A. work with youth in the past period. I agree with this statement, but I wish to express my critical opinion of the activity of the I.C.A. so far as youth is concerned. I should like to hear about its plans in these matters. I am sure that the creation by the I.C.A. of a committee on youth would live up to contacts between national cooperative movements and strengthen solidarity and friendship between young cooperators all over the world.

Mrs. L. Vasilieva, U.S.S.R.: Youth represents the future of every country and this is true also of the international cooperative movement. The problem of youth is a critical one at the present time. We must seek to attract youth to our movements. More must be published in the cooperative press on their activities in our national cooperative

organisations, and a wider use must be made of cooperative schools. Youth can be attracted into the movement by education and vocational training, and by the participation in educational institutions.

But this is not enough; youth must see in cooperation an important social force which must influence the problems of today, the struggle against monopolies, the struggle against exploitation and so on. It is clear that in many capitalist countries youth is not on an equality with adult people so far as pay and other factors are concerned. Youth in the Soviet Union is on an equal footing with adults in political, economic and social work. Of our 10 million cooperative members, the majority are young people. Many young cooperators are also members of political parties and participate in decisions on important problems. We have a great deal of experience in the training of cooperative youth; education is free and students in universities receive special scholarships.

In 1965 we considered the position of young cooperators whose role is to develop friendly and cultural bonds as well as the exchange of ideas and experience with cooperators in other lands. We are seeking to strengthen the links between youth in various countries, to bring them closer together and into more frequent contact with each other, so that they can the better exchange experiences.

Consumer Conference

There was no discussion on this section of the Report.

International Cooperative Day

Mr. T. Janczyk, Poland: I should like on behalf of the Polish cooperators to express to the Central Committee our gratitude for having so correctly emphasised in the Declaration the struggle for peace. The Polish people in the last war lost 20 per cent of the population, and we are in full agreement with the view that peace is the *greatest need* of humanity. There is nothing more important for cooperators than the struggle for peace and the laying down of conditions for the social, economic and cultural welfare of all peoples. Our distinguished President has referred to this. We should emphasise the importance of disarmament, because enormous sums of money are now being used for armaments which should be directed to more useful purposes.

We are now on the brink of a possible conflict which could destroy not only our cooperative movements but perhaps the entire human race. This problem has not yet been solved, but the trend is to create a new militarism which threatens the death of civilisation and of humanity in Europe. The cooperators of the whole world, and especially of member organisations of the I.C.A., should urgently demand the cessation of all activities which are directed towards armaments. They should demand that Europe should have a system of collective security to make possible the cooperation of all countries, regardless of their social structure. In expressing my views on this question, I should like to suggest that the I.C.A. should pay *greater attention to the promotion of peace in the whole world*, and we should emphasise in 1966 the necessity of cooperation for peace.

Mrs. M. Zastoupilova, Czechoslovakia: I wish to take this opportunity to tell Congress briefly about the celebration of International Cooperative Day in Czechoslovakia.

The celebration is long established by tradition, and although the solemn central celebration takes place on the first Sunday in July, individual cooperatives celebrate according to their local circumstances. In agricultural regions, the cooperatives celebrate the Day either on the first day of harvest, or at the end of the harvest. Between 500,000 and 600,000 members, sometimes even more, take part in these celebrations under the symbol of international cooperative solidarity with the cooperators of the whole world, under a motto calling for a common struggle for progress and peace.

The cooperatives seize this opportunity to enable not only their members but also the general public to be informed of the results of cooperative work, and thus propagate the cooperative idea among all the inhabitants.

This orientation of the celebrations of International Cooperative Day was demonstrated by the solemn celebration which took place this year on the first Sunday in July in the largest park of the city of Prague, in which over 60,000 people participated, including responsible officials of the London Co-operative Society.

The importance of this celebration was underlined by the fact that, besides the leaders of the cooperative movement, the Vice-President of the Czech government, Mr. Simonek, was also present. In his speech he praised the work of the Czech cooperative movement, and spoke of its mission as that of economic and social organisation in the economic and public life of the country. In the name of the Government, he promised support for the development of the movement as a whole.

I would say in conclusion that the celebrations of International Cooperative Day not only manifest and demonstrate the achievements of the cooperatives, but are an expression of the will of the members to support the cooperative solidarity funds which finance the organisation of assistance to the cooperative movements in developing countries.

The I.C.A. and the United Nations

Mr. L. E. Woodcock, U.S.A.: I do not intend to add to the facts with regard to the relationship of our cooperatives to the United Nations. The Report of the Central Committee and the eloquent address of our President, as well as the comments to which we listened from the three representatives of United Nations Specialised Agencies, and many remarks since made then by delegates have dealt with that subject sufficiently for the time being. I wish rather to emphasise the importance of a strong United Nations to cooperative growth in the under-developed countries.

The Report of the Central Committee brings out the participation of the I.C.A. in United Nations' programmes, and the assistance that cooperatives have given to the United Nations by their own programmes. It remains only to say that the resources for technical assistance available to the I.C.A. and to our national organisations may be great, but there is far greater need for technical assistance in the under-developed countries if we look forward for any period of time, and the need dwarfs the resources.

At this stage in world history the continued existence of the United Nations, with its purpose of raising the living and cultural standards of all people, is a fact of vital importance to the success of cooperatives. It is only in a world in which rational law and moral justice prevail that cooperative democracy can flourish, so that I come now to my real point, which is to emphasise not the specific assistance received or given but the desirability for cooperators joining in the unfinished task of establishing the United Nations on a sound foundation.

Please remember that the United Nations and the philosophy on which it is based are still on trial. There is still a regrettable tendency in my country, and probably in many of yours, not fully to accept it. I suggest that one most effective way of promoting our cooperative philosophy and our cooperative institutions is for our national organisations, in accordance with well established I.C.A. policy, to support the United Nations in their own countries. In some countries, perhaps in all, this will be done basically by influencing public opinion to understand the purposes of the United Nations. Cooperatives should also support before their own governments the appropriations necessary to finance the United Nations' activity, and should support United Nations Associations in countries where they exist. It will require some efforts, but the need is very great.

The President: I should like to tell Congress that Mr. Woodcock is rendering the International Co-operative Alliance a most valuable service as our representative and observer at the various organs of the United Nations in New York, and quite specifically

in ECOSOC, with which the I.C.A. has consultative status of the highest category, as it has also with other Special Agencies of the United Nations. I take this opportunity of putting on record our great and sincere gratitude to Mr. Woodcock for his services.

Mr. N. Djavahidze, U.S.S.R.: We see that the I.C.A.'s consultative status with organs of the United Nations is rather expensive but as the Specialised Agencies often deal with problems of importance to us, a representative of the I.C.A. should be present at these meetings, who can give information to the Executive on what has been discussed.

The Report gives a list of the representatives who attended the various meetings, but the results of their work make us desire something more, particularly because the I.C.A. does not coordinate its activities with those of other non-governmental organisations. For instance, the Alliance has contact with the ICFTU, but not with the World Federation of Trade Unions. Is it fair that the I.C.A. should be linked with only one of the international trade union organisations? Does this not weaken the efforts of the I.C.A. in the international field? I believe that it does.

The same may be said about the struggle for peace, which is one of the objects of the I.C.A. Other organisations have similar aims, such as the World Peace Conference which unites people of various religious and political affiliations. Why does not the I.C.A. establish contact with this organisation in order to achieve its aims? There are some people in the Alliance who think only of their own interests and ideas, which they regard as more important than the interests and ideas of the Alliance as a whole. We should establish programmes in association with other progressive bodies whose aims are similar to those of the I.C.A.

Mr. J. Sobieszczanski, Poland: The Polish delegation regards the collaboration of the I.C.A. with the Specialised Agencies of the United Nations as very important and useful for the world cooperative movement, and we think this action should be increased. The cooperative movement should participate more fully in the economic and social changes which are taking place in the world.

Secondly, we must endeavour to influence the extension of assistance rendered by the United Nations to cooperative movements in the developing countries, taking into account the importance which the governments of these countries attach to the role of the movement in the social and economic development of their peoples.

Thirdly, we must work out with the member organisations the object and plans of the I.C.A.'s collaboration with the Specialised Agencies.

We also think that the representatives of the I.C.A. should represent to the Specialised Agencies the experiences and interests of the cooperative movements of all countries. We can show examples drawn from countries with different social and political systems. This will be possible when the representation of the I.C.A. in international organisations is organised on the principle of equal participation of all regions and of all political and social systems. We think that this will strengthen the position of cooperatives and promote interest in cooperative problems at international level.

Mr. Ch.-H. Barbier, Switzerland: Listening to the representative of UNESCO, Miss Harris, everybody will have understood that the relations between the International Co-operative Alliance, that is to say the whole of our national movements, and UNESCO have taken a new turning.

Until now, we have been, if I may say so, the petitioners. We endeavoured to make UNESCO understand the nature of the collaboration which non-governmental organisations, and among them the greatest of the international organisations, our Alliance, can bring to it. We had always the ear of UNESCO, but in recent years we have progressed and, with the Director General Mr. Maheu, we have entered a new stage.

The Report speaks of conflicting views at the 13th Session of the UNESCO General Conference about the value of the non-governmental organisations in relation to UNESCO, and underlines that the Director General himself intervened and, with the prestige which his position carries and his linguistic genius, spoke most impressively

about the non-governmental organisations. Listening to him reminded me of what Dr. Fauquet said of those large organisations which are more or less blind and deaf when it comes to hearing what he called "the little units", that is the ordinary men and women. Today, to reach men and women, UNESCO relies upon the non-governmental organisations, and among them upon the I.C.A. in particular.

There is, however, one little blot on the beauty of this picture, it is the suppression of the International Journal of Adult and Youth Education. Our President, Dr. Bonow, our Director Mr. Alexander, and I made vigorous interventions against its suppression but, unfortunately, without much success.

I am now going to put questions to which I do not ask replies, but I would like each of you to ask them of yourself. The questions are, "What does my movement do to collaborate with UNESCO? How much collaboration have I myself given? What collaboration has my organisation given to UNESCO? Have I expected gifts from UNESCO, or have I devoted time and effort to make known to my fellow members, women cooperators and to the public what UNESCO is doing in the world today? Are we working for UNESCO in our national committees?"

Put these questions to yourselves and reply, not aloud, but as quietly as possible so as not to disturb your tranquility.

Two important issues are among the great problems which Miss Harris mentioned. The first is permanent education. In this respect, adult education has taken some quite new aspects and today one realises that the place of men and women in the modern world is extremely dangerous and difficult. We need to learn how to live our everyday life, our professional life and our family life in external conditions which have completely unsettled everything.

The Swiss Union of Consumers' Societies has just published a very important report on permanent education which gives the solution to this problem and also suggests how we can find again the contacts with our members. Perhaps today permanent education is the best and the most direct and constructive method for solving the crisis of our cooperative democracy. The Swiss report, on which I do not wish to comment at length, stresses the question of the connection between adult education and leisure.

There is another aspect which I would also mention: it is what we can all bring to UNESCO in all our movements if we really want to take the bull by the horns! I mean, "How to fight illiteracy in the world?"

Today the department for adult education has an extremely active Director, Mr. Deléon. He has asked Miss Harris to put to us the following question: Are you, the cooperators, totally indifferent to the fact that there are 700 million people in the world who are illiterate? You pretend you want to improve the standard of living, but do you know that the map of hunger and illiteracy are the same? If you take a map of the world and cover in black the areas of hunger, in grey the areas of malnutrition, and in white the areas where such needs no longer exist, and if, on another map, you cover in black the illiteracy areas, in grey the areas of semi-illiteracy, and in white those which enjoy the benefits of culture, and if you superimpose the two maps you see that the areas of education and economic well-being cover each other.

Have we, or have we not, the duty to fight illiteracy?

In the developing countries, which we pretend to be helping, would it not be a good idea to follow up the project prepared for us by the Director of the UNESCO Department for Adult Education?

This is a question which raises many problems not easy to solve. But I think we must face these problems and, to the best of our ability, answer them as honestly as possible.

Dr. M. Bosen, Switzerland: I wish to make a brief comment on the paragraphs relating to the International Labour Conference, but I might perhaps abstain after the masterly inaugural address of the President and the fine message from Mr. Orizet.

However, I do not think it pointless, or even superfluous, that some voices from the floor of the Congress make themselves heard to emphasise a text which may seem in

itself to be inconspicuous. In actual fact, however, the event may be rightly regarded as one of the most important in the whole history of the international cooperative movement. Personally, I do not see any other event that could be compared with it, except, perhaps, the foundation of the International Co-operative Alliance itself although this foundation took place in circumstances infinitely more modest than the International Labour Conference.

It would be regrettable to me that we should not appreciate fully the importance of this Conference. I attended as a delegate of the Swiss government, and in this capacity I was able to realise the esteem and confidence with which the Alliance was regarded by the various delegations. I attach a particular importance to mentioning this excellent fact since the Alliance was represented in a most efficient and distinguished manner by its Director, Mr. Alexander.

Besides, there seems to be no doubt either that the leading organs of the International Labour Organisation, the Administrative Council and the Director General himself, had a most inspiring idea to place on the agenda of the 49th and 50th sessions of the Conference the question of the role of cooperatives in the economic and social development of the developing countries.

The recommendation which was adopted at the Conference, like all such documents, could not please everybody. However, one must honestly admit that its text includes all that it was possible and wise to do for the moment. This positive result was due, on the one hand, to the excellent quality of the working papers prepared by the Cooperative, Rural and Related Institutions Branch, on the other to the enlightened assistance given to the Cooperative Commission in all its work by the Secretariat, and notably by its Chief, Mr. Jean Orizet, who honours us with his presence and to whom it is only just to pay here a very warm tribute.

Mr. M. Capek, Czechoslovakia: We see from the report that the International Labour Conference last year adopted a recommendation on the Role of Cooperatives in the Economic and Social Development of Developing Countries. Although this is only a recommendation we feel that it is very important. It stresses the importance of cooperatives in aiding the developing countries to make economic progress and to raise the standard of living of their peoples. It defines the basis for cooperation and recommends governments to take the necessary measures to accelerate cooperative development. A special place is given in the recommendation to the field of cooperative education and technical assistance, and attention is drawn to the fact that such assistance should develop the initiative of the members of cooperatives and encourage in them a sense of responsibility. Mention is made of cooperation between cooperatives, and if this is achieved in practice it can contribute to strengthening international ties.

Therefore we feel, after the adoption of the instrument on international cooperation, that all cooperators and all those interested in cooperative development have access to certain guidelines. Although different countries have different economic and social conditions and although this instrument is addressed to different countries, the principle it contains must be reflected in the policy of the I.C.A. This applies not only to the question of membership of cooperatives in developing countries, but to their full right of membership in the international organisation. We cannot recommend the acceptance of the international instrument and at the same time not grant full rights of membership to organisations which are based on the principles defined in this instrument. Moreover, the officers of the I.C.A. were present when the document was drafted.

Mr. V. Kondratov, U.S.S.R.: During the last few years more and more attention has been drawn to the cooperative movement in all countries, and particularly in the countries of Asia, Africa and Latin America. As witness to that we have the discussions at the ILO Conference on the role of cooperatives in the economic and social development of developing countries. This question is of interest to the national cooperative organisations as well as to the I.C.A. The representatives of Soviet consumers' cooperation participated in the work of the ILO Conference and made their contribution to

this important discussion. The Alliance was represented at both sessions by its Director who actively participated and contributed to the recommendations. Although this document suffers from a number of shortcomings, it does have enormous significance for increasing the role of the cooperative movement in the developing countries.

Countries which have recently achieved their political independence cannot develop without the help of governments, but such assistance should not be negative. Soviet cooperators have repeatedly urged the necessity for such assistance and this point of view has now been recognised internationally. The participation of the I.C.A. in the work of the ILO is a good example of the type of activity which should not be carried out in isolation, but in collaboration with other organisations which are striving for the same goals as those of the cooperative movement as a whole.

Mr. B. Probsting, Austria: I wish to make a few remarks on the international work of the I.C.A. We have seen over and over again that cooperatives in various countries are confronted with difficulties when they wish to be active in certain spheres. These difficulties can arise when the ideals of the movement come up against the egoism of individual persons or groups. Whether we are dealing with the economy of a town, of a municipality or of a province, the position should be a neutral one for, after all, the economy serves all consumers. Therefore the I.C.A., in the whole economic sector, is always working in the interests of its members as well as the democratic procedure of government. Only in this way is it possible to achieve democratic principles in the field of economics and in the field of government. It is the requirements of the population that should be our concern, and it seems to me, therefore, that cooperatives should make contact with the municipal and other economic sectors, both nationally and internationally. A number of people, after all, have positions not only in the I.C.A., but also in their own countries or towns.

We know that Prof. Lambert, Dr. Vukovich and Mr. Watkins, as well as Mr. Sagmeister and other friends are active in these other sections. We must be conscious all the time of the importance of our aims and try to find proper means of representing them. We have a common basis and it should be possible for us to deal with local as well as national questions, also with questions of public utility to the benefit of all the people concerned. There can be no doubt that it is important for cooperators to have opinions in these other sectors of activity.

Mr. S. Tursunov, U.S.S.R.: The problem of raising living standards throughout the world is one of the most important which face us today, as can be seen from the statistics produced by the United Nations showing the millions of people who are starving, many of them on the brink of death, especially in Asia, Africa and Latin America. It is a sobering thought that, in a world which could easily feed its people if the proper steps were taken, there should be these enormous masses of people who are hungry.

More than 30 years ago Franklin Roosevelt declared publicly that one-third of the American people lived in poor conditions and were under-fed. Later Eisenhower said the same thing, and John Kennedy almost literally confirmed this in 1960 when he said that 17 million Americans go to bed hungry. President Johnson, in reporting on the economic conditions to Congress in 1965, recognised that from 34 to 35 million Americans are living in a state of poverty. Such are conditions in the richest capitalist country.

It is easy, then, to imagine the situation in Asia, Africa and Latin America. People are suffering because of the money spent on armaments, and this continuing expenditure only serves to deepen their poverty. In South Vietnam the Americans are spending billions of dollars in support of war when what is needed throughout these areas of the world is improved methods of agriculture and improvements in the soil. This is the only way to alleviate the situation. In the less-developed countries the development of agricultural producers' cooperatives must be given all possible attention. Only by giving help of this nature can poverty and famine be eradicated.

Mr. S. Miana, Italy: The Lega Nazionale delegation regards the Report of the Central Committee as a positive one, and we feel that over the past three years a great

deal has been done in the field of international cooperation. The admission of new members to the Alliance in particular has helped to improve its international character. Very useful work has been done on the question of cooperative principles and on structural changes.

There are, however, many other problems of interest to us, one of which is the struggle against famine. It is important for us to work together to liberate new energy for the building of a world which will enable people to live in peace and prosperity. The specialised bodies of the United Nations are of great importance and in this connection we would like to recommend that the members of the I.C.A. should be adequately represented on the regional commissions.

The I.C.A. and Other Non-Governmental Organisations

The I.C.A. and Inter-Governmental Organisations

There was no discussion on these two sections of the Report.

Reply to the Discussion on the Report

The President: I will ask Dr. Saxena, Regional Officer, of the I.C.A. Regional Office and Education Centre for South-East Asia, to deal with those parts of the discussion which are within his sphere of interest.

Dr. S. K. Saxena, I.C.A. Regional Officer: There have been four interventions which related directly to the work of the I.C.A. Regional Office and Education Centre for South-East Asia.

I think the main points mentioned can be divided as follows: The first related to the problem of raising agricultural productivity, which is a highly complex issue. Our role in that complex field has been mainly twofold. On the advice of our Advisory Council, we have tried to bring to the attention of the movements in the region some significant achievements which have taken place in South-East Asia. I will cite two examples: One, the system of crop loans which has been developed in India, which seeks to link financing to production rather than to a tangible security; the other achievement which is of significance, is the Comilla Project of Integrated Agricultural Development in Pakistan, where a variety of cooperative activities are supported by effective extension services operating at village level. Our second effort has been to get together knowledgeable people on problems of agricultural cooperation and then to ensure that the results of their deliberations are distributed as widely as possible throughout the region. On the basis of the three conferences held since the last Congress we are now incorporating some of the main papers into a publication on the field of agricultural credit and marketing.

The second point raised in the discussion related to the influence of government over the cooperative movement in developing countries. This is a problem which has been quite extensively discussed in the region. As a matter of fact, we discussed it in an experts' group in January 1966 in Bangkok, Thailand, under the title "The Role of Government in Cooperative Development", and I will summarise briefly some of the group's major recommendations. Firstly, the reasons for government assistance at this point of time were appreciated by the group in their historical perspective; secondly, it was suggested that where state assistance was being extended it should be ensured that cooperative principles were not violated; thirdly, it was felt that the provisions for speeding up de-officialisation should be built into cooperative legislation; fourthly, government assistance should lead to the strengthening of inter-cooperative relations and help to increase the organic strength of the national federations; finally, and perhaps most important, it was recommended that the cooperative movements should accelerate the process of capital formation if they want to be autonomous.

The third point raised in the discussion related to member education. We have in this field, in addition to our various other educational activities, carried out limited experiments with educational techniques. The idea is not to provide cut and dried solutions to problems which are intricate, especially at village level, but rather to generate more thinking and to focus more attention on this very crucial question. Partly perhaps as a

result of our experimentation, there is already a great deal of discussion in India about the technique of study circles in several parts of the country and this is also true to a greater or lesser extent in the Philippines, Ceylon and Malaysia. In this field we have produced two publications which seem to have been received rather well. One is a Manual for Study Circle Leaders and the other a general publication under the title "Education and Voluntary Movements."

The fourth point which was raised related to processing industries, particularly in the agricultural sector. This can be divided into two parts. The first is the extent to which foreign collaboration could be made available for the creation of processing industries. This is a problem which will come up on the Paper on Technical Assistance. The second relates to making available practical know-how for creating processing industries in the agricultural sector. This problem has been of great interest to us ever since the resolution adopted at the 1963 Congress, and we are going to discuss it in December 1966 at a Regional Seminar in India. The main aspects to be considered will be the agency for prospecting and planning cooperative processing; techniques of feasibility studies; aspects of location; cost structure; questions of supply of raw materials; marketing, etc.; follow-up controls and reporting by the general manager to the board; model forms for management control; international technical assistance.

All the speakers emphasised that much more needs to be done. I can tell Congress that we are acutely aware of this ourselves. There are, of course, considerations of finance and personnel involved. Whatever little has been done has been achieved thanks to the unlimited cooperation given by the movements in the region of South-East Asia.

The President: I would like to underline the appreciation which Congress has shown to Dr. Saxena for his interesting reply to the points raised about the activities of the Regional Office. I would add that the Advisory Council to which he referred has had the very great honour of having as its Honorary President, the Prime Minister of India, Mrs. Indira Gandhi, and as its Chairman our eminent cooperative leader, Professor Karve, who served as Chairman of the Principles Commission. Other outstanding representatives of the cooperative movements in South-East Asia, some of whom are present in this Congress and have already spoken, are members of this Advisory Council and are helping Dr. Saxena, and his colleagues, in their task of drawing up programmes of activity for the Regional Office and Education Centre, so that our institutions can serve in the best possible way the needs of the movements.

Close collaboration has also been arranged, as you have heard, in the agricultural cooperative field, with our friends from the Agricultural Cooperative Union in Japan. That is very much appreciated by the I.C.A.

The Director will now reply to the discussion on other parts of the Report of the Central Committee.

The Director: I should like all delegates to know that the verbatim record of this Congress is studied by the Director as soon as it is completed. I do not wait for the final printed record of the Congress. I go through the whole of the record to see all the different points that have been raised in the discussion. I did this after the 1963 Congress and I then formed my opinion on various things that might be done in regard to the ideas put forward. I took my report to the Executive and followed the policy laid down by the Executive and Central Committee from that point on. All the points raised here will receive a very thorough consideration, though it may not be possible to reply to them adequately now.

A debate of this nature is bound to lay some stress on our shortcomings, or on the things we have not yet managed to do, or to do properly, so I would like at this stage to say how delighted I am with the devotion to duty and the team work of my small staff during the past three years. The volume of work that has been achieved in accordance with the priorities laid down by your Central Committee and Executive bears witness to the fact that this is the case.

I would like to thank Mr. Denisov for drawing attention to the fact that we must

support to the full the resolutions of Congress. We do circulate these resolutions to affiliated organisations with requests for action and we do ask them periodically to let us know what action has been taken, so that we may report to the I.C.A. authorities. We also endeavour to act on these resolutions ourselves in the administration of the I.C.A. and keep them before us at all times when policies are being determined, so that the full support of the member organisations is a great help to us in this respect.

Mr. Berent of Israel made some remarks about tourism, and I would like to mention here that we have in our Research Section recently been collecting from all cooperative sources information on cooperative travel agencies, cooperative holiday camps, hotels, restaurants and so on, and we are going to issue, shortly, a brochure or guide in the form of a directory of all these organisations and services, in the hope that cooperators travelling from one country to another will make use of these services to the full and that the agencies themselves will develop the closest possible relationship with each other to their mutual advantage.

Dr. Sommerhof of Chile and Mr. Voorhis of the U.S.A., and later Mr. Palacin of Argentine, raised matters concerning the development of relations with Spanish-speaking cooperative movements and the use of the Spanish language. We are endeavouring to develop a liaison with the Organisation of the Cooperatives of the Americas so that the authorities of the I.C.A. may, at the earliest possible moment, determine at what point we should start activities in Latin America, either with an office of the I.C.A. or in some other way, and what form that activity should take. As has been mentioned, we hope to start producing the "Review of International Cooperation" in the Spanish language. We try at the moment to make our publications break even, as far as expense is concerned, and in starting a new publication in a new language I would recommend that we should probably subsidise it to the extent of half the cost at the start. This would mean that any Spanish-speaking cooperators who can help us by indicating that some subscriptions would be provided would in that way assist us in getting off the ground with this new publication; so I would like to welcome the Spanish-speaking cooperators, who are here in greater strength than usual at Congress, and seek their support in finding out what subscriptions we might get to our publications, so that we may start publishing in Spanish as soon as possible.

It is very much another matter, however, to have Spanish as an official language of the I.C.A. To add an official language is a very costly operation. In fact, in most international organisations today the tendency is to keep down or reduce the number of official languages used, and I could certainly not say that the I.C.A. in the immediately foreseeable future could include Spanish as an official language.

Mr. Smrcka of Czechoslovakia raised some points about the consumer nature of the I.C.A., and now that it is so much wider in its interests it is a matter for consideration whether the consumer interests are adequately served. We do have a consumer conference more or less half way between our Congresses, and this enables consumer interests to concentrate on important matters at a meeting quite separate from Congress, where we have to consider all the different types of cooperation; there is also a small Consumer Working Party which helps to guide the I.C.A. authorities on consumer matters and to advise on the type of consumer conference which should be held between the Congresses. If this organisation is insufficient I shall be very glad to receive any kind of suggestion as to what further is required.

Dr. Boson dealt with statistics in relation to the fisheries cooperative societies. I do not want to dwell on it at length but the I.C.A. publishes a full statement of statistics once a year and sends a copy to each of its affiliated organisations. Further copies are available at a very small price and I would be very glad to sell some. Looking at the I.C.A. statistics in the Report it will be seen that the Japanese is by far the biggest fisheries movement with between half a million and one million members. After that we have the Indian movement and the Italian, then the Mexican and then the French, and so on, followed by a number of other movements. The drop in membership does not apply to any of the movements except the Japanese; in all the others the trend is satisfactory. Between 1962 and 1963 in Japan there was a fall in membership from 896,000 to 633,000,

and anyone wishing to follow that up can ask our Japanese friends exactly what reorganisation may have taken place during that period to cause this sudden change in the figures.

Dr. Banchieri of Italy made a point about more experts being required. This point is more appropriate to the Technical Assistance Committee and I will not enlarge on it here, though it is an extremely important point. There was also a point about improving the research and statistics work of the I.C.A. We are doing what we can with a small staff. We are also studying the work and future of the group of research officers, to which another speaker referred, and it can already be seen that this group needs to concentrate solely on consumer research. It is, therefore, a matter for consideration by the Agricultural Committee as to whether research work on the agricultural side needs to be developed; if so it should be developed under that Committee because technically it is clear that all the different forms of research cannot be serviced adequately by a single group; they vary too much in their nature.

Mr. Tonhauser of Czechoslovakia raised some points about the Conference of the Press and Education and the timing of conferences. I think that the press and education groups, which have met together twice at different conferences, will have to consider whether they should meet separately or together on the next occasion, and the small press group that we have to advise us may consider what is required further on the press side. I do not want to give the impression that we are always ready to call lots of meetings, but when we can see that an important job of work has to be done we are not slow in coming forward to provide meetings and the facility for that work to be done. It is not just enough to have a meeting. We must have a good agenda and a really important job to be done before we call it.

I am not quite sure why Mr. Vinizky of Israel feels that he cannot find out about the activities of the I.C.A. through the publications. I do not know whether he has studied the list of I.C.A. publications and is sure that he is receiving all our services in this respect. I should be glad to have any detailed comments he might like to make concerning activities which are not being adequately reported. I myself feel that they are being adequately reported.

With regard to the Secretariat and staff coming from different places, dealt with by one or two delegates, I would prefer to leave this until the discussion of the resolution which has been put on our agenda by the U.S.S.R., otherwise it would mean a duplication of information. I will be able to give a full report on the present position at that time, as to the staff and what we can do.

Mr. Kondratov made some comments about the I.C.A. School in Rome which he attended. From the short period I spent at that School I would say that he himself was a very useful participant, entering fully into its activities, so I am very glad to have his suggestions. When he says that we find nobody from Africa or from the developing countries at our School, I would remind him that it is a very short School and, because of the interpretation services needed, it is very expensive. One possibility is that national movements may at times feel that they would like to grant a scholarship to a student from a developing country to attend the School. Another is that adequate support of the I.C.A. Development Fund would enable us occasionally to meet the expense, in an important case, of a student from a developing country to attend our School. But if this were done it would be important to work in other studies as well, for it would hardly be warranted for such a short period as ten days. We would be able, I would hope, to plan a proper study period for that individual, including the I.C.A. School. The President reminds me that in this connection Dr. Saxena has already pointed out how the regionalising of our activities is increasing the effect of our work, and if we can get into Africa and Latin America in the near future this will have a very big impact.

I have dealt in another context with the remarks of Mr. Hofman and Mr. Poruben of Czechoslovakia, and the President has already thanked the Japanese for their wonderful support. I can only add my own thanks, for the Administration does get the most wonderful support from the Japanese cooperative movement, and Mr. Yanagida's five-minute intervention was only a very small indication of the fine support we receive at the international level.

Dr. Sommerhof also spoke about the Development Fund and referred to the statement in the Report. There are two things I should say before passing on. Firstly, with regard to the large donations which he mentioned from Switzerland and Austria, the Swiss donation, which is so regular and so large, is 10 per cent of their national financial technical assistance effort. This is an indication of what a very big contribution that country is making. I must add that we do not show in this statement the tremendous assistance that we get from the Swedish cooperators, who pay for all our Education Centre work and our seminar work in South-East Asia. The I.C.A. budget is £100,000. Just under £20,000 of that goes to our Regional Office, but that sum is only one-fifth of I.C.A. expenditure in South-East Asia. The Swedish effort brings our total expenditure in South-East Asia to a figure in excess of the total I.C.A. budget. This is really a wonderful effort, and as it is not shown in this budget I must make good the deficiency by mentioning it now.

Mr. Ahmed and Mr. Brahm Perkash have largely been replied to by Dr. Saxena, and I am very glad to hear of the possibility of two scholarships from the Indian cooperative movement for work at our Regional Office and Education Centre, also of the development of the women's and youth wings in the Indian movement.

I am very grateful for the support of the speaker from VSK. I think this contribution is largely related to the field of technical assistance, though the indication of the support he feels should be given to the I.C.A. is very helpful.

Mrs. Krämer told us of the developments in the International Women's Guild and I am very grateful for the financial donation received. The President has already expressed our thanks for this.

I hope that we shall be able to do a really useful job of work in integrating the interests of women cooperators with the main stream of our cooperative activities in a way which will be useful to all our cooperative endeavours and satisfying to our women cooperative members. This to some extent covers the interventions made also by Mrs. Staros and Mrs. Zagulina, and I feel that the reception which Mrs. Russell has had in the national movements, and the small study which has been made with the Advisory Council, are very encouraging. I would say it is the beginning of a new era in the relations of the women cooperators with cooperative movements at all levels. I hope and think that I can see that sign already, and I do not quite understand what Mrs. Zagulina means when she says that the I.C.A. authorities should plan and look ahead and should map out a course for our Women Cooperators' Advisory Council. The terms of reference of this Council are exactly the opposite. It is said there that the women have complete freedom to survey the whole of the cooperative field and to advise the I.C.A. on what we should be doing to take care of the shortcomings which they find from the women cooperators' side. Therefore I feel that the designing and the policy of the I.C.A. in setting up a Council of this type is what should be studied, and if the women cooperators are not happy with those terms of reference they are fully free to consider in their Council the extent to which they are unsatisfactory and to raise the matter with the I.C.A. Authorities. But I would think that the planning has been carried out to set up the organisation, and the women now have every opportunity, which we welcome, to make suggestions. I think they will find their Council very powerful, because I think that good suggestions will be carried out as far as is practicable. I, therefore, welcome these interventions and look forward to a useful development in that field.

I do not think I need comment on the fact that we were slow in getting off the ground, although I admit we were slow. It is not very easy to go quickly at the international level. We were told that the decision was made and then it took a year to get started. We had the same problem with the Principles Commission. We had to have a decision of the Central Committee. We must remember that the representative policy-making body of the I.C.A. after Congress is the Central Committee, and your Executive Committee is an administrative and executive body; it cannot be a representative body. We cannot go ahead and make decisions too fast with the Executive; we must have proper policies determined in the Central Committee. I do not, therefore, apologise for the delay but I accept it, and I say that we have tried to reduce it as far as possible.

The intervention of Mr. Nijhof of Holland was very important. Perhaps its place was more properly under the Technical Assistance Committee but I would like to mention it because it has a special significance. Five per cent of Coop-Nederland's net surplus, as I understood it, to the I.C.A. Development Fund would constitute a new contribution of about £2,500. I have always assumed that we must appeal to our members for money, to our societies for technical assistance know-how, and to our governments for money, but I have been very chary of ever suggesting that the cooperative organisations should contribute funds, because they are fighting competition and they are doing what their members have set them up to do. It is not possible for me, even at the centre of the I.C.A., to determine how far cooperative organisations should be called upon to pay for expenses in the technical assistance field. Therefore, something of this nature is more than I would ever have dared request, and I am very grateful for it. I would, therefore, ask societies for technical know-how, but if anybody else would like to come forward in the technical assistance discussion and say that they will consider in their national movements the action taken by our friends of Co-op Nederland and see if anything similar could be done by them, I think this would be a wonderful thing.

Mr. Sobieszczanski from Poland made a number of suggestions. As regards those connected with the United Nations, I will look at them very seriously. He and his department are extremely well organised and we have received excellent advice from our Polish cooperative friends in the international field. The Polish cooperative movement is one of those which study international events to a great extent and is thus able to provide me with some very useful material to enable me to do my work. I would like to thank them for this interest and to say that the material they give me is a great source of inspiration and help to me in my work.

On the question of youth and youth committees, this is a very difficult field. The pattern is different in every country. Some countries have their own youth movement cooperatives, some have none; some collaborate with other youth movements; but the Director of the I.C.A., and the Secretary for Women Cooperators have been authorised to do what they can in the field of youth in the time that they can make available.

We have had discussions with the International Working Group for Youth and Cooperation and found that they could make no progress at all as a separate international cooperative youth centre. They have now closed down and have handed the balance of their funds to me, which I have placed on deposit in the I.C.A. I have had a meeting with the members of that group who are here in Vienna, and we have drawn up some ideas and suggestions as to what the I.C.A. might be able to do in this field. I shall circulate these suggestions to those members and check with them and then go forward to the I.C.A. Executive to see what would be practical, with the limited resources we have and the difficult position in the field of youth. I think that something quite clear and definite will be done, even if it is not enough for many people. As soon as the action authorised is determined I will then give it a wider publicity to everybody and invite the full collaboration of all member organisations.

I am very glad to have the comments about International Cooperative Day and to know that this is being celebrated throughout the world. It seems that when the first Saturday in July is not a suitable date the first Saturday in November has been suiting a number of countries as an alternative.

Many comments have been made on our relations with international organisations and on the need to co-ordinate our activities with the United Nations. I do not know how to reply to Mr. Sobieszczanski when he says that we go to places and attend meetings but cannot point to any results. There are results. I could not list them now but our papers show some. We have planned the study tours of the cooperative teacher/learner grantees in the UNESCO programme and helped them to have satisfactory study in Europe, six men and two women from the developing countries, and there are various other instances like that. We are still holding discussions with Miss Harris as to how we can develop these in the field of illiteracy which Mr. Barbier mentioned, which is so important. I assure you that we are trying with our resources to collaborate fully with

our friends in the United Nations agencies and the international non-governmental organisations. That is as far as I can go at this Congress.

The President: Our Director is to be thanked for the painstaking way in which he has taken notes of the very important and constructive contributions which have been made in the course of the discussion on the Report of the Central Committee and his reply to the discussion. He has pointed out himself that the information which he has given cannot be complete, but it covered a number of very important points on our work during the period between the two Congresses and pointed forward to the future activity which we are contemplating and which we shall do our best to pursue in a practical way.

What the Director has said in reply to the discussion has made my task an easy one; there are almost no questions of policy or of a controversial nature on which I have to comment. I should only like to add that when it is said here, as I said in my Inaugural Address, that there is a very great incongruity between the figures which various nations in all parts of the world spend on armaments and what they are prepared to spend on giving financial and technical assistance to the newly-developing countries, this remark is of almost universal application; it is not a question only of countries which we describe as being of the mixed economy type, but applies equally to countries with a planned economy. It may be difficult to compare figures and see what the percentage is, because the compilation of budget figures varies from country to country and from one economic system to another, so that it is not easy to arrive at trustworthy figures. But the general figure is of the nature which I mentioned in my address, something like 10 per cent, and there are cases even in the less-developed countries where a much greater figure is being used for armament purposes.

This is a very deplorable situation, but if we concentrate only on what we call the industrialised countries, not only countries of the West, the mixed economy types, but also socialist countries with a planned economy, there are reasons for believing that the national income, or the gross national product, as we call it, in these countries is increasing in the West by some 3 to 4 per cent, and perhaps more in some industrialised parts of the world, perhaps in the socialist countries. This means a doubling of the income per head in a period of 20 to 25 years, whether it be in the East or the West, whereas, for instance, it is well known that the population growth, the slow increase in the productivity of agriculture and the slow progress of industrialisation in the less-developed countries means that they are faced not with a doubling of income per head in a quarter of a century, but with a question of survival so far as a large proportion of their population is concerned. This is a problem of such dimensions that it will certainly play a very large part in our discussion of technical assistance problems, and the role which the cooperative movement can play in this context deserves our fullest attention.

As Mr. Barbier said yesterday, when he spoke about our collaboration with UNESCO in its activities for strengthening adult education, and above all in the fight against illiteracy in the lesser-developed countries, it is and must be a question of conscience for all of us in two respects. I am now thinking of the industrialised parts of the world. The first is as individuals, whether in the planned economy countries or the mixed economy countries. What are we prepared to do individually to assist, and what are we prepared to do as responsible representatives of our cooperative organisations to assist in this field? There may be various ways of doing it, as the Director has said; one movement may do it in one way, and another in another. What is important, in my opinion, is that action is so urgently needed that cooperative movements must look upon this as one of their most important tasks in the future.

As for the I.C.A. itself, the Director has only indirectly hinted at a fact which I think should be stated from the Chair quite plainly, it is that it is not much use asking for a considerable expansion of the activities of the I.C.A. in various fields such as research, which is very much wanted, without at the same time having in mind the fact that what the I.C.A. can do is entirely dependent upon the financial resources which national cooperative movements in membership are prepared to give to it.

This must not be regarded by Congress in any way as a criticism of what has been done so far, but we have always to bear these two sides of the problem in mind when we look at the activity which has been carried on. I would say at this juncture that we owe very great thanks both to our earlier head officials and their collaborators at the I.C.A. and to a very high degree to our present Director and his collaborators, that with very restricted financial means they have been able to act, and act efficiently, in so many fields where the I.C.A. now has an international standing with inter-governmental organisations and with other organisations which is higher than ever before.

I now submit the Report of the Central Committee for adoption. Does Congress adopt this Report?

The Report was adopted unanimously.

Obituary

The President: We now have the sad task of recalling to remembrance that since Congress last assembled several outstanding cooperators have passed away. It is not possible to mention all those whom we should like to remember so I will read the list which is contained in the last section of the Report of the Central Committee.

Earl Alexander of Hillsborough, distinguished British co-operator, and a former official of the Co-operative Union.

Mr. Orazio Bardi, President of Associazione delle Cooperative degli Consumatori, Vice-President of Lega Nazionale delle Cooperative e Mutue, Italy, and a member of the I.C.A. Central Committee from 1948.

Mr. A. Charial, creator of "l'Avenir", founder of the Union of Workers' Productive Societies of the South-East region of France, and a member of the I.C.A. Central Committee. President of the I.C.A. Committee of Workers' Productive and Artisanal Co-operatives.

Mr. John M. Davidson, past President of the Scottish Co-operative Wholesale Society, and a former member of the I.C.A. Executive and Central Committee.

Mr. Y. Hasumi, President of the Central Union of Agricultural Co-operatives, Japan, and a member of the I.C.A. Central Committee.

Mr. Andreas Hermes, Honorary President of Deutscher Raiffeisenverband.

Dr. E. U. Corona Martinez, Federación Argentina de Cooperativas de Consumo, and a member of the I.C.A. Central Committee.

Shri Vaikunthal L. Mehta, Minister for Finance and Co-operation of the former State of Bombay, Chairman of the Bombay State Co-operative Union.

Mr. Thorsten Odhe, Director of the International Co-operative Alliance - 1948/51 Head of the Research Department of Kooperativa Förbundet. Editor of "Kooperatören", author.

Chief Akinpalu Obisesan, President of the Co-operative Union of Western Nigeria.

Mr. Julien Papart, past President of Société Générale Coopérative, President of La Prévoyance Sociale and a member of the I.C.A. Central Committee.

Mr. Nicholas Repetto, founder-member of El Hogar Obrero and Federación Argentina de Cooperativas de Consumo.

Mr. N. P. Sai, Centrosoyus, U.S.S.R., and a member of the I.C.A. Central Committee.

Dr. Väinö Tanner, Acting President and Prime Minister of Finland, President of Elanto Society and of SOK, Board member of KK and OTK, and President of the I.C.A. - 1927/46.

Mr. Paavo A. Viding, President of SOK, Finland, from 1949.

Lord Williams, First Baron of Ynyshir, former President of the English Co-operative Wholesale Society and of the 1952 British Congress.

The President continued: We shall remember these ardent cooperators, and all those whom we have not had the possibility of mentioning by name, but who also have given valuable service to our movement, nationally and internationally. We will remember them and pay tribute to them in silence.

The delegates stood in silence as a tribute of respect.

Reports of the Auxiliary Committees

INTERNATIONAL INSURANCE COMMITTEE

The main concern of all responsible men nowadays is how to ensure prosperity and welfare throughout the world, which is moreover the only way towards a universal and everlasting peace.

The I.C.A. Insurance Committee endeavour in their own field to contribute to the realisation of this ideal.

During the last Full Conference held in Bournemouth (1963) a series of important resolutions setting out the principles which should be followed to achieve this ideal were unanimously passed.

Let us now consider two of the most important among those resolutions and set out the practical conclusions reached since then by the Executive Committee.

Allnations and Loan Guaranty Fund

The members of the Executive are positive that no action in developing countries can be successful unless at least two conditions are fulfilled:

First of all, there must be in the involved country a common desire for the incorporation of an insurance cooperative, this desire being supported by the local cooperative authorities.

Secondly, financial support from abroad may be necessary, but if so, this support should be of a limited duration and backed by the local cooperative movement. It would not be sound to allow all the money required to come from abroad. Moreover, it must be clear from the start that any money borrowed from abroad will have to be reimbursed within a reasonable period of years.

A financial set-up has been designed in order to simplify the procedure whilst giving as much security as possible.

In order to facilitate the granting of loans under the above-mentioned conditions, it will be proposed to the delegates to the Full Conference meeting in Vienna that they agree to establishing a corporation called "Allnations" the shares of which should be subscribed by the companies affiliated with the I.C.A. Insurance Committee. Dividends will be paid out annually to the shareholders.

Allnations Inc. will absorb the already existing Loan Guaranty Fund amounting by now to nearly £6,000, the purpose of which is to make good any losses that may occur in connection with loans granted to developing countries' cooperative organisations.

The proposed arrangements should simplify the granting of financial support to the Cooperative Movements in developing countries which desire to incorporate insurance cooperatives of their own.

A full report on the matter will be delivered to the Conference in Vienna.

Establishment of a Permanent International Insurance Development Bureau

In most instances financial support from abroad will not prove a sufficient asset. Technical help will be required also.

The Reinsurance Bureau has provided this kind of assistance for many years.

At the Bournemouth Conference the Executive recommended the establishment of a Development Bureau to carry out the recommendations of the Research Committee and to support the developing countries in their efforts towards incorporating and launching insurance cooperatives.

Accordingly, the Full Conference will be invited to approve a recommendation from the Executive that the International Insurance Development Bureau be appointed for a further three years.

It is appropriate that I should mention that the International Insurance Development Bureau has at the wishes of the Executive done a splendid job of preparing All-nations Inc.

Reinsurance Bureau

A Conference of the Insurance Committee would not be complete without a report on the splendid results achieved by the Reinsurance Bureau.

A reference to this matter is particularly desirable as Mr. John L. Nuttall, Deputy General Manager of the Co-operative Insurance Society in Manchester (Great Britain), the man who has been one of the pioneers of cooperative reinsurance and who since the establishment of the Bureau has acted as its Chairman and Secretary, has now reached retirement age and is giving up his professional duties.

Since 1949, when the Bureau was first established, Mr. Nuttall has devoted a good deal of time to the development of international cooperative reinsurance.

In consideration of this, the Executive meeting in Brussels on April 21st and 22nd, 1966, decided to express to Mr. Nuttall their gratitude in the following terms:

“At their Meeting in Brussels on 21st of April 1966, the members of the Executive Committee of the Insurance Committee of the International Co-operative Alliance placed on record their great appreciation of the outstanding contribution which John L. Nuttall has made over a period of 17 years to international cooperative insurance and reinsurance as Chairman of the International Cooperative Reinsurance Bureau.”

The Executive Committee approved a unanimous recommendation from the Reinsurance Bureau members that Mr. Raymond Lemaire be appointed Chairman of this Sub-Committee.

Raymond Lemaire also has been a member of the Bureau since its commencement in 1949. He has taken part in all its vicissitudes and activities from the beginning so that he is familiar with the problems of reinsurance.

There is no doubt that he will prove a worthy successor to Mr. Nuttall who has displayed in this capacity so much talent.

Mr. Raymond Lemaire will report to the Conference on the Reinsurance Bureau's development during the past three years.

Agenda to the Full Conference

In addition to the three above-mentioned reports, the Executive Committee deemed it timely to submit to the members of the Conference some matters of general interest to all affiliated Societies. Accordingly, the Agenda to the Conference was established as follows:

- (1) Minutes of the last Full Conference (Bournemouth).
- (2) Report of the Secretary.
- (3) Financial Statement 1963-1966.
 - (a) Insurance Committee budget
 - (b) Loan Guaranty Fund
- (4) Allnations and Loan Guaranty Fund
introduced by Mr. Robert Dinnage, Great Britain.
- (5) Development Bureau report
introduced by Mr. Klas Back, Sweden.
- (6) Reinsurance Bureau report
introduced by Mr. Raymond Lemaire, Belgium.
- (7) Problems of co-operative insurance in developing countries
introduced by Mr. N. A. Kularajah, Malaysia.
- (8) Co-operation among insurance co-operatives
introduced by Mr. Seved Apelqvist, Sweden.

- (9) Is it possible to improve the results in Motor insurance?
introduced by Mr. Henri Lemaire, Belgium.
- (10) Appointment of an Auditor.
- (11) Election of the new Executive Committee.
- (12) Any other business.

A financial report will be circulated to the delegates to the Conference.

The present members of the Executive Committee are:

Messrs: Robert Dinnage, Great Britain, Chairman.
Seved Apelqvist, Sweden, Vice-Chairman.
Henri Lemaire, Belgium, Secretary.
Bowman Doss, U.S.A.
Willy Maurer, Switzerland.
G. Lloyd Matheson, Canada.
N. A. Kularajah, Malaysia.

The 1966 Full Conference in Vienna is likely to appear as a milestone in the history of the Insurance Committee.

We fervently hope that on this occasion a step forward will be taken towards a practical implementation of our common purposes.

HENRI LEMAIRE,
Secretary.

Discussion

Mr. R. Dinnage, Great Britain, Chairman of the Committee: It is my privilege to report on the proceedings of the meetings of the Insurance Committee which were held last week. Delegates have in the printed Agenda a report by our Secretary on the work of the Insurance Committee during the three years since the last Congress, but I have to report on what we did last week.

There were nearly 90 delegates at our Conference, representing 25 cooperative insurance societies throughout the world. There are, in fact 56 cooperative insurance societies in membership with the Committee, and it is our hope that this number will continue to grow.

The Insurance Committee was founded in 1921 by Josef Lemaire, who also founded La Prévoyance Sociale in Belgium. We have to record with regret that he died a few weeks ago; at our meeting tributes were paid to the life and work of Josef Lemaire. A few weeks later the only other surviving original member, Karl Ericsson of Sweden, also died, so that the Insurance Committee lost the last of its pioneer members within a short time of each other.

The work which they and the other pioneers started has developed in many ways, and last week it was unanimously decided to set up an international company called Allnations Inc. with its headquarters in Columbus, Ohio, U.S.A.

All the members of the Insurance Committee will take up shares in this company, which has been established to provide capital to assist in the establishment of cooperative insurance societies in the newly-developing countries. The members of the Committee have for many years given technical assistance and advice to cooperative insurance societies in the developing countries, but hitherto they have been unable to find a practical way of sharing in the responsibility for making capital available. Allnations Inc., together with the Loan Guaranty Fund which was set up at the Bournemouth Congress, will act as a guarantor for loans to be made by a U.S. bank. The Board of Directors of Allnations Incorporated will be the members of the Insurance Executive Committee and loans will be made on their recommendation alone. We do not know what the demands will be, so that the initial share capital has been set at 300,000 dollars, of which 100,000 dollars will be called up at the outset. We feel that this is a tremendous step forward and that the Committee is now fully equipped to give every kind of assistance

ro cooperators in the newly-developing countries. The existence of Allnations Inc. is the means of providing capital where that is necessary.

Our International Insurance Development Bureau, under the chairmanship of Mr. Klas Back of Sweden, examines proposals made for advice and assistance in the establishment of new insurance societies and organises technical advice and assistance from member societies, who are always willing to receive trainees. The Development Bureau works closely with our Reinsurance Bureau Sub-Committee, set up in 1949 not only for the benefit of newly-established companies but also for existing companies. All insurance companies, large or small, new or old, require reinsurance facilities. Until 1949 all this business was placed with private capitalist companies, but at the present time this Reinsurance Bureau, of which Mr. Raymond Lemaire, of Brussels, is Chairman, handles £4 million per annum premium income which otherwise would have gone outside the movement. This business is growing. The Reinsurance Bureau has been able to give invaluable advice and assistance to member societies.

In the Insurance Committee we have built slowly but soundly, and I am certain that we are now fully equipped to take a big step forward; but caution will still be our watchword. So many cooperators in the newly-developing countries see the large funds held by the older societies and assume that this is an easy way for them to acquire capital for use in other fields. They overlook the fact that it takes many years of cautious management to build up large funds. My own society, the Co-operative Insurance Society, will celebrate its centenary next year. Even when funds have been accumulated they are not available for general disbursement.

During our Conference the problems of development in newly-developing countries were outlined in a paper by the general manager of the Cooperative Insurance Society of Malaysia, which under careful management has made great progress. Other matters discussed included the question of motor car insurance, a business which all cooperative insurance societies which do it have found it very difficult to operate at a profit.

We are the oldest of the Auxiliary Committees, I hope you will agree that we are still very active and able to produce positive results. We are eager to increase the number of cooperative insurance societies throughout the world and to ensure that they are closely associated through the I.C.A. Insurance Committee, not only for ideological reasons but for sound business reasons.

The President: I thank Mr. Dinnage for the information which he has given and I am sure that I express the feeling of Congress when I say that the new action taken by the formation of Allnations Inc. to support insurance cooperative development in the newly-developing countries is an example of practical action in this field which is very much appreciated.

INTERNATIONAL BANKING COMMITTEE

Since the Banking Conference in Bournemouth on the 11th October 1963 the then appointed Executive had met on two occasions, on the 29th September 1964 in Belgrade, and on the 14th September 1965 in Helsinki.

From statistics provided by the Secretary it was shown that in the period 1959 to 1964 the total assets of the eleven reporting Cooperative Banks increased from \$1,650 millions to \$2,812 millions, with a continuing growth of all types of banking business.

The percentage of foreign business transactions between Cooperative Banks has remained at about 10 per cent of their total foreign business. This matter was discussed in detail at the Meeting in Helsinki, and it was agreed that the International Cooperative Bank Limited, Basle, should undertake a review of the position for subsequent report.

The Sub-Committee appointed to discuss with the International Cooperative Bank, Basle, the possibility of strengthening its capital position, and so permit an extension of its activities, continued its negotiations during the past two years, and it is pleasing to report that during this year (1965) the Bank has been reorganised as a limited company (but with cooperative shareholders retaining a majority of votes), with an increase in

capital from Swiss francs 1,370,000 to Swiss francs 10 millions, all of which has been subscribed. On this basis it is hoped that the Bank will be able to play a full part in the international co-operative banking field, and that it will receive the support of all Co-operative Banks and Institutions.

At the Belgrade Meeting in 1964 Mr. R. Yelland, C. W. S. Bank, Great Britain, was appointed Secretary of the Committee following the resignation of Mr. S. Tyldesley, and at the Helsinki Meeting in 1965 the resignation was received with regret of the Chairman, Mr. W. Quincey, following his retirement from the Board of Directors of the C.W.S. Ltd., Great Britain.

R. YELLAND,
Secretary.

Discussion

Mr. A. R. Glen, U.S.A.: I bring the greetings of what I believe to be the largest and fastest-growing sector of the international cooperative movement, and I would like to share with you some of the work that we are doing and give some information about the structure of our organisation. Dealing first with the Report of the International Banking Committee, we find this of great interest, and we believe it would be of interest to the Committee to learn that the cooperative thrift and credit societies, which we call credit unions, of the North and South American continent are now busy organising a special form of international financial institution which will use the most modern techniques of communication and the electronic processing of information. It is through this activity that we hope to mobilise the surplus finances of these societies and make them available to the thrift and credit societies which are in need of additional funds, not only in North America but in the developing countries of Central America, Latin America, Africa, South-East Asia and, indeed, anywhere in the world where such help is required. The effect of this new financial organisation will, we hope, be the creation of a system for the rapid transfer of cooperative funds on an international basis, and we in the credit unions of North America are interested in the structure and functioning of the International Cooperative Bank which is mentioned in the Report of the Committee. This is something about which we do not have much information at this time, but we expect to acquire this information before we return to North America.

It is our belief that the future of international cooperative financial services may not be effective if the traditional forms of banking are followed. It has been our experience that those engaged in the functions of banking are traditionally conservative and unimaginative. We believe most strongly that the international cooperative movement must be imaginative in its concepts and bold in its approach to problems, and must become aware of the emerging future needs of the people that we serve. Also in seeking solutions to the problems of serving those needs we believe that we must project our thinking much further into the future, and must not be influenced so much by the traditions and inhibitions of the past. In other words, we believe that the cooperative movement should consider itself a leader rather than a follower, and we in the cooperative thrift and credit societies intend to follow this philosophy wherever possible.

Dr. W. Sommerhof, Chile: At our first International Cooperative Congress in 1961, at Bogota, Colombia, it was decided to take action to establish a cooperative banking system in Latin America which would be duly integrated with a central institution. We believe that this is the best way to provide cooperatives simultaneously with financial means and technical and administrative advice. It is said by many economists that while there is enormous need for investment in education and for the provision of new work in the Latin American countries, their saving power is not sufficient to support their own development, so that sums will have to be channelled into these countries for a prolonged period. This goes mainly to capitalistic enterprise or governmental institutions. The cooperative sector has received only a very small proportion of foreign credit, partly due to the fact that it was institutionally not prepared to receive funds.

The project worked out and presented in 1963 to the second International Co-operative Congress in Montevideo, Uruguay, proposed in the first place the establish-

ment of a cooperative bank, cooperatively owned, in the different Latin-American countries for the provision of credit, the raising of national capital and the giving of technical advice. Secondly the project proposed that there should be an inter-American bank with the purpose of obtaining international credit and channelling it into Latin American cooperatives, with the local cooperative member banks, and to interchange experience on financial, technical and administrative matters.

Since 1963 several steps have been taken to implement this very ambitious project. There are now 54 national cooperative banks or financial institutions for development credit owned by the cooperatives in Puerto Rico, Ecuador, Argentina and Chile, and several others are on the way to being established. The local banks have joined up, and, with the cooperation of the Co-operative League of the United States, and of our organisation of cooperatives, they have established the Sidecoop as a central institution for these banks. In the present stage it will not operate in the field of financing; the purpose of this international cooperative institution for the moment is to give technical assistance to national banks, to represent their interest in the international money market, assist in the exchange of experience, and promote the formation of such banks in countries where they do not yet exist. We owe thanks to AID and to the Fund for International Development for the financial and technical assistance given in the realisation of these steps.

Dr. Saxena has told us that one of the decisions adopted in the South-East Asian Region was to give special importance to capital formation to ensure autonomy for cooperative action. Latin-American cooperatives fully agree with this statement, and that is the reason why so much attention is given to the development of the financial institutions to which I have referred. Any assistance that the I.C.A. and its member cooperative movements can give us for the implementation of these plans will be highly appreciated.

Mr. C. Pedersen, Denmark: I should like to call the attention of Congress to the resolution with reference to international cooperative banking which was adopted by the International Labour Conference this summer in connection with the recommendation on cooperatives in developing countries. The President mentioned this in his address, and Mr. Orizet also spoke of it. This resolution recommends Governments to consider and encourage the development of international cooperative banking.

I do not think this resolution is a very important or a very constructive or powerful document, and I am not sure that any Government is likely to act on it. I do think, however, that the cooperative organisations in the various countries ought to be aware of the existence of the resolution, in order that they may be prepared to advise the Governments in their countries if they should want to act upon the resolution. Naturally the role of cooperative organisations in such a case should be to try to coordinate such action with the work of the I.C.A., its Banking Committee, and the International Cooperative Bank which is already in existence.

The President: As the Chairman of the Banking Committee is not present, I will ask Mr. Alexander to reply to the discussion.

The Director: I shall not attempt to speak for the authorities of the International Cooperative Banking Committee, but I should like to make a few remarks from the point of view of the I.C.A. on the points which have just been raised. There are a number of important issues at the international level concerning cooperative thrift, cooperative credit, and cooperative finance, but finance for cooperatives and their development, and finance to go through cooperatives for the use of their members.

CUNA International Inc. is holding a conference in Jamaica in October to which they have invited a number of different types of cooperative thrift, credit and banking organisations. Our President will give an address at the opening of the conference, and I have prepared a paper for it which I shall deliver. The I.C.A. Banking Committee and the International Cooperative Bank in Basle will both be represented and it may be possible to make some progress in considering the proper structure for the cooperative

thrift, credit and banking movement at international level, also the relationship which we should have with the government side, the World Bank and the World Bank subsidiary and ancillary organisations, because this is a very active field, as can be shown by one instance, the loan of 5 million dollars from the International Development Association of the World Bank to the Government of Tanzania for use by the cooperative movement in Tanzania and entirely in that movement. Such development needs our consideration, and we have to think about these matters and develop a policy in regard to them.

The report of the Director General to the Governing Body of the ILO on action to follow the International Labour Conference does not as yet contain any recommendation for action under the resolution mentioned by Mr. Pedersen. We shall be in touch with Mr. Orizet, to see what would be advisable on this matter. In the meantime, your Executive have prepared a request for advice from the Banking Committee, and your new Central Committee after Congress will have this advice before it, to be passed to the Banking Committee, asking it to report to the Central Committee on various matters concerning the structure and operation of the cooperative thrift, credit and banking movement at the international level.

In the absence of a spokesman for the Banking Committee, and while not speaking for the Committee, I think that these important matters, which have been referred to by speakers, require to be explained.

INTERNATIONAL COMMITTEE OF REPRESENTATIVES OF WORKERS' PRODUCTIVE AND ARTISANAL SOCIETIES

Election of the President

In succession to their late President, Antoine Charial, the Committee unanimously elected at their meeting of the 14th September 1965, in Helsinki, Mr. Antoine Antoni (France) as the new President.

Meetings

During the last three years the Committee has met at Belgrade, 29th September, 1964; Helsinki, 14th September, 1965; Vienna, 29th August, 1966.

New Members

The following two organisations have joined the I.C.A. and have expressed a desire to participate in the work of our Committee: Central Union of Work Cooperatives (Warsaw); Associatie van Bedrijven op Coöperatieve Grondslag (Amsterdam).

Fishery Cooperatives

At their meeting at Belgrade, the Secretariat had been instructed by the Committee to embark on the establishment of a sub-committee for fishery societies. But simultaneously a similar decision was taken by the Agricultural Committee which wished to assemble all food questions under its auspices.

The Director of the I.C.A. considered it, therefore, indicated to convene in London, 8th and 9th February, 1966, a special meeting for an examination of the present organisation of the Auxiliary Committees of the I.C.A., the organisation of fishery cooperatives all over the world, the character of their principal problems and the finding of the most appropriate means to serve their interest.

Apart from the leaders of the I.C.A., the President of the Agricultural Auxiliary Committee and a representative of the Workers' and Artisanal Cooperatives, Mr. Lacour, representatives of the following countries took part in the meeting: Germany, France, Ireland, Iceland, Italy, Great Britain, Japan, Norway, Poland, Sweden.

F.A.O. was represented by Mr. M. Remoy.

It was finally decided that the Fishery Cooperatives should be under a special sub-committee established within the framework of the Agricultural Cooperative Committee.

Composition of the Committee

After Mr. Staples and Mr. Shinkichi Katayanagi had in August 1963 informed the secretariat that no Workers' Productive and Artisanal Societies existed in Canada and Japan, and a similar communication had been received from Mr. Vandersmissen in June 1964, with regard to the position in Belgium, the secretariat eliminated from the list of members of our Committee the countries mentioned. This decision does not, however, preclude any interest which might be shown for the experiences of isolated Productive Societies which might exist in these countries.

At the moment, our Committee comprises 24 national organisations of the following countries: Austria, Ceylon, Denmark, France (4), Great Britain, India, Israel, Italy (3), Malaysia, Mexico, Nigeria (2), Netherlands, Pakistan, Poland, Sweden, Switzerland, Czechoslovakia, Yugoslavia.

It would be desirable that other national organisations already in membership with the I.C.A. and which include Workers' Productive and Artisanal Societies should take part in the work of our Committee and that other organisations which are not yet affiliated, as those of Germany and Argentina, should be asked to join.

Statistical Data

Following a decision at Scheveningen in 1962, a statistical enquiry was undertaken based on previously adopted guiding lines.

Our questionnaires were answered by organisations in Ceylon, Denmark, France, Great Britain, Israel, Italy, Mexico, Nigeria, Netherlands, Poland, Sweden and Czechoslovakia. Supplementary information was obtained from other sources. In the Report 1964 presented to the Belgrade meeting, the secretariat had made a preliminary comparison with the data collected in previous years. The result is briefly as follows:

a) There exists a general tendency to a stabilisation of the number of cooperatives and to an increase in the number of members and in the production. An expansion of the Movement can be noted in all industrial and artisanal sectors.

The number of activities covered is more than one hundred.

b) In the following countries our form of Cooperation is most developed: Argentina, Ceylon, France, India, Israel, Italy, Mexico, Pakistan, Poland and Czechoslovakia.

c) The following categories show the greatest expansion: transport and auxiliary services connected with transport, textiles and clothing, construction and building materials, services and graphic arts.

d) Other cooperative activities have only been taken up in the course of the last few years, but they are on the increase, for instance, the cooperatives of dramatic art and entertainment and the cooperatives in the liberal professions.

e) All cooperative activities develop within the framework of the national economy and, with very rare exceptions, our cooperatives do not embark on activities outside their national frontiers.

From various sides a wish has been expressed for a commercial coordination in the international sphere.

A statistical enquiry is never completed and ours is constantly enlarged by new data. The important statistical enquiry on the Cooperative Movement conducted by the International Labour Office will greatly help the statistical work of our Committee.

Workers' Productive and Artisanal Cooperatives and Developing Countries

We remember here the wish declared in 1960 by our late President, Antoine Charial, that all the possibilities of our Committee should be put at the disposal of the young Cooperative Movements in the newly-developing countries.

Some proposals submitted at that time are being executed, others are still being elaborated.

Synthesis of Monographs

As is well-known, our Committee has every year examined the development in the

world of a particular professional category selected from among those which seemed to be exercised in a fairly large number of national organisations.

At our meeting in Bournemouth in 1963 it was decided to compile a synthesis of the nine published monographs as desired by some members of the Committee who wished to see a general publication on the achievements of Workers' Productive Societies in the world so as to make knowledge available based on practical experience. The synthesis was to be brought up to date on the basis of information received in the meantime.

The secretariat presented at the Belgrade meeting a plan for the recapitulation of the monographs to be modified according to the wishes of the members.

The plan is subdivided into professional categories following the order of publication of the monographs: graphic arts, building and building materials, transport and auxiliary services, fishing, mechanical and allied industries, textiles and clothing, wood industries, foodstuffs, cooperatives in the liberal professions.

For each category the essential points contained in the monographs are reproduced: origins, present and future possibilities, the principal problems and essential claims of the cooperatives.

The Committee decided to publish the synthesis compiled by the secretariat after the statistical data had been brought up-to-date. The French organisation will bear the printing costs. At the moment we are still waiting for certain statistical information. When this has been obtained, probably thanks to the help of the International Labour Office, we shall be able to examine the decision which has been taken.

Study of Comparative Legislation

At one of their meetings our Committee had expressed, on the proposal of Mr. Beretti, the wish that a simple study should be undertaken of the legislation in force in the principal countries where Productive Societies have been developed.

This study was to be published in order to supply a comparative table of the principal enactments governing Workers' Productive Societies to serve all those who all over the world wished to undertake such ventures.

The secretariat, therefore, undertook an enquiry asking all our affiliated organisations for information on the laws in force in their countries, and our friend Antoni assumed the task of compiling the study.

The results of his labours were presented to the meeting of 1964 in Belgrade, and immediately after the meeting the draft was sent to all affiliated organisations for examination, corrections and additions where necessary.

At the meeting in 1965 in Helsinki the Committee decided, after examination of the work, to publish it on the basis of the information received by the secretariat in order not to delay any further the conclusion of the study already nearly completed.

Our President Antoni and the French organisation will take charge of the publication of this brochure.

Information Bulletin

On the other hand it has not as yet been possible to carry out one of the recommendations of the Committee, i.e. the publication of an information bulletin at irregular intervals, destined especially for the cooperators in developing countries in order to inform them of the most successful experiments and the reasons for their success.

At the meeting in 1965 in Helsinki the Director of the I.C.A. proposed that such items of information should be incorporated in the News Service of the I.C.A. All the members of the Committee agreeing, the secretariat was asked to collect news items from all affiliated organisations and to transmit them to London.

Seminar for Responsible Officials of Industrial Cooperatives *

On the basis of a proposal by the Israeli organisation, the Committee decided unanimously at their meeting of 1964 in Belgrade, to organise a Seminar for responsible officials of industrial cooperatives, leaving it to the President and Secretary to fix its date and place after consultation with the I.C.A.

Subsequently, the secretariat communicated to the affiliated organisations a programme asking for their opinion and advice.

On the basis of the replies received, President Antoni outlined at the meeting of 1965 in Helsinki the principal characteristics of this Seminar: "it will assume the form of an open meeting with ample discussions and will follow the plans evolved for the International Cooperative Schools organised by the I.C.A."

Subsequently, our President was able to enlist the official support of the I.C.A. in connection with the organisation of this Seminar. Although the preparatory work is entirely the responsibility of the French Organisation, this participation of the International Co-operative Alliance will contribute to increasing the importance and the quality of this event.

Technical Problems of Building and Collaboration with the I.C.A. Housing Committee

Many affiliated organisations stress the importance of a close collaboration between Housing Cooperatives and Workers' Productive Societies in the building trades. In view of this one cannot understand why such a collaboration cannot be considered equally indispensable in the international sphere.

The secretariat of our Committee has taken all possible steps in view of a renewal of these joint meetings of delegates of the two Committees, which in the past have proved very useful, but up to now without any success. The intervention of the authorities of the I.C.A. in the sense desired by us might perhaps be more fruitful.

Relations with other Organisations

In the course of the period under review the secretariat of our Committee has been in contact with the leaders of cooperatives in different countries, often at the invitation of the I.C.A. We mention especially: the Spanish Metallurgical Cooperatives; Cooperative Secretariat in Quebec; Technical Cooperative Office, Santiago de Chile; Cooperative of Textile Workers, Montevideo; South-East Asian Regional Office; leaders of Cooperatives in the Argentine, Egypt, U.S.A., Libya, Malta, Morocco, Somalia, Mexico, Peru and Algeria.

Some of these have asked for technical information, others have enquired with regard to the possibilities of establishing relations with cooperatives working in the same sphere. All have manifested the natural desire to reinforce international relations and to get into closer direct relations with our Committee whenever questions concerning Workers' Productive and Artisanal Societies are being examined.

Exchange of Technicians and Experiences

Although still in a limited way, the exchange of experiences has been continued above all in the form of study tours. This movement has manifested itself especially between French and Italian, Czechoslovak, Polish, Swiss, German and Swedish co-operators.

Conclusions

This brief report does not exhaust the great mass of questions dealt with. So the questions concerning cooperatives among invalids and cooperatives in the liberal professions have been discussed by our Committee, but their examination has as yet not been deep enough.

One of the most important problems that remains is the spreading of the ideology and techniques of Workers' Productive Cooperatives. The newly-developing countries do not fail to remind us frequently that they are in need of all forms of cooperative activity, including the activities represented by the member organisations of our Committee.

The Seminar, the cooperative statistical study, the comparative study of legislation, they all show our good will, but in order to be really effective, all these initiatives should encompass the world and to achieve this we have not got the means. We do not ask for

help from outside because our Committee is able to live thanks to the faithful and generous support of the most important member organisations. We only ask for sympathy, understanding and help for developing ideas and methods whose general application would make a very useful contribution to the potentialities of the World Cooperative Movement.

ERMANNON MONDINI,
Secretary.

Discussion

Mr. A. Antoni, France, Chairman of the Committee: The three years which have elapsed since the Bournemouth Congress would have been happy years for our Committee if it had not been saddened by the death of President Charial, its founder, to whose memory Congress has paid tribute.

We have pursued his task and, thanks to the statistics faithfully kept by our devoted Secretary, Mr. Mondini, we are in a position to assess the main features of the actual development which took place in the world over the last three years in workers' and artisanal cooperatives.

The number of cooperatives has remained relatively stable, but we have noticed a substantial growth of their overall activities, of their average size and the number of their members. We have also noted, and this is very important, an increasing expansion of cooperation into many new activities such as dramatic art, the organisation of stage shows, medicine, legal aid, bureaux of technical studies, etc.

Workers' Artisanal and Service Cooperatives, which were very few in 1947, now number 53,000 with a world membership of 4,500,000. What is important is that most of these cooperatives and their members are young, hence their greater need for information and exchanges of experiences. This has inspired the direction of the activity of our Committee.

But, once again, are the information and exchanges of experiences which take the form of bilateral exchanges between the organisations and members of our Committee satisfactory and adequate?

We have long hoped to be able to organise a real confrontation between those responsible for the workers' productive and artisanal cooperatives. This has now been accomplished. In July this year, for the first time, we held in Chamaranche, a seminar of workers' productive and artisanal cooperatives, the theme of which was, naturally, the application of traditional cooperative principles, this being Congress year.

We found such an atmosphere of mutual confidence between the participants at the seminar that it was easy to study the problems. We were greatly helped by the friendly cooperation of the Alliance, the presence of Mr. Alexander, its Director, and Mr. Watkins, its former Director, who were for us an invaluable source of knowledge and encouragement.

A second seminar will follow between workers' productive and artisanal cooperatives, which will be all the more important because very interesting new perspectives are at this moment opening up to us, and through us for the whole cooperative movement. In fact, the whole modern economy which is in progress is characterised by a lively development of service activities. The cooperative movement cannot let the immense service sector remain outside its activities. And if we want to devote ourselves to it, it is naturally to the productive and artisanal form of cooperative that we must turn to take up a position in this sector.

The second important problem for our Committee is that the world cooperative movement would be unworthy of itself if it refused to see that it holds the solution to the great question of the place of Man within the enterprise. Men engaged in cooperative production must have a part in the direction.

The Dutch Association of Enterprises on a Cooperative Basis had submitted a resolution on this subject which had two objectives - the promotion of cooperative

co-partnership in productive undertakings of the consumers' movement, and decentralisation of the productive activities of wholesale societies.

We have thought it proper to withdraw this resolution so as not to prolong the discussions, and so that the resolution may be better prepared. But we ask Congress to take note of this question and to consider its promotion.

While we shall not intervene in the discussions on the Principles Report, we believe we are expressing the opinion of all members and organisations taking part in our Committee by making two observations – first, the new formulation of the principles which will be observed after this Congress must be broad enough not to exclude the new activities from cooperation; second, this formulation must be so precise that the popular and democratic character of cooperative organisations will never be in doubt.

Cooperation is not, for us, a mere technique of distribution or production. It is more than that. It is the great medium of reconciling, in every branch of economic activity, human freedom and technical development. Although our progress is at times remarkable, it will be in vain if we do not pursue together this high objective.

INTERNATIONAL COMMITTEE ON AGRICULTURAL COOPERATION

From Bournemouth to Belgrade

Between the Agricultural Conference in Bournemouth in October 1963, and the meeting of the Agricultural Committee in September 1964, there was no Agricultural Secretary, and the work of the I.C.A. in agricultural matters was restricted to following up a few of the most important tasks of the Agricultural Committee. The resignation of Mr. N. Wood (U.K.), who had been elected Chairman of the Agricultural Committee following the retirement of Mr. A. A. Drejer (Denmark), left matters in the hands of the I.C.A. President and Director, and finally of the new Chairman, Dr. L. Malfettani (Italy).

In November 1963 Dr. L. Malfettani and Mr. W. G. Alexander represented the I.C.A. at the FAO Conference, where a joint statement was made on behalf of the I.C.A. and the IFAP, relating to cooperative staff at FAO, and supporting a strengthening of the staff for important cooperative field work being undertaken. The FAO team of experts investigating the possibility of using international finance for the development of agriculture through cooperatives and similar institutions was followed up with a continuing assistance from the Swedish Cooperative Movement and the Government of Sweden. In this field the President of the I.C.A., Dr. M. Bonow, showed tireless activity in the interests of agricultural cooperation. (This part of the activity of the I.C.A. is more fully explained in the Report of the Central Committee under the heading "The I.C.A. and the United Nations, FAO".)

However, the internal work of the Agricultural Committee was at a standstill. No meeting was held until September 1964, either of the Agricultural Executive or of the Agricultural Committee. It was not even possible to follow up the discussion introduced at Bournemouth by Mr. P. Reymond (France) and Mr. R. Hewlett (the Secretary of the Standing Committee on Agricultural Cooperation of the IFAP) on integration in agricultural cooperation.

The Belgrade meeting held on the 29th September 1964, although not attended by the full membership of the Agricultural Committee, brought more life into the work of the Agricultural Committee:

First, a Chairman was elected in the person of Dr. Malfettani (Italy), the previous Vice-Chairman. In addition to the Chairman, Mr. M. Mustonen (Finland) was appointed Vice-Chairman, and Mr. J. Nepomucky (Czechoslovakia), Mr. P. Reymond (France), Mr. J. Efter (Israel) and Mr. C. W. Fulker (United Kingdom) were appointed as members of the Executive of the Agricultural Committee.

Second, an Agricultural Secretary was appointed.

Third, it was decided that the future work of the Agricultural Committee should develop on the following lines:

1. Documentation of the National Agricultural Cooperative Movements to be obtained and reviewed in order to ascertain whether further international publication is required.
2. Reports on the different international agreements concerning agricultural products, as required by national movements.
3. Organising a Conference on Inter-Cooperative Trade in Fruit and Vegetables.
4. Examination of financial provision in the future for the Agricultural Committee.
5. Organising meetings of specialists from affiliated organisations and formation of permanent technical sub-committees, as necessary.
6. Examination of the proposition for a sub-committee for Fishermen's Cooperatives to be set up.
7. Examination of ways and means, in cooperation with other parts of the I.C.A., for helping cooperative movements in developing countries.

Fourth, forestry and fisheries should become a part of the Committee's work.

Work in 1965-66

Since the Belgrade meeting there have been meetings of the Agricultural Executive in London February 1965, Palermo May 1965, Helsinki September 1965, and London February 1966. There was one meeting of the Agricultural Committee in Helsinki, September 1965. Besides that, there was one commodity conference, on the Development of Cooperative Trade in Fruit and Vegetables, held in Palermo, in May 1965.

Documentation on national agricultural cooperative movements has been continuously recorded in the Agricultural Cooperative Bulletin. The Bulletin has also contained information for members about the activity of the Agricultural Committee. The decision to publish the documentation on national agricultural cooperative movements is still under consideration and will arise especially in connection with the next edition of "International Cooperation".

In view of the fact that reports on the different international agreements concerning agricultural products might involve the Agricultural Committee in work which it would not be able to accomplish under present conditions, it was decided that the Agricultural Co-operative Bulletin should publish from time to time titles of books and documents which deal with international commodity agreements, so that member organisations will be familiar with the reports and their sources.

The Conference on the Development of Cooperative Trade in Fruit and Vegetables was held in Palermo from the 4th to 7th May, 1965. The Conference discussed the following reports: the international marketing of fruit and vegetables; the present co-operative trade in fruit and vegetables; the evolution of new techniques in the production, processing and handling of fruit and vegetables; impact of new techniques on consumer cooperatives; and the impact of new techniques on producer cooperatives. Besides, the Conference in its summary debate gave recommendation to the agricultural and consumer cooperatives about the topical problems concerning present trade in fruit and vegetables. 74 delegates and observers from agricultural and consumer cooperative organisations from Austria, Cyprus, Czechoslovakia, Denmark, Federal Republic of Germany, Finland, France, India, Italy, Norway, Poland, Sweden, Switzerland and the United Kingdom were present. In addition there were observers from the international organisations FAO, IFAP, and OECD, and regional organisations COGECA and Euro-Coop.

The Conference was considered successful, and delegates were able to establish useful business contacts. At its subsequent meeting, the Agricultural Executive decided that a meeting of experts should be organised in the first half of 1966 as a follow-up of the Palermo Conference. The theme of this meeting is problems of pre-packaging and the cold chain system concerning fruit and vegetables.

Two auxiliary committees of the International Co-operative Alliance, the Agricultural Committee and the Artisans' and Producers' Committee, organised jointly a meeting of representatives of fishermen's cooperative organisations in London on February 8th and 9th, 1966. The object of this meeting was to discuss the problems concerning

fishermen's cooperative organisations in various countries, and to consider ways and means of furthering their interests at the international level. Some of the main points of discussion were: the organisation of the I.C.A. and its auxiliary committees and the place of fishermen's cooperatives therein; a survey of national cooperative fisheries organisations throughout the world; possible areas for collaboration on the international level by cooperative fisheries organisations; defining the main interest of cooperative fisheries organisations at the international level and considering how best these interests might be served. FAO nominated an observer to attend this meeting.

At a meeting between the Director of the I.C.A. and the General Secretary of the IFAP, it was decided that cooperation between these two organisations might develop in several fields. It was agreed that a joint statement would be made at the ILO Conference in Geneva in June 1965 as well as that the Agricultural Secretary of the I.C.A. would attend as observer the meetings of the IFAP Standing Committee on Agricultural Cooperation, and the Cooperative Secretary of the IFAP attend the meetings of the Agricultural Committee of the I.C.A. Cooperation between the IFAP and the I.C.A. was also realised during the campaign to back the extension of the World Food Programme, and at the 13th FAO Conference.

At the Agricultural Committee meeting at Helsinki in September 1965, two themes were discussed concerning the agricultural movements all over the world: the size of the cooperatives and the concentration of power at the top, based on the report of Mr. R. Heikkila (Finland); and multi-purpose and single-purpose cooperative societies and effective power at the base, based on the report of Mr. M. Mustonen (Finland). It was decided that a summary of Mr. Heikkila's paper and of the subsequent discussion should be submitted to the Central Committee of the I.C.A. for further action. It was also agreed to study the possibility of closer collaboration within the I.C.A. between the Agricultural Committee and the Cooperative Wholesale Committee.

The Agricultural Executive decided that for the Agricultural Conference, to be held prior to the I.C.A. Congress in Vienna, the subject of "the contribution of cooperative processing and marketing of agricultural produce to agricultural development" should be chosen as the theme.

Steps were taken to keep in close touch with FAO in the Director-General's drive to induce industry to contribute in the development of processing and agricultural servicing industries in developing countries.

At the meetings in Helsinki and London the Agricultural Executive discussed the report of experts of financing agricultural development through cooperatives and other institutions, searching to propose ways and means to speed up its implementation and adjustment to the needs of individual countries. In the sense of the views expressed in the Agricultural Executive, Dr. Malfettani, the Chairman, spoke to the 13th FAO Conference.

The Constitution and Activities of the Agricultural Committee were amended at its meeting at Belgrade and the subsequent meetings of the Agricultural Executive, and finally approved by the meeting of the Executive Committee of the I.C.A. at Oslo in June 1965. It was agreed that the word "agriculture" used throughout the document should include forestry and fisheries. A paragraph of the Constitution and Activities was amended to increase the number of Agricultural Executive members in such a way as to make it permissible for the present number of six to be extended up to a maximum of nine, as and when the opportunity arises, to include suitable representatives on the Agricultural Executive from Asia, Africa and the Americas. It was further agreed that this paragraph should include provision for the life of the Executive to extend from Congress to Congress for a period of three years, with the retiring members being eligible for re-election. It was also agreed that provision should be made for the appointment of special sub-committees whenever necessary, either temporary or permanent, which would in all cases be answerable back to the Agricultural Executive. At its meeting in London in February 1966, the Agricultural Executive discussed a proposal of forming regional sub-committees of the Agricultural Committee, which would be answerable back to the Agricultural Executive.

Increased Membership – most important task

Since the Bournemouth Congress the following new members were approved by the Agricultural Committee: The National Co-operative Union of India, Lega Nazionale delle Cooperative e Mutue, Sveriges Lantbruksförbund and the Central Union of "Peasant Self-Aid" Cooperatives of Poland. It was confirmed that the Finnish organisation Kulutusosuuskuntien Keskusliitto has been a member of the Agricultural Committee since the 16th May 1963, as well as that Mr. C. Pedersen representing De samvirkende dansk Andelselskaber had never ceased to be a member of the Agricultural Committee. Authorisation was given for the Irish Agricultural Organisation Society of the Republic of Ireland, a new member of the I.C.A., to become a member of the Agricultural Committee when they make their official application. Nevertheless, increased membership still remains the most important task of the Agricultural Committee in the years ahead. The present membership of the Agricultural Committee is sixteen, compared with 58, which is the number of the agricultural organisations, or national organisations comprising agricultural interests, being members of the I.C.A.

At its meeting in London in February 1965, the Agricultural Executive agreed that until there are some concrete projects, it would not be appropriate to ask members for financial contributions.

The Chairman of the Agricultural Committee, the Director of the I.C.A., and the Agricultural Secretary attended several meetings of the FAO, World Food Programme, Freedom from Hunger Campaign and the 12th and 13th FAO Conferences, during the years 1964/66.

In view of the Agricultural Conference in 1966, it was decided that there will be no commodity conference in 1966, but views of the member organisations will be sounded, and a conference on inter-cooperative trade may possibly be organised in 1967.

B. ZLATARIC,
Secretary.

Discussion

Dr. L. Malfettani, Italy, Chairman of the Committee: I have not much to add to what I said when addressing Congress on the subject of the auxiliary committees. I wish mainly to speak about the Agricultural Conference which was held in Vienna, just before Congress, at which representatives of nineteen countries and four international organisations took part, altogether forty-nine participants.

We studied in particular documents concerning cooperative assistance in developing areas, on which some very interesting proposals were made by Mr. F. Owen of the United States. A very interesting report was introduced by our Agricultural Secretary, Mr. Zlatic, on the contribution of processing and marketing cooperatives to agricultural development. This is a very important question for us because as in developing countries and elsewhere, the processing of agricultural production is not undertaken by cooperators. We must however endeavour to assure that the advantages of processing and marketing should be available to the producers and not to intermediaries.

At the end of our Conference, following a report by Mr. McCann, Director of the International Cooperative Petroleum Association, we considered the possibility of collaboration between agricultural cooperatives and this important organisation which is now engaged in the production of feed and fertilisers.

I would like to emphasise once again the excellent collaboration between our Agricultural Committee and the FAO, which was manifested at the Conference in relation to the Freedom from Hunger Campaign, the World Food Programme, and more particularly the Swedish project for the study of problems of the financing of agricultural cooperatives in developing countries.

Mr. P. Lacour, France: Representatives of the fishery cooperatives members of the I.C.A. met on the 29th August 1966 to appoint a fishery sub-committee of the Agricultural Committee. Sixteen countries were represented at the meeting, also observers from

FAO, ILO and the Confederation of European Agriculture. On behalf of all participants, I express our gratitude and thanks to the President, Dr. Bonow, the Director, Mr. Alexander, Dr. Malfettani and the I.C.A. Executive who facilitated the appointment of the sub-committee.

After adopting its rules, the sub-committee elected its President and a bureau consisting of representatives of Japan and Italy, who were elected Vice-Presidents, also of Canada, Ireland and Poland.

An exchange of view on the present situation of fishermen showed that their difficulties are similar to those of the farmers. In countries with a mixed economy, the upheaval created by new techniques has put the prices of modern boats beyond the personal savings of self-employed fishermen, while the cost of distribution and changes in selling methods, prevent increased production prices.

To overcome this, we are trying, in my country for instance, to create new cooperatives, some to supply the fishermen with modern and more powerful boats, others to process and market our products, because we think, as President Bonow has said, that the forms of cooperative enterprises represent the best means of inducing producers to make constructive efforts to improve both their production and their productivity, and also that such cooperatives must be based on an integrated pattern applying a combined programme.

We are glad that Congress will examine the problems of structure and principles. After an exchange of views with Dr. Malfettani, we can state that we support, beforehand, the comments he will make on this subject.

The patron fisherman, master of his boat, is a free man, equal in dignity to other fishermen but who through the dangers of the sea and the exacting requirements of group fishing has learned the hard way the dual necessity of self-help and mutual aid. This is the very basis of cooperation which some fishermen communities have applied for a long time, I would say for thousands of years, that is the rules of cooperation and cooperative action.

Fishermen, therefore, found themselves at home with the Rochdale principles, and they hope you will not modify them substantially. If, however, you feel it absolutely necessary to introduce some modifications, the fishermen cooperatives trust you will do so with moderation. They are convinced you will keep in mind the moral and equitable principles which guided the pioneers in their economic and social activity.

But whether or not these general preoccupations are related to those of the Congress, the fishermen's sub-committee has commenced to work. It has drawn up a plan for its work - compilation and publication of a Yearbook of cooperative institutions, training of men and economic cooperation at international level. It has given its support to the creation of the commercial exchange centre as planned by the Agricultural Committee. At the same time, conscious of the part it has to play in developing countries, it has studied and approved the text of three questionnaires designed to ascertain in each country first, which is the national organisation of fishermen's cooperatives, secondly, which developing countries are interested, thirdly, which countries are willing to aid developing countries. These three questionnaires will be sent to the I.C.A. member organisations. I would ask each of you to assure that replies are sent. This is a modest though efficient way of playing our role in fighting hunger, and in this practical way we shall know who needs to be helped and who can provide help.

The FAO representative has described the important action already accomplished and the vast programme the FAO intends to undertake to help fishery cooperatives. It is ready to help the men technically, materially and humanely.

The sub-committee will accept this offer if the I.C.A. Executive has no objection. Thus, it will give an example of association between cooperative know-how and the supra-governmental organisations.

The sub-committee would be happy if the President were to convey to the Director General, Dr. Sen, and to the Director, Mr. Jackson, its thanks for aid already given and its confidence in the fishery cooperatives.

A great honour is placed upon the fishery sub-committee, of which it will endeavour

to prove worthy but it is under no illusion as to the great difficulties of the task. The failures or semi-failures of the past will make us prudent.

I believe I can speak for all members of the fishery sub-committee in saying that together we will give of our best to succeed.

The President: I thank Dr. Malfettani and Mr. Lacour for their very interesting reports. The setting up of the Fisheries Sub-Committee bears out something which the Director said in his reply to the discussion on the Report of the Central Committee, because it is the result of studies which he and his collaborators in the Secretariat are doing on suggestions coming forward not in the form of formal motions but suggestions made in the course of discussions in Congress. The formation of a Fisheries Sub-Committee was suggested during the discussions at the Bournemouth Congress, and today we find that it has been implemented in the way which Mr. Lacour has described. The authorities of the I.C.A. will do their best to support further developments in this field.

Mr. N. Verlinsky, Israel: It seems to me that, in addition to the concrete questions and matters of routine work, there is a need to emphasise the main problems which occupy the minds of the agricultural community all over the world. It is a matter of fact that agriculture as a source of income lags far behind other occupations and that in many countries the situation is continuing to deteriorate. One of the foremost tasks of cooperation is to integrate agriculture into the general process of economic expansion and social advancement by improving the economic position of the farmers. The proper organisation of marketing must be one of the foundations of every activity intended to raise the economic standard of agricultural production.

A positive contribution to increasing agricultural production and to the processing of farm produce can be made by the development of regional enterprises, and in this connection I should like to mention the remarkable development of the regional industrial and semi-industrial processing enterprises of Israeli agriculture. During the last few years there have been established regional poultry slaughter houses, packing stations for fruit and vegetables, cotton gins, food canning factories, silos for feedstuffs, cold stores. The villages of the regions are in general affiliated to these enterprises which are themselves connected with the national cooperative marketing organisation in the marketing of their produce.

Agricultural cooperation must strive to participate in every action which can assure the advancement and prosperity of the agricultural population. This will be achieved mainly by mechanisation and by the increase of investments which are connected with the problem of credit facilities for farmers. It is imperative to raise the level of education and culture in the rural areas, especially in the sphere of technical know-how.

Agriculture is undergoing deep changes, yet it is certain that these changes can only bring positive results if they are fully supported by the farmers themselves. Technical development is tightly knit with a proper care for the social side of the problem. The cooperative organisation of agriculture enables a positive answer to be found to these problems more than any other form of organisation. The Committee on Agricultural Cooperation must be guided in its day-to-day work not only by giving answers to current questions but by considering the general functions of agricultural cooperation. Such an integrated approach will contribute to the development of agricultural cooperation, to the raising of its position and to the strengthening of the ties between the Committee and the national agricultural cooperative movements.

You, Mr. President, concluded your inspiring Inaugural Address by mentioning that food shortage as the most serious problem in the world can only be solved by a rapid increase in agricultural production, particularly in the developing countries. That is the decisive task of our epoch. The whole I.C.A., together with the Committee on Agricultural Cooperation, must participate in this enormous work and give full assistance to the development of agricultural cooperation in all countries within the framework of the fight for increasing production.

Mr. W. R. Kapinga, Tanzania: The work of the Committee on Agricultural Cooperation is of great significance to the developing countries in the struggle to combat hunger. Similarly, the work of the Sub-Committee on Fisheries will be of particular interest to Tanzania, which is planning to develop the fishing industry in its lakes as well as in the ocean.

My Government has realised from the outset the need to raise agricultural productivity, and in this particular field it has secured a long term loan of 5 million dollars from the World Bank, as mentioned earlier by the Director. The Government has also realised the effective role marketing cooperatives can play in the administration of this credit which is supervised by the National Co-operative and Development Bank of our country. The credit is given to individual farmers through the marketing cooperative, which undertakes to collect the instalments repaid by each farmer when he delivers his crop to the society. The society, however, has a collective responsibility to repay the loans should there be any defaulters. Individual loans are given for fertilisers, insecticides, agricultural implements and fishing equipment. The results of this credit are very encouraging, and crop yields have increased considerably. Loans are also given to the cooperatives for coffee central pulperies, acquisition of processing and storage facilities, bulk purchase of tractors, and for communal block farms and aerial spraying.

The Government has established regional farm institutes where farmers learn modern methods of farming. In this connection I would mention the Kibaha School, financed by the Nordic countries, to whom I say thank you.

Our aim in all this is to be self-sufficient in food as well as to produce surpluses of foreign exchange exportable commodities.

There are many problems that the Agricultural Committee is called upon to deal with, such as methods of preserving food, the study of market outlets for agricultural crops, the falling prices of crops, the diversification of agriculture, ways and means of narrowing the gap that exists between wage earners and farmers and also between developed and developing countries. I am glad to note that in the future programme a study of the ways and means of helping agricultural cooperatives in our countries will be made. It is very important that this study should be made both in Africa and in Asia.

I would say in conclusion, that the I.C.A. is least known in Africa, and it is time for it to come to Africa. I have, therefore, been asked by my organisation to invite you personally, Mr. President, to visit Tanzania before the next Congress.

Mr. A. Mayr, Italy: The interesting Report of the Committee on Agricultural Cooperation mentions, among other things, the valuable work of the Conference held at Palermo which dealt with the international marketing of fruit and vegetables, and other important matters. The report also contains some interesting comments concerning the significance of agricultural cooperatives in the promotion of agriculture in the 20th century. Agricultural cooperatives must cooperate with consumer cooperatives and cooperative distributive organisations. The foodstuffs produced by agriculture should go directly from the producer to the consumer in order to save time and to reduce cost, and to ensure a price which will cover the cost to the producer and thus ensure continuity of production, while on the other hand the consumer will be assured of a product of reasonable price and quality.

If the agricultural cooperatives are to play a role of increasing importance it will be necessary for cooperation to be intensified between agricultural and consumer cooperatives, and to be reflected also in research and in co-ordinating what we call the process of vertical integration.

It has been pointed out that agriculture should develop research of its own because its conditions differ from research carried out in the field of distribution and marketing.

Mr. T. J. Gorman, U.S.A.: I am a farmer and president of an agricultural producer cooperative serving farmers in the state of Ohio. I feel compelled to express my feeling of disappointment at the apparent disenchantment on the part of others who have spoken here as to the activities of the I.C.A. I had expected to hear a discussion of how we could better work together, through the help of this Congress.

It is frequently mentioned among producer cooperatives in our country that a way should be found to bring together the buyers and sellers of the products of agriculture and the products related thereto, dealing directly between the cooperatives of interested nations. Accordingly, it would seem desirable that cooperatives having such a common interest might, through the I.C.A., be provided with a common meeting ground for the purchase and sale of such products.

In our own cooperative we are promoting cooperation among cooperatives, domestically, and we greatly desire to see this principle expanded internationally.

Mr. F. S. Owen, U.S.A.: The President and Director have stressed the role of the I.C.A. in cooperative technical assistance to developing areas. Dr. Malfettani, Chairman of the Agricultural Committee, has mentioned that the Committee has spent a considerable amount of time discussing this issue. There is every reason why the Agricultural Committee should be discussing the availability of technical assistance to the developing areas. The newly-developing areas are highly agricultural and provide unusual opportunities for cooperative development, towards which in most cases local governments are friendly. Many countries are now finding new regulations and statutes providing for future cooperative programmes at government level, and it is in this period that real assistance is needed. It is important for the rural people to become actively involved in their own economic and social organisation. In most cases the local governments and cooperative people do not have access to the history of cooperative movements around the world.

For these reasons the suggestion has been made that the I.C.A. Agricultural Committee might establish a Cooperative Development Commission, which would have two specific purposes. One purpose would be to be available upon request from any of the developing countries to come and help survey its cooperative development needs. The second purpose would be to have at their fingertips information as to the technical assistance in existence in the world, for members of the I.C.A. and affiliated organisations have tremendous resources of technical assistance available to them. In the U.S.A. the Cooperative League alone has access to nearly 2 million dollars per year which can be directed in any direction the Cooperative League would like. Much of this could well be co-ordinated through such a Commission of the I.C.A.

Because of the importance of these points which I have mentioned, and because an abundant supply of food in the world is so closely related to the possibility of world peace, I believe that the I.C.A. should give primary consideration to this proposal. The image of the I.C.A. can be so built in this manner that the developing areas of the world will want to look to this organisation for wise guidance as well as for a central source of technical assistance which they must have.

The President: The idea suggested by the Cooperative League of the USA has been submitted to the Agricultural Committee and will be considered within that Committee. It is an example of a practical suggestion which we hope it will be possible to implement during the period before the next Congress.

INTERNATIONAL COOPERATIVE HOUSING COMMITTEE

Constitution of the Committee

Mr. Sven Kypengren, President of HSB, Sweden, was re-elected Chairman of the Housing Committee in 1963. Dr. E. Bodien, Gesamtverband, West Germany, was appointed as Deputy Chairman. A casual vacancy on the Executive was filled by the appointment of Mr. L. Robert. Other members are Mr. J. H. Simpson, Dr. W. Ruf, Mr. A. Johnsson and a representative of the Cooperative League, U.S.A.

New arrangements for the Secretariat have worked well. The Special Secretariat is located at the Headquarters of HSB in Stockholm and the work there is undertaken by

Mr. Ake Johnsson. Routine secretarial services continue to be provided by I.C.A., London.

The facilities granted by HSB towards the work of the Housing Committee are considerable and acknowledged with gratitude.

Membership

Since the Bournemouth Congress, the membership of the Committee has increased. New Members are: Shikun Ovdim, Israel; Central Union of Building and Housing Cooperatives, Poland; Lega Nazionale delle Cooperative e Mutue, Italy.

The total number of regularly participating members is at present 22, although correspondence is upheld with several national housing cooperative organisations particularly in the developing countries.

Finance and Publicity

Member organisations have each subscribed an annual sum of £50 towards the expenses of the Housing Committee. Certain of them have responded to an invitation to pay in excess of this sum and their generosity is acknowledged. The question of increased contributions is being considered.

The Committee continues to publish a "Housing Bulletin" in three languages and this has proved a useful medium of contact between members, especially for the publishing of cooperative housing matters as they affect Specialised Agencies of the United Nations. Member organisations regularly exchange journals and information.

Work is advanced on the publication of a brochure on cooperative housing for which much editorial work has been undertaken by Dr. W. Ruf of VSK, Switzerland, and Mr. J. Brüggeman, Germany.

Developing countries

The Housing Committee has had frequent discussions at both Executive and Full Committee Meetings of the possibilities as regards assistance with cooperative housing in developing countries. The scale of this problem is enormous as housing does not yet enjoy the same priority in the economic problems of developing countries as other needs. In addition, even where funds are available, there is an acute shortage of trained persons capable of helping others with the complex problems of law, finance and building, which are inevitably encountered by housing cooperatives.

Members of the Housing Committee were able to participate in the I.C.A. Regional Office Seminar on Cooperative Housing, held in Kuala Lumpur in December 1964 and there is no doubt that this type of activity would be equally beneficial in other regions as well as South-East Asia.

At its meeting in London in 1966, the Housing Committee had the benefit of participation by Mr. E. Carlson of the United Nations, Professor E. V. Donnison of the London School of Economics and Professor Turin of the University of London. They were able to give the Housing Committee a world view of the problem in developing countries, and particularly, of government policy as regards housing. This information will be a useful preliminary to any action which the Housing Committee may contemplate as regards developing countries and will also serve as a guide for national movements as regards the type of assistance which they can give.

Collaboration with the United Nations and its Organs

Although our desire to see a Specialised Agency of the United Nations exclusively for housing has not yet been fulfilled, the Standing Committee on Housing, Building and Planning, appointed by the U.N. Social Committee, has accomplished much useful work. The I.C.A. is in close contact with this Standing Committee and has been represented at all its meetings and continues pressure for its expansion into a Specialised Agency. The will to do this is not lacking, but it is a question of finding member countries in the U.N. in sufficient number to press the case and to be responsible for the provision of the necessary funds.

Some very important housing work is undertaken by the Economic Commission for Europe, at whose meetings we are represented, especially when cooperative housing matters or related subjects are under discussion. There was a strong representation of member organisations at the ECE Housing Seminar in Paris in 1965 and a number of important interventions were made then by cooperators. Both the documentation and the report of this seminar comprise important material for all housing cooperators and good use should be made of this information when published.

Meetings of the Committee

In addition to the London meeting referred to above, the Committee met in Copenhagen and Helsinki. The Executive, as well as meeting in advance of the full Committee, held an extra meeting in Hamburg. The opportunity has been taken on each occasion of participating in study tours arranged by host organisations, and these have been of considerable benefit in enabling members to see the practical side of the work of housing cooperatives. The Committee wishes to thank all organisations which have assisted in this way.

The preparation of monographs on cooperative housing in various countries was an important feature of the Copenhagen meeting and a discussion on the possibilities of the joint buying of building materials occupied part of the time in Helsinki. The latter subject is one to which the Committee intends returning in the near future.

Triennial Conference on Housing

Arrangements are in hand for a Conference in Vienna in connection with the Congress. One theme for this will be Structural Changes in Cooperative Housing Movements, which will complement a similar discussion in Congress itself.

Interest in cooperative housing continues to grow. The common problems affecting expansion are land shortage and high interest rates in urban areas of developed countries. In the newly-developing countries, an immense task has to be accomplished by way of raising the general level of prosperity so that each family will be able to provide the necessary resources for the basic need of shelter.

A. JOHNSON }
J. GALLACHER } Joint Secretaries.

Discussion

Mr. S. Kypengren, Sweden, Chairman of the Housing Committee: Since the Bournemouth Congress it has become still more evident that housing is one of the major tasks of our time. In all countries, rich and poor, the problems of an adequate supply of housing are increasingly realised and understood. We can also note that international organs such as different U.N. bodies have engaged themselves to a greater extent on the question of the production of housing, but it is with the greatest regret that I have to state that, in spite of national and international endeavours, it has not been possible to keep pace with the increasing demand. It is, however, at the same time encouraging to note that there is an increasing understanding of the problems relating to the provision of housing on both the national and international level, and that cooperative solutions are increasingly being used.

This is shown by the fact that at the Housing Conference here in Vienna we had the pleasure to greet more representatives than on any other occasion, and it was of particular interest to find so many delegates representing the developing countries. Originally our Committee was composed of cooperative housing movements in the Western industrialised countries but we can now feel that our sphere is broadening and that we really constitute an international grouping. We have always considered the housing problem from an international point of view, which will be realised with reference to the resolution adopted by the Housing Conference at Bournemouth during the last I.C.A. Congress.

International work in this field is difficult. We have limited resources and great

practical problems with which to deal. We must realise, too, that the structure of the movement is influenced by the varying conditions in different countries and their housing policies. Nevertheless, we have in common the great ideas of cooperation to be developed in this major field of supplying a basic necessity of man, that of housing.

In our work we study the developments in cooperative housing in different countries and exchange experiences. For that reason we have a quarterly bulletin which we present to everyone interested in this question.

I believe that since the last Congress our Committee has been able to develop the work that is so fundamental for us all. It might be that progress has not been what we expected, but this must be judged against the background of our resources.

During the last three years the Committee has met on more occasions than previously, and the Executive has also met more frequently. Our collaboration with U.N. bodies and other inter-governmental organisations engaged in the field of housing, building and planning has further developed. I am glad to be able to state that the number of participating organisations has increased, especially on the European scene, to 22 national associations. We have a greater representation from the East European countries than before, and, further, there are possibilities of closer relations with the cooperative housing movements in developing countries.

It is also gratifying to me that the work of the participating member organisations has increased, and that we have far more interested cooperators than we had three years ago. Nevertheless, we must keep in mind that many of our member organisations have been confronted with serious problems in keeping their part of the market in the provision of housing as compared with other interests.

May I refer also to the resolution that is being presented to Congress in which we have tried to analyse the problems we have. They are not only problems for housing cooperatives, but also valid for other forms of cooperation. It is most encouraging that international organisations, and particularly the U.N. bodies engaged in the field of housing, building and planning, have increasingly recommended national governments to apply cooperative methods in their housing policies.

However, the lack of experience, especially in developing countries, in the correct use of cooperation in this field is deeply felt. As a result, seven of the member organisations of our Committee, after consultation with the responsible agencies of the U.N., have decided to form an Association, the International Cooperative Housing Development Association, which could assist in giving service in the promotion of cooperative housing, especially in developing countries. Consequently, following deliberations within our Committee, the constituent members of the newly-established organisation met in Vienna when Mr. Eric Carlson, representative of the U.N. Housing Committee, was present. At this very moment the U.N. Committee on Housing, at its fourth session, is meeting for the first time in Europe, in Geneva, where we shall be represented by our special Secretary, Mr. Johansson.

The President: I thank Mr. Kypengren for this very interesting report and I would also like to congratulate the Housing Committee on the establishment of the International Cooperative Housing Development Association. We hope that this new venture may be followed by all the success it certainly deserves.

✓ **Mr. A. Hourmain, Malaysia:** Before I speak on the Report of the International Housing Committee I would like to convey to all delegates the warm and fraternal greetings of Malaysian cooperators.

I am pleased to inform Congress that since the I.C.A. International Seminar on Housing Cooperatives held in Kuala Lumpur during December 1964 another seminar was held at the Cooperative College, Kuala Lumpur, from 10th to 12th March, 1966, organised by the Federation of Cooperative Housing Societies and the Cooperative Union of Malaysia, which I represent. Forty participants, representing several housing cooperatives in the country participated, and representatives from the Malaysian Trade Union Congress were also present at a number of sessions.

Housing cooperatives came into the picture in my country after the Second World War. The first housing cooperative was established in 1949, today there are 44 societies spread throughout the country, which has a population of 11 million people.

Papers on the following problems were considered at the seminar: Progress and activities of housing cooperatives in the country; Housing cooperatives in North America and in certain European and Asian countries; Policies and programme of government in respect of low cost housing; Cooperative laws, by-laws and other relevant laws and regulations affecting housing cooperatives; Problems facing housing cooperatives; Promotion of education in housing cooperatives; Housing cooperatives and fire insurance. The seminar also had the benefit of a panel discussion in which experienced cooperators actively involved in the work of housing took part.

It is the considered opinion that housing cooperatives have a yet greater role to play in the years to come in developing countries like my own. However, the most acute problem, viewed with great concern by the seminar, is that of securing finance at reasonable interest rates for housing development from internal and external sources. We have used our very best endeavours but I would like to take this opportunity to appeal to the Executive of the I.C.A. to help the Malaysian housing movement in particular, and other movements in South-East Asia, to secure a loan from international organisations or any other sources. I am certain that the Government of my country would be prepared to act as guarantor. I would venture to suggest for a start 3 million US dollars. This certainly is not too big a task for the I.C.A.

If I may borrow your own words, Mr. President, "The I.C.A. in its relations with the U.N. and its specialised agencies is to an ever-increasing extent being looked upon as the only representative spokesman of world cooperation in all the various forms". If this is so, it will not be difficult for the I.C.A. to explore this matter, and I should like to hear the views of the Executive on my plea. I have noted the resolution of the Housing Committee but to request the U.N. to expand activities in this field by the establishment of a specialised agency for housing is not sufficient. I feel that such a task should be tackled by the I.C.A. itself in coordination with these bodies.

Mr. W. J. Campbell, U.S.A.: I would like to supplement the excellent report presented by the Chairman of our Committee. The work of the Committee has been very constructive; it has been increasing in both volume and effectiveness and I believe it is on the way to performing a very important job. I would like to say, however, that the resources within the cooperative movement have never been mobilised sufficiently in most countries to take advantage of the resources and technical skills developed in cooperatives for food distribution and other types to canalise them into meeting the needs in the field of housing.

The housing need in the world is so obvious that I do not need to stress more than one vital point. Between now and the year 2000 we must build in the world as many homes as have been built since the beginning of time! World population is estimated to double from 3 billion to 6 billion and in this period of time, a mere 34 years, we must build as many homes as have been built to date.

The cooperative housing technique is the most efficient and effective social instrument to meet that housing need. Only part of the job can be done by cooperatives, but even if we do a small percentage of the job it means the development of cooperatives which will undertake the production of millions of units of cooperative housing.

In our own country we have undertaken a programme of technical assistance abroad. Similar programmes have been undertaken in many other countries and also by the United Nations itself. Occasionally the question is raised as to the efficacy of using the funds of Government and the United Nations technical assistance funds to promote the development of cooperatives. In our country and in yours the tax money is raised in very large part from members of cooperative associations and it is your right and your privilege, as members of cooperatives, to use technical assistance funds in the further development of cooperative associations.

All of you will know the agonizing experience of trying to develop cooperatives

with people of goodwill with no technical assistance. This broke the hearts and the pocket books of many thousands of people in our country who tried the technical job of cooperative housing without technical assistance. This is just as true in the developing as in the developed countries, and we must find a way to mobilise our skills and to use all the available resources that can be put together to undertake that job.

It was for that reason that during the last 18 months a number of cooperative associations have been working on the development of the International Cooperative Housing Development Association that came into being formally last Saturday. Seven national organisations make up that new body: the two great cooperative housing organisations in Sweden, the National Association of Cooperatives in Finland, an organisation in Chile, Shikun Ovdim in Israel, the East Midlands Cooperative Housing Association in Britain, and the Foundation for Cooperative Housing in America. We are a small body but together we represent a variety of experience that can be used in countries throughout the world. It is our purpose to work with the United Nations under contract for the Division of Housing, Building and Planning, with the Special Fund and the Development Programme of the U.N., to carry forward this job.

In conclusion, I would stress that this must be a cooperative undertaking in every sense of the word. The question before us is whether the challenge and the opportunity can help us to create a more effective mechanism than we now have and can expand our resources to meet our needs.

On Saturday last we observed the 20th Anniversary of the founding of the International Cooperative Petroleum Association. As Howard Cowden said when he proposed the formation of the ICPA 20 years ago, at a meeting of the I.C.A.: "Dream no small dreams. They have not the power to stir men's souls." The cooperators meeting here today, and those who participated in the founding of the International Cooperative Housing Development Association on Saturday, believe that with the resources now at hand we can undertake this important task. With the precedent of the ICPA before us we want to get on with the task.

Dr. W. Sommerhof, Chile: With regard to housing I want to underline the big tragedy this problem presents to newly-developing countries and how important cooperative action is. Certainly hunger is the greatest physical misery but bad housing is the greatest social misery.

The problem from an economic point of view can be calculated by a simple five-finger method. Demographic growth in Latin America is 2.5 to 3 per cent; internal saving power fluctuates between 10 and 15 per cent of national product, and economists think that of these savings not more than 25 per cent may be invested in housing, which means 2.5 to 3 per cent of savings at the disposal of housing. Consequently, to build enough houses to take care of demographic growth, a house cannot cost more than a medium annual family income. In some countries this is as low as 1,000 US dollars; in Chile it is 3,000 dollars. This is not the minimum cost but the medium cost, including houses for the higher income group. As houses cost much more, each year the lack of houses increases, and in South America the present shortage is estimated at 16 million units. This calculation does not even take into account the destruction of houses by disaster or through obsolescence or other reasons.

Cooperators can obtain much lower costs through self-help building operations, and can achieve better maintenance and a better community life, with more savings. However, it needs more technical development than many other operations, and this is a field in which any error is extraordinarily expensive, because it is a fixed investment and a mistake is difficult to correct.

What can be done is shown in Chile where, before 1960, 500 cooperative houses had been built. In the last five years 12,000 have been built and we are now aiming for 5,000 units yearly, which is about 10 per cent of all construction.

For this reason we welcome the work of the I.C.A. Housing Committee and especially the establishment of the International Cooperative Housing Development Association.

COOPERATIVE WHOLESALE COMMITTEE

In the period under review the Co-operative Wholesale Committee's activities were focussed mainly on the implementation of the working programme adopted by the members' meeting in Belgrade on 2nd October 1964, i.e.:

1. Continuation of the activities of the existing working groups.
2. Studies relating to joint purchasing.
3. Promotion of endeavours concerning the expansion of mutual trade of members.
4. Intensifying of information exchange.

At their meetings during the period under review the existing working groups in the fields of soap and detergents, chocolate and confectionery, mills, as well as food laboratories, discussed technical, organisational and commercial problems concerning their respective lines, and the participants received valuable incentives towards the solution of individual problems within their various organisations by exchange of experiences partly followed-up by written information between meetings. After an interval of four years the experts on warehousing of the member organisations met in Copenhagen in October 1965 where by means of instructive papers and visits they acquainted themselves with the latest developments in the field of cooperative warehousing (system of regional warehousing).

For an analysis of the possibilities for joint purchasing and the promotion of mutual trade the CWC Secretariat submitted a study of volume and distribution among countries of members' imports as well as a list of agencies and buying depots operated by members in foreign countries. On the basis of the submitted documents and the recommendations of the CWC Management Committee the members' meeting decided in Helsinki on 17th September 1965 to extend considerably the practical collaboration according to the guiding principles laid down in the unanimously adopted resolution. The resolution stated amongst other things:

1. All CWC members, or groups of members, having buying agencies, etc., in other countries declare that they are willing to extend the activities of such institutions for the benefit of all members of CWC and they cordially invite all member organisations to make use of these services.

These services will be at the disposal of all members to the same degree and on equal terms.

2. All members agree that they will make use of the offer of assistance with foreign purchases (made under item 1 above) in all cases where, by doing so, terms can be obtained which are at least equally favourable to any obtainable through, or from, other buying sources.

3. The members agree that, with regard to the following groups of goods, special investigations are now to be made into the possibilities of the common utilisation of the various buying depots, etc., and joint purchasing, if appropriate,

- a. Coffee
- b. Tea
- c. Canned fruit and vegetables
- d. Canned fish
- e. Non-food goods.

4. The conferences in question are to be attended by experts in the respective ranges of goods and their aim shall be the adoption of practical measures for the common utilisation of foreign buying agencies and/or the carrying into effect of joint purchases, and in this connection, if possible, also to co-ordinate the selling and marketing policies, for the goods concerned, of the participating members (common trade marks, uniform packing and equal quality of commodities).

5. The members of CWC will work vigorously towards the implementation within each organisation, of such measures as are recommended by the respective expert groups.

Regarding the non-food range supplementary guiding principles were adopted by the members' meeting in Helsinki stating the selected groups of articles (toys, camping

and sports articles, knitwear and ladies stockings) as well as object and organisation of joint activities. The expert meetings held since then in respect of the various categories of goods showed already promising trends for a collaboration by the joint utilisation of members' buying agencies on the various continents and by the first joint purchases.

To develop mutual information the CWC Secretariat started in January 1965 the publication of an Information Exchange Service, which appears at irregular intervals and deals with topical problems and developments in connection with purchasing, distribution, production and structure from the sphere of member organisations.

After the Scandinavian wholesale society NAF obtained membership in 1965 the CWC is now made up of 16 cooperative wholesale societies. Since the beginning of 1964 the Secretariat has been situated in Copenhagen (before Stockholm) after the integration of NAF's former Economic Secretariat into the CWC.

N. HOFF,
Secretary.

Discussion

Sir Leonard Cooke, Great Britain, Chairman: I would like very briefly to supplement the Report by saying that we in the Committee have regarded the period under review as one of experiment and development.

Following on the resolutions of Belgrade in 1964 and Helsinki in 1965, positive action to promote inter-cooperative wholesale trade has been undertaken.

On the initiative of the heads of the various wholesale societies and with the cooperation of their buyers, it has proved possible for the Wholesale Committee to sponsor inter-trading mainly in the field of importing either by means of joint purchasing or by the greater use of existing buying offices operated by members in foreign countries. This inter-trading, during 1965, amounted to 4½ million dollars; and, whilst this only represents a modest proportion of the potential, it is nearly four times greater than in 1964, while the statistics for this year encourage us to believe that the current year's trade will exceed that of 1965.

Food and non-food commodities have shared about equally in value and the transactions have ranged from California in the West to Hong Kong in the East. We realise that we have only made a beginning, though perhaps at this stage more important than the figures themselves is the fact that it has been demonstrated that, given the will, it is possible to develop inter-cooperative wholesale trade. We see no reason why it should not be possible to continue to expand now that a sound basis has been established.

It is particularly pleasing to me, as this is the last report I shall present to Congress, that we have been able to say something of a more positive commercial nature on this occasion than has been the case in the past. May I also with your indulgence, Mr. President, take this opportunity of extending my best wishes for the future success of the I.C.A. in general, and the Wholesale Committee under its new Chairman, Mr. E. Groes, in particular.

The President: I should like to extend to you, Sir Leonard, our most sincere thanks for the very valuable services you have rendered the I.C.A., and the cooperative movement generally, but particularly the services you have given to the Cooperative Wholesale Committee. It was said with truth at the meeting of the Committee, when I was present, that now the tide has turned and the CWC has reached the beginning of a very good development in the field of international trade. Your contribution to that very good result, Sir Leonard, has been by no means the least. Thank you very much indeed.

Mr. R. B. Bastin, Great Britain: I want to make my remarks particularly with regard to the Helsinki resolution. The remarks are rather general in nature but apply especially to this paragraph.

The real purpose for which we gather together internationally is for the unity of

world cooperation, and I feel that this Report is an excellent one in that it is a plea for more unity. It indicates that much progress has been made, and Sir Leonard has emphasised this, but when he states that there is plenty of ground still to be covered this is also clear to me when I see the products of members of this international movement in the shops of our competitors, our capitalist competitors, in London. I think that the need for us to move more rapidly towards international understanding, in order that we may really interchange our goods, cannot be stated too often. There has been a lot of repetition on this rostrum about the principles for which we come here but the fact remains that this one needs to be understood very clearly.

I am grateful to the President for the excellent address with which he started this Congress, which I think set a tone that is especially valuable. I refer to his remark that there should be less energy spent on international friction and more on developing international contacts. As a member of a London borough, I frequently find myself up against the capitalist principles of people who wish to do business with us. We have our Rochdale Principles which should unite us and help us beyond the scoring of debating points about international affairs. We need to extend these contacts so that we are able to see the points of view of people from countries with different ideologies, that we may spend the next three years in reducing the frictions which divide the cooperative movements of the world, and may fully benefit from the understanding of other countries and the products of other countries.

The President drew attention in his Inaugural Address to the famine in the world. Putting it in a slightly picturesque fashion, he said that we are facing world famine with a machine gun. Those who come from countries that are spending large sums of money on armaments should see whether they cannot make a real impact on their governments, so that our contribution to preventing world hunger should not be the production of more machine guns.

I should like to end with a quotation from Wendell Wilkie, when he said, a long time ago, "We live in one world." The atom bomb has made this abundantly clear, yet we sometimes as cooperators fail to set the example which I would like us to try to achieve in the next three years. We cooperators can and must cooperate.

COMMITTEE ON RETAIL DISTRIBUTION (CRD)

The full Committee consisted up to December 31st, 1965, of the following organisations: Konsumverband (Austria), Société Générale Coopérative (Belgium), Fédération Nationale des Coopératives Chrétiennes (Belgium), l'Economie Populaire (Belgium), Central Cooperative Union (Bulgaria), Faellesforeningen for Danmarks Brugsforeninger (Denmark), Suomen Osuuskauppojen Keskuskunta (Finland), Kulutusosuuskuntien Keskusliitto (Finland), Fédération Nationale des Coopératives de Consommation (France), The Co-operative Union Ltd. (England), Consumers' Co-operative Union Ltd. (Israel), Lega Nazionale Cooperative e Mutue (Italy), Confederazione Cooperativa Italiana (Italy), Glavni Zadružni Savez FNRJ (Yugoslavia), Co-op Nederland (Holland), Norges Kooperative Landsforening (Norway), Kooperativa Förbundet (Sweden), Verband schweiz. Konsumvereine (Switzerland), The Cooperative League of the U.S.A. (U.S.A.), Centrosoyus (U.S.S.R.), Zentralverband Deutscher Konsumgenossenschaften (Western Germany).

During the period under review meetings were held in Stuttgart (April 23, 1963), Bournemouth (October 15, 1963), and in Helsinki (September 17, 1965).

The Management Sub-Committee consisted up to September 17, 1965, of the following members: Mr. C. A. Anderson, Sweden, (chairman), Mr. C. C. Hilditch, Great Britain, Mr. E. Horlacher, Switzerland, Mr. K. Nielsen, Denmark, Mr. Ch. Veverka, France.

At the meeting in Helsinki Mr. Anderson resigned. The Management Sub-Committee has now the following composition: Mr. Kaj Nielsen (Denmark), chairman, Mr. C. C.

Hilditch (Great Britain), vice-chairman, Mr. R. Gjers (Sweden), Mr. E. Horlacher (Switzerland), Mr. J. F. van Netten (Holland), Mr. R. Schoneweg (Western Germany) Mr. Ch. Veverka (France).

Meetings were held in Belgrade (Oct. 5, 1964), Stockholm (Aug. 20, 1965), and Copenhagen (Dec. 10, 1965).

At the meetings in Stuttgart and Bournemouth a proposal was under consideration that the Committee should remain inactive for an indefinite period, the reason being the difficulties in raising the necessary financial contributions from the member organisations. However, this proposal was not accepted.

In November 1964 the Committee could resume its activity thanks to the generous attitude of the Stockholm Cooperative Society which declared themselves ready to pay all expenses of the Secretariat to December 31st, 1965. Meanwhile the possibility of a merger with the Cooperative Wholesale Committee was examined, however, with negative result in spite of repeated negotiations.

At the members' meeting in Helsinki it was decided in accordance with the Management Sub-Committee's proposal to carry on the activity, but to finance it by contributions from the affiliated organisations.

From January 1st, 1966, the following organisations are members of the CRD and cover jointly the costs of the Secretariat, headed by Dr. Göran Lindblad, and located in Stockholm under the address **Götgatan 19/II Stockholm Sö Sweden**: Konsumverband (Austria), Central Cooperative Union (Bulgaria), Ustredni Rada Druzstev (Czechoslovakia), Faellesforeningen for Danmarks Brugsforeninger (Denmark), Suomen Osuuskauppojen Keskuskunta (Finland), Kulutusosuuskuntien Keskusliitto (Finland), Fédération Nationale des Coopératives de Consommation (France), The Co-operative Union Ltd. (Great Britain), Co-op Nederland (Holland), Norges Kooperative Landsforening (Norway), Kooperativa Förbundet (Sweden), Verband schweiz. Konsumvereine (Switzerland), Zentralverband Deutscher Konsumgenossenschaften (Western Germany).

The Secretariat. According to the purpose of the CRD the Secretariat worked along three lines. (Only the activity from November 1, 1964 to December 31, 1965 is reported as the Secretariat had not been acting since the death of its former general secretary in 1962).

News service. The news service of the Secretariat concentrated on 12 special items of international interest (e.g. The Combi-Lift System, Recommendations to the Retail Trade, The Use of Computers in the Cooperative Retail Trade, etc.), which were circulated once a month as CRD-Documents. For day to day news members had been recommended to subscribe to "Retail News Letter" edited by the International Association of Department Stores.

A question service was established to give members the possibility of obtaining information regarding specific problems.

The main task of the Secretariat was to prepare and organise **group activity** as carried out by Working Parties and Erfa Groups.

Working Party on Department Stores and Non-Food Shops held 3 meetings (Paris Dec. 4-5, 1964; Frankfurt/Main April 11-12, 1965; Muttenz, Switzerland Oct. 11-13 1965). The topics dealt with were: The Use of Part-Time Employees, Shop Opening Hours, Credit Sales, Shopping Centres, Work Studies and Assortment Policy.

Erfa Groups I and II held two meetings each. Topics dealt with were: The Use of Computers in Department Stores, Balancing of Turnover and Staff, Staff Recruitment and Training, Five Day Working Week in Retail Trade and Stock Control.

Working Party on Food Shops held two meetings. Topics discussed were: Shop Structure and Shop Siting, Quality Control of Co-op Brands, Computers, Distribution Costs and Shop Fixtures.

All these meetings gave good results. Summaries of some reports prepared by the members of the various groups were considered to be of general interest and were therefore circulated to the affiliated organisations.

In connection with the meetings some lectures were given by experts e.g. on the use of computers in the retail trade, time studies in department stores, and quality control of co-op products.

Future Activity. The Management Sub-Committee decided at the Meeting in Copenhagen on December 10, 1965, to carry on the activities of the Secretariat and the above mentioned Working Parties and Erfa Groups. Further to arrange some larger conferences in order to involve more people in the active exchange of experience.

G. LINDBLAD,
Secretary.

Discussion

Mr. K. Nielsen, Denmark, Chairman: Our work now is proceeding well. We have, however, during the period since the last Congress, experienced very great difficulties, financially and otherwise, and if it had not been for the generosity of the Stockholm Cooperative Society we would not have been able to carry through our work. We are now, I am glad to report, in a better position, and I beg to refer you to the Report, where you will find a statement by our Secretary, Mr. Lindblad.

We have a membership of 15 national organisations, and in addition to the activities related in the Report there will, later this month, be a conference in Denmark of department store people and the working groups concerning themselves with the non-food trade. There will be a "case study" of a department store. Then our food working party will meet in Geneva and we hope to arrange a bigger conference, with up to 150 persons, some time during the spring of 1967.

The background to our activities is the very rapid change in retailing which has taken place in recent years. This is very easily seen in the United States and in Western European countries and will certainly be felt to be a necessity all over the world. I think there is a decidedly clear trend for large scale retailing to reach a position of dominance. The large scale retailers are able to bring into use more advanced techniques, with self-service, pre-packaging, electronic data, processing plants and many other modern things which are not available to the small retailer. We have to realise this, and to realise that our cooperative movement, as far as retailing goes, is composed in most countries of quite a large number of small retail societies which up to now have maintained their position quite strongly. This could bring us into serious difficulties before very long.

I should like to quote what Mr. Albin Johansson, one of the sponsors of this Committee when it was established in 1958, says in one of his booklets. He says that a cooperative society which is poorly managed and lagging behind in efficiency and competitive power and, therefore, of no use or benefit to its members, is a misfortune and that it would be better if such a society did not exist.

It is my own belief that many of the small societies are in danger of getting into this position, and it is the aim of our Committee to point to the dangers, try to find the means of coping with them and of meeting the challenge of modern retailing. We hope we shall succeed. We have within our own sphere all the experience and technical know-how that we require, and a lot of very clever people, and we are trying to bring them together as often as we can. We hope that within a few years we shall have in our secretariat a fund of technical know-how, the means and the people to do research which will enable us to put ourselves well ahead of our competitors, in the place where the cooperatives really belong.

Fifteen national organisations are supporting our Committee but there are others which ought to be doing so, and I heartily recommend to you that you should think this over. We are very willing to meet you and talk with you and tell you what we think we can do to help you, and I hereby invite those who are not yet members to come in and join us in our work.

INTERNATIONAL COOPERATIVE PETROLEUM ASSOCIATION

At the time of the last I.C.A. Congress in Bournemouth, we reported on the inauguration of the new ICPA blending plant in Dordrecht, Holland, which is the first international cooperative manufacturing facility, embracing the 24 countries that are ICPA members. Since that time, the plant has been producing petroleum products to supply ICPA members throughout Europe, and this year, for the first time, it will also be manufacturing oils to be shipped to our member in Ceylon. This increased activity has made necessary expansion of the plant, and last September construction was started on additional storage and manufacturing facilities, as well as increased space for offices and laboratories. New filling lines and other equipment are also being installed and it is anticipated that this work will be completed in the early summer of 1966. The plant will then be in a position to serve even more efficiently and economically the member associations in their requirements for lubricants.

In addition to the lubricating oils, the plant is also filling antifreeze and has plans to package certain other chemicals. Work is continuing on the possibility of supplying tyres and automotive accessories to our members and it appears likely that this can be developed in the very near future.

Another phase of the ICPA activity which was reported on at Bournemouth was the attempt of the ICPA together with Swedish and American cooperatives to gain crude oil concessions in Libya. This has been a long and tedious task and a short time ago, the Government of Libya announced the awarding of concessions with none of these going to the cooperative group. It is still possible that other areas could be secured in Libya but, in view of the recent change in the Libyan petroleum tax laws, the cooperative group has felt that these other concessions are not desirable enough to justify the acquisition of them. At its last meeting in Rotterdam, however, the ICPA Board voted to continue its search for crude oil and efforts along these lines are continuing in other areas. It is our hope that we will be able to gain such concessions so as to provide a more integrated petroleum programme for our members.

A new member, the International Cooperative Development Association of the United States has been added to the ICPA membership recently. This organisation is composed of a number of the leading cooperative organisations in the United States and is set up particularly to assist the AID programme of the United States in developing countries. The Cooperative Supply Society Ltd. of Greece has now completed its membership subscription and is now a fully qualified member of the ICPA.

During the fiscal year 1965, the ICPA reached a record volume of almost seven million dollars and returned to its members patronage refunds that were the second highest of any year in its existence. It is anticipated that the fiscal year 1966 will also be a good year financially and will be the first year in which shipments of fertiliser have played a significant part. Within the past two years, the ICPA has added to its staff personnel to work in the area of fertilizer and other agricultural chemicals and we believe that substantial business can be developed in this field.

Another significant factor during the current year has been the sale by the ICPA of bunker fuels for ships. Products for these sales have been supplied by the Société Coopérative des Pétroles, ICPA's member in Egypt, and large amounts of fuel have been delivered to ships that have bunkered at Suez, Alexandria and Port Said. There are a number of ICPA members that are now actively engaged in the bunkering business and within the near future a conference of these interested members will be held to determine the feasibility of setting up a separate Bunkering Department within the ICPA.

The ICPA has continued to emphasise educational and training programmes and has conducted courses and seminars at its plant in Dordrecht and at the headquarters of member associations. In addition, it has also been instrumental in bringing to Europe and the United States representatives from newly organised petroleum cooperatives so that these representatives may have the opportunity to study the work that has been developed in these areas.

Emphasis also continues on the securing of new members and particularly work has been going on in the developing countries where cooperatives are such an important factor in the development of the economies of these nations.

Howard A. Cowden of the United States continues as President of the ICPA and Arne Carlsson of Sweden was elected Vice-President in 1964. Other Directors are: K. Alvapillai, Ceylon; Ronald Byrom, United Kingdom; Mahmoud Fahmy, Egypt; Herman Kramer, Holland; René G. Orsini, France; André Vuilleumier, Switzerland.

Any report of the ICPA should particularly note the dramatic advances that have been made by ICPA members throughout the year, and one of the most notable of these has been the inauguration by the SCP in Egypt of its own blending plant for lubricants. With a capacity of approximately 20,000 tons annually, this plant was opened early in 1966. The ICPA is supplying the major portion of the base stocks for the plant, although ultimately much of this base stock will be supplied from Egyptian refineries.

In Ceylon, the ICPA continues to be sole supplier of all the lubricants sold in the entire country. Here too, the Ceylon Petroleum Corporation is considering the construction of a blending plant and the Government of Ceylon anticipates the building of a refinery there shortly.

In the Scandinavian area, the various cooperatives in Norway and Denmark have joined with OK Sweden in the formation of OK Norway and OK Denmark to provide a more efficient operation for the various cooperatives in these areas. In Holland, in Germany, and in many of our other member countries, marked advances have also been made.

Cooperatives in the world today represent one of the greatest economic forces in existence. The number of people that are members of cooperatives affiliated with the I.C.A. is a staggering figure and the volume of business that is done by the associations affiliated with the I.C.A. is greater than that of the ten largest corporations of the world. By uniting this power, we can develop within the cooperative movement the kind of strength that will enable cooperators everywhere to control more effectively their own economic destiny. The ICPA is helping to bring about this unification through its work in petroleum.

WAYNE McCANN,
Secretary.

Discussion

Mr. A. Carlsson, Sweden, Chairman: I understand that by tradition the Presidents of ICPA have had the privilege of giving a report to the Congress, in spite of the fact that it is not a Committee. I shall not use this opportunity to talk about past business, for that is history and is recorded in our report. ICPA is an organisation with 37 members in 24 countries. It does business on not too big a scale with lubricating oils and in a small way with fertilisers.

What can ICPA do in the future? When it was started in 1945 we lived in a very different world which had its problems, but the problems today are of a different magnitude and are recognised to be so. The member organisations of ICPA in five continents have very different requirements which they want ICPA to help them fulfil. The American members focus their main interest on crude oil exploration outside the United States. In Europe marketing and refining problems are the main interest, and crude oil has an important part. In Asia and Africa, however, the basic needs are for technical advice and

support in building their own organisations. This is of greater importance. The extent to which ICPA can help to fulfil these requirements naturally depends upon the support it is given by its member organisations. It has no funds for this purpose but has to earn its money in connection with each project it undertakes. ICPA has to adjust its goal to the conditions today, like all other cooperatives.

Listening yesterday to the Inaugural Address by our President, Dr. Bonow, it was brought home with shocking clarity that the cooperative movement today has one task which is more urgent than anything else, and that is to help avoid the coming catastrophe of world starvation. The figures presented by Dr. Bonow are frightening: a decreasing per capita production of food and a rapidly increasing world population. If the cooperative movement really wishes, and can find the financial means, to do something on a big and realistic enough scale, not alone but together with the United Nations and other forces of goodwill, it should be remembered that a very important part of the whole problem is connected with the availability and production of fertilisers, and that means petroleum.

I want this Congress to realise that ICPA can act as an instrument through which the I.C.A. can play its part helping avoid world starvation. ICPA has technical know-how, it has commercial know-how, and these facilities can be expanded if necessary. It is largely a question of capital, and of the necessary funds. If the cooperative movement wants to do it I think the ICPA can be used as a nucleus in performing this valuable service.

The President: I have no speakers on the Report of the International Cooperative Petroleum Association but Mr. Ahmed from Pakistan wants to comment on Auxiliary Committees generally.

Mr. R. Ahmed, Pakistan: I had no intention of speaking on this subject, for in the past I have had a feeling that the Auxiliary Committees, though very necessary and very competent, were dealing with questions of a highly specialised nature and trying to solve problems involving very sophisticated techniques of business. They are doing good work but I had thought their deliberations and their activities did not have a direct bearing on the problems in our part of the world. But having seen the Reports of the Committees and listened to the speeches made by their Chairmen, I find that some significant developments have taken place in the past three years, thanks to good work. These significant developments are the establishment of international commercial organisations on a cooperative basis. An International Cooperative Bank, an Allnations Insurance Company, and an International Cooperative Housing Development Association have been established. This fact opens a new horizon and leads to possibilities of greater work in the developing regions of the world. These organisations can now go into the developing countries and do business there, to set up joint federations, to help them with technical advice and with finance, and by working with them develop cooperative organisations which are both strong and efficient in those areas.

The problems of creating good cooperatives in the developing countries are many, some of the difficulties are lack of technical know-how and of managerial efficiency, which may be due to the fact that the managers are incompetent or that the directors or the elected representatives of the members are too politically minded. Somehow in our countries people tend to take a keener part in politics, perhaps because during the past many centuries they could not do so. Then there is lack of finance and the difficulty in finding markets. If these international cooperative organisations do business on an international basis most of these problems can be solved more easily than otherwise.

In this connection I might perhaps make a couple of practical suggestions for consideration. I think we should request the Auxiliary Committees which have not yet brought into being, or given birth to, commercial organisations of an international character to explore the possibilities now of doing so. We have often talked about international cooperative trade but we have not made much headway, and I suggest that the Wholesale Committee might consider the possibility of bringing into being an international coop-

erative trading corporation which would buy and sell goods all over the world. I would also suggest that a similar corporation should be brought into being for the purpose of establishing processing industries in the developing regions. These industries could be set up by joint participation of the international cooperative movement and the local cooperatives.

Here is an instance. We have in Pakistan set up a Cooperative Petroleum Association. We did this on the inspiration of the International Cooperative Petroleum Association. Although collaboration which we wanted to establish with the ICPA was not possible for certain reasons, the idea came from them, and with their encouragement we were able to establish the Cooperative Petroleum Association, which is now a going concern. Once local federations and enterprises in these countries are properly established and can be said to be going concerns, the international bodies can withdraw and let the local cooperatives do their business independently.

Resolutions on the Report of the Central Committee

Resolution on Peace proposed by the Central Committee

The 23rd Congress of the International Co-operative Alliance, in the name of its 206 million members,

Confirms that the International Cooperative Movement is conscious of its duty to dispel the anxiety of mankind faced with possible destruction by war, and declares its ardent will for world peace;

Further confirms its belief that war today is more hateful than ever before in the history of mankind, and urges all forces of peace in the world to act together, consistently and with energy, so that world peace will be secured;

Emphasises that peace is the requirement for economic and social development and the fundamental condition of all progress of mankind;

Acknowledges the forces of peace operating in the world today; confirms its belief in the work of the United Nations Organisation; salutes the wisdom and humanity of those statesmen who seek to settle international disputes by negotiation and peaceful methods and who reject war as an instrument of state politics in our time;

Exhorts the Governments of the world to accept the rule of international law and give their support, financial and moral, to international peace keeping forces; and

Declares that the moral forces which stem from the hundreds of millions of Co-operators throughout the world are constantly supporting all policies, including test bans on nuclear weapons, for a realisation of the paramount need of humanity for disarmament and peace under effective and practical international control, thus releasing productive resources, now devoted to armaments, for urgent diversion to the task of reducing hunger, want, economic insecurity and the threat of imminent famine which are casting their dark shadows over the world.

Amendments to the Resolution proposed by Centrocoop, Roumania

In the fifth paragraph, replace the words "in the work of the United Nations Organisation" by -

that the work of the United Nations Organisation will bring its full contribution to the promotion of Peace and understanding among nations; salutes

In the sixth paragraph, replace the words "to accept the rule of international law and give their support, financial and moral, to international peace keeping forces;" by -

to base their international relations on the standards and principles of International Law;

In the last paragraph, replace the words "all policies, including test bans on nuclear weapons" by -

all measures intended to lead to the prohibition of using, testing, producing and stocking nuclear weapons, and to the destruction of nuclear weapons,

Amendment proposed by Centrosoyus, U.S.S.R.

After the sixth paragraph, add -

"Condemns the intervention in the internal affairs of other states, the application of force or pressure by force in international relations; stands for complete prohibition of atomic weapons,

for liquidation of military bases on foreign territories, for the development of equal international economic cooperation and final liquidation of colonialism and racism; and"

Resolution submitted by the Cooperative League of the USA—

The 23rd Congress of the I.C.A.,

Recalling its resolutions on peace adopted at previous Congresses,

Considering the continuing and increasing danger to all mankind which results from possession of weapons of terrible destructive power by nations which acknowledge no higher law than their own decisions,

Recognising that the time has come when unilateral action by any nation, however apparently justified or necessary, which impinges upon or invades the territory of any other nation, must be replaced by orderly, controlled international action decided upon by competent international bodies,

Recommends to all the member organisations of the International Co-operative Alliance that they support with all vigour in their own councils and publications, within their own countries, measures that would transform the United Nations into an effective peace-establishing, peace-keeping, and peace-enforcing agency capable of forbidding unilateral action by any nation outside its own borders for reasons however worthy and capable of replacing such unilateral action with United Nations peace-keeping police action aimed not only to pacify areas of conflict but also to establish justice and guarantee freedom of choice and self-determination to every people, and

Calls upon all member organisations to do everything in their power to influence the governments of their own countries to support such measures for the transformation of the United Nations, by whatever means may be required including if necessary amendment of the Charter.

The President: We will deal first with the resolution of the Cooperative League of the USA which I understand Mr. Voorhis wishes to withdraw in favour of that proposed by the Central Committee.

Mr. J. Voorhis, U.S.A.: I am going to read the resolution put forward by the Cooperative League, and I do so in the framework of asking that it be withdrawn in favour of the resolution put forward by the Central Committee, not because I think that the Central Committee resolution is better than ours, but because out of deference to the will of the larger body I felt that I should do so. Our resolution expresses the deep conviction of the Board of Directors of the Cooperative League of the United States in the hope of man for peace. As I read it I ask each of us to think not of the faults of other countries but of the faults of his own.

(Mr. Voorhis read the text in full)

I shall say no more. I ask that this resolution may be withdrawn in favour of the resolution on Peace of the Central Committee and the resolution on Vietnam, which I consider to be an excellent resolution.

The President: I thank Mr. Voorhis for the withdrawal of the Cooperative League resolution in favour of the Central Committee resolution, and call upon Mr. Brot, who will submit the resolution of the Central Committee on Peace and also the Emergency Resolution on Vietnam, which is proposed by the Central Committee.

Emergency Resolution on Vietnam submitted by the Central Committee

The 23rd Congress of the International Co-operative Alliance, representing over two hundred million cooperators throughout the world,

Expresses its grave anxiety about the present situation in Vietnam and the possible consequences for world peace that may result from it,

Approves entirely the untiring efforts of the Secretary-General of the United Nations to facilitate a peaceful settlement of the conflict, and

Invites all parties directly or indirectly involved in the Vietnam war to spare no effort to promote the conclusion of a provisional agreement on an immediate cease-fire as constituting one of the essential preliminary conditions to the beginning of negotiations aimed at re-establishing a lasting peace, thanks to which the Vietnamese people shall be able to undertake the reconstruction of their country devastated by war.

Amendments to the Resolution submitted by Centrosoyus, U.S.S.R., and Ustredni Rada Druzstev, Czechoslovakia

Delete the second paragraph and replace by -

Condemns the aggression in Vietnam, demands the immediate stopping of the bombing of the territories of the Democratic Republic of Vietnam, the ending of intervention in South Vietnam, the withdrawal of troops and the liquidation of all foreign military bases in Vietnam; thereby creating the possibility for the people of Vietnam to work out their own fate in accordance with the Geneva Agreement.

In the fourth paragraph, delete the words "directly or indirectly" in the first line, also the word "provisional" in the second line.

Discussion

Mr. M. Brot, France: Once again, we are going to vote on a resolution for Peace. Since we last adopted a Peace resolution most appalling things have happened, but, in spite of all, and especially in the circumstances in which we are living, we cannot allow this Congress to pass without a great international organisation like ours speaking its mind about the maintenance of peace and the possibilities to maintain it.

The Central Committee has drafted a resolution and it is on this that we shall have to take a decision since it was approved unanimously by all the members of the Committee who were present.

But I must say that I have just read again the American resolution which I find was excellent, and I think everybody would have adopted it. But, now it is our own proposal with which we are concerned. I do not believe it is necessary to dwell at length upon the present situation and the dangers which continually threaten an escalation of the war. What I think we must do is to try to reach unanimity on a text.

I remember several Congresses, notably the Congress at Prague, when we were also in an extremely critical situation and when, after having defended their own point of view, our Soviet friends responded to our arguments and thus unanimity was achieved.

I hope that, after their explanations, we can again achieve unanimity on the Peace resolution before you which I think it would be good to read again.

(Mr. Brot read the text of the resolution).

If I made a point of reading the text of which you all have copies it is because I feel that we must think very seriously upon every word that is in this resolution which expresses the profound thought of every cooperator, to whatever regime he or she may belong.

I know well that the great difficulty for cooperators in all countries is to persuade themselves that they come here as cooperators and that, while they must doubtless think of the position of those responsible for the government of their countries, they do not here represent the policy of their country. It is essential that they should place themselves above these preoccupations and act only as cooperators.

So much as regards peace in general. We are passing through an agonising period in South-East Asia and the whole world is conscious that what is happening there could develop into a general conflagration such as we have known not long ago.

We think it is necessary to make a specific appeal on this particular subject. There is

no doubt that it would have been raised during our discussions, but our President has anticipated it and he proposed, first to the Executive and then to the Central Committee, a resolution we thought at once excellent because it does not involve anybody, because it does not express any political judgement, and that it constitutes a very serious appeal concerning the Vietnamese issue.

Although you all have the text of the Vietnam resolution I would like to read it to you:

(Mr. Brot read the text)

As the President has said, we shall have two separate votes, one on the general Peace resolution, and one on Vietnam.

I appeal for the last time to all those who intend to support the amendments. Think again seriously. If we have an unanimous resolution, it will express with much greater force the profound opinion of the International Co-operative Alliance.

Mr. C. Mateescu, Roumania: Roumanian cooperators and all Roumanian people believe that peace is the most important problem of our day. When discussing peace and disarmament, the representatives of the Roumanian people always emphasise two essential factors, two fundamental reasons which determine men of sound judgement all over the world to struggle with so much devotion for these objectives; these factors are the growing danger to the life and security of nations presented by war and the arms race and the distress caused to mankind, even in times of peace, by military preparations.

It is useful to recall the unimaginable calamities that could fall upon mankind by another conflagration in which nuclear weapons were used and the enormous danger this would represent for the progress of mankind, of civilisation and of culture. Hence the great importance of the struggle for disarmament and the liquidation of war centres, a problem of first priority in the contemporary international life of all peoples.

Upon the solution of this problem will depend, in the last instance, whether mankind is to be subjected to the unlimited sufferings of a nuclear war, or will benefit fully from the resources of our planet in order to create a world in which under-development, misery and famine will be eliminated for ever, and peaceful relations of fruitful cooperation and friendship between States and peoples will prosper.

For the manufacture of weapons of mass destruction, the world now spends the fantastic sum of over \$150,000 millions a year.

There is unanimous recognition that military expenditures represent an enormous waste of material resources whilst, in vast areas throughout the world, hundreds of millions of men suffer from famine and under-development.

Roumanian cooperators and all our people are convinced that the unanimous protests of peace-loving men all over the world could halt the arms race and enable all countries to renounce war productions and thus change to peaceful production.

It is obvious that the efforts towards liquidating under-development in certain vast regions of the world, famine, lack of education and hygiene, which are still rampant in many areas, could represent one of the most fruitful objectives towards which efforts now wasted in the most unproductive and disastrous activities could be channelled. Peace is the supreme cause of mankind. That is why we consider that no possibility likely to lead to eliminating the danger of a new war and to normal international relations must be ignored. An important contribution could be made in this sense through initiatives taken at regional level.

As the representative of more than 211 million cooperators throughout the world and the spokesman of their ideal of peace, the Alliance should express its anxiety, every time world peace is threatened by appealing to common sense. For these reasons, the Roumanian cooperators will vote for the resolution on Peace, but Centrocoop has submitted three amendments.

(Mr. Mateescu read the texts of the amendments)

The first of these would better express the desirable idea that the work of the United Nations should contribute in a more efficient manner to the promotion of peace and collaboration between peoples.

The second amendment we recommend because everyone knows that the problem

of the international peace-keeping forces is a complex one which is being examined by a body constituted by the United Nations.

So far this examination has not led to any result and we feel therefore that the I.C.A. cannot anticipate, by any resolution, the conclusions that will be arrived at by the United Nations.

As regards the third amendment, we feel that in the present situation, from the international point of view and in the fierce development of military techniques, all peace-loving men must unite their efforts to prohibit the use of nuclear weapons and that every nuclear power should renounce to be the first to use atomic weapons. Such measures would have beneficial effects on the international situation, and would constitute a starting point for the cessation of the dangerous nuclear arms race and for the destruction of existing stocks.

The prohibition of nuclear weapons cannot be regarded as the final aim, but as one of the component measures of a nuclear disarmament programme, and our united efforts must be directed without delay towards the achievement of these objectives.

As regards the Resolution on Vietnam, we wish to state that during the Central Committee meeting we expressed our support for its inclusion on the Congress Agenda. But we must also state, as we did during the meeting of the Central Committee, that this Resolution does not call things by their real names. The United States has committed aggression against the people of South Vietnam and has attacked the Democratic Republic of Vietnam, an independent and sovereign State, thus defying the most elementary standards of International Law.

The President, interrupting the speaker: I shall stop the interpretation if accusations are made against individual countries. I ask the speaker to resume his seat.

We will first deal with the Roumanian amendment. Does Mr. Brot wish to reply?

Mr. M. Brot, France: The Roumanian amendment contains three points which concern the work of the United Nations Organisation and international relations according to the standards and principles of International Law. As all these points are included in the Central Committee resolution, the amendment does not contain any real modification. Further, the intervention just made by the Roumanian delegate strongly resembles an act of accusation against an individual country. This we cannot accept and, therefore, we must reject the amendment.

The President: I will take a vote by show of hands upon the Roumanian amendment.

A vote was taken and **the President** declared the amendment **lost**.

The President: We will now deal with the emergency amendment of Centrosoyus which has been distributed, and, so far as procedure is concerned, has been accepted by the Congress Committee. It will be moved by Mr. Denisov.

Mr. M. Denisov, U.S.S.R.: The I.C.A. declares that it wishes to contribute to the maintenance of peace in the world and at Congresses we have again and again dealt with the question under the banner of the fight for peace, behind which millions of cooperators stand. The Centrosoyus delegation considers the resolution submitted by the Central Committee as a definite step forward, but it is far from being sufficient and we want to increase its significance by the amendment, which has been distributed.

We hope this amendment will be favourably received and accepted, because we are considering at the same time the resolution of the Central Committee and the resolution put forward by the President which deals with Vietnam.

Allow me to touch on the problem of Vietnam. Soviet members of the Central Committee have pointed out that this resolution is a weak one, that it does not reflect the existing situation, but puts on an equal footing both the aggressor and the victim of aggression. This is inadmissible. The wide masses of cooperators will not understand if we approve a resolution which does not reflect the true situation. No one who considers himself a humanitarian can approve the use of modern methods of mass destruction, the

use of napalm bombs and gas, the merciless bombardment of Vietnam, the destruction of its culture and all the hard work of a valiant people. It is a crime which is being committed, and a humanitarian is one who fights against criminal actions. The responsibility of the cooperators of the world is increased when destruction is inflicted by the forces of a large country against a small country which resists these forces.

We fully understand the great concern voiced by Mr. Carl Albert Anderson, who in the Central Committee declared that we must have regard to the tragedy of the Vietnamese people, and we regret that our amendment was not incorporated in the resolution adopted by the Central Committee. We demand the cessation of aggression in Vietnam, the withdrawal of all forces from the territory of Vietnam, the liquidation of foreign military bases, and that the Vietnamese people be left to solve their own problems in keeping with the Geneva Agreement of 1954. Our delegation has thoroughly studied these proposals because we Soviet cooperators know the tragedy which war brings, and we are deeply convinced that if we accept the Central Committee resolution we shall not be understood by the broad masses everywhere.

We formally declare that we cannot support such a resolution and we appeal to Congress to accept our amendments.

The President: We will now deal with the Czechoslovak and Soviet amendments to the emergency resolution on Vietnam.

Mr. J. Voorhis, U.S.A.: This amendment has really two points and is presented in part by Czechoslovakia and in part by the U.S.S.R. but it is only one amendment. To one portion of that amendment we are adamantly opposed, but to the other portion we have no objection.

We thought the resolution as drafted was an excellent statement. To strike out the words "directly or indirectly" takes much of the heart out of the resolution. It may well be that countries not directly involved in the strategic situation in Vietnam may have more effect in helping to put an end to this conflict than those said to be directly involved. We believe that if this resolution is to be strong there should be as much effort from as many places as there can be to bring this war to an end. It is the earnest desire of my country to bring it to an end, and we are willing to do everything we can to do so, as I think has been demonstrated, apart from abject surrender or turning over the Vietnamese people to those forces which have tried for a long time to get at them. I, therefore, oppose striking out the words "directly or indirectly", and to strike them out almost makes it appear that those opposing this would rather see the war go on than lose what may appear to be a propaganda advantage for them. We feel that the most important thing which we should strive for is to bring the war to an end, and we think that the words "directly or indirectly" should help towards that end.

The other part of the amendment, however, as I understand it, proposes to strike out the word "provisional" and call instead for an immediate cease-fire. Nothing would suit us better than an immediate cease-fire, and we cannot, therefore, oppose in conscience that part of the amendment; but if the amendment must be voted on as a whole we are very much opposed to it, because we think that as a whole it takes the heart out of the President's excellent resolution.

Mr. M. Capek, Czechoslovakia: Congress is discussing a resolution on Peace which expresses a point of view on this question; and on the solution of the conflict many lives depend, and perhaps the future existence of mankind. We have two resolutions to deal with one on Peace and one on Vietnam. An international organisation such as the I.C.A. groups representatives from many countries, representing various opinions and shades of political belief linked to their own ideologies. With reference to peace it should have a unified concept, and, therefore, our resolutions on Peace are the result of discussion and negotiation. We consider that the present Peace resolution is an attempt to do this and we are quite willing to agree to a resolution which is acceptable to everybody. In the interests of peace, however, we must ask Congress to add what we, with Centrosyous,

propose as expressing the real situation with regard to aggression in Vietnam. Military aggression against a people and an independent country contains within itself the possibility of a world conflagration, and to limit ourselves to a general resolution on Peace would be equivalent to saying that we reconcile ourselves to the present situation and accept a precedent for aggression such as this in the future.

We do not feel that the majority of people in the United States are in favour of the policy of their Government. We insist that this aggression should be condemned, and that we express our sympathy with all those in favour of peace, including those in the U.S.A. I hope that the delegates will support our proposal in the interests of peace throughout the world.

We cannot agree that in regard to Vietnam we should put on the same level the aggressor and the victim of aggression, therefore, we wish to delete from the resolution the words "directly or indirectly".

The President: We shall now proceed to the general discussion, which will cover both the Peace Resolution suggested by the Central Committee and the Emergency Resolution submitted by the Central Committee, also the amendments. Later on we shall take separate votes on the amendments and on the principal motions, voting separately on the general peace resolution and on the Vietnam emergency resolution.

Mrs. M. Lonsdale, Great Britain: The question of peace was raised at the Conference of the I.C.A. Women Cooperators' Advisory Council, and at a subsequent meeting of the Council it was agreed that the Secretary, Mrs. Russell, should write to the I.C.A. expressing the feeling of that Conference. With your permission, I shall now read the letter to Mr. Alexander -

The delegates participating at the Women Cooperators' Conference in Vienna on September 3rd and 4th, express concern that the conflict in Vietnam seriously threatens humanity. They requested me to address an appeal to the I.C.A. Congress to use all its efforts in supporting the United Nations in any measures it may take to establish lasting peace in that part of the world. They wish to remind all Cooperators of the suffering already endured by millions, due to under-feeding and famine. The Women Cooperators are further convinced that the 23rd I.C.A. Congress, in pursuing its traditions, will adopt a course which will make its contribution to the abolition of war and the construction of a better future for the whole of humanity.

You will see that women cooperators are appealing to Congress to work wholeheartedly for peace.

Mr. G. Schaffer, Great Britain: This international of ours is the one international which has survived the tensions of the "Cold War" and has enabled us to unite, despite many differences, so that at every Congress we have asserted our demand for peace in the name of hundreds of millions of people throughout the world. The resolutions before us today must not just be paper resolutions; we must in some way or other inspire not only ourselves but those we represent to use them as real vehicles in the struggle for peace, which is a struggle to save not only our world cooperative movement but all mankind. I hope, therefore, that we shall be able to achieve unanimity.

I had felt, as the British delegation generally felt, that the Czechoslovak and Soviet amendment was an effort not to strengthen but to alter the phraseology of the resolution. I do not think that the omission of the words which the amendment proposes should be deleted would bring out the point which the amendment wants to make. It would be a pity not to have a unanimous decision.

There are many here who would have liked a more vigorous condemnation of the genocidal war which is being waged against the martyred people of Vietnam, but in our resolution there is a reference to the work of U Thant, the Secretary-General of the United Nations. He has made no secret of his view that the Vietnam tragedy can be ended only by the evacuation of foreign troops and by the carrying out of the Geneva Agreement of 1954. Therefore, in supporting him we are supporting that solution of the war which

embodies the evacuation of foreign troops and the right of the people of Vietnam to decide their own destiny. I suggest that from this Congress we send a message to U Thant saying that we support the efforts he is making and asking him to reconsider his decision not to stand for re-election, because at this terrible moment we need his help and wisdom.

With regard to the general resolution, we were very pleased to see the reference in the Report to the role which our Alliance plays as one of the consultative organisations with the United Nations, and we are glad that we have a representative in Geneva. But our representative should be on the doorstep of the Commission on Disarmament to demand that, as this is possibly the last chance of preventing the spread of war, they should echo our demand for peace. Mr. Noel Baker has expressed the view that the technical problems of disarmament can be solved. It is not the technical difficulties of disarmament which are the obstacle; it is the lack of the will to peace. It is our duty to insist that the will to peace is the will of all humanity.

The National Conference of the British Cooperative Party expressed its support for the proposal of the Assembly of the United Nations for a world conference on disarmament to which all nations, whether members of the United Nations or not, would be invited. It has been suggested that this conference should be held in this beautiful country of Austria, which has the value of neutrality in this field. We think that the I.C.A. should give support to that demand and find practical ways of asserting our demand for action for peace, because, as our Czech friend said just now, this is not a question of ending one war but of lifting from humanity the shadow of nuclear war, of no longer condemning our children and grandchildren to live in this balance of terror which overshadows us all. Let us have a unanimous decision and a unanimous demand by cooperators for the solution of what is the greatest problem of all that face us, the problem of world peace.

Mr. C. A. Anderson, Sweden: I am quite satisfied with the peace resolution but not so satisfied with the Vietnam resolution. When the Vietnam resolution was brought before the Central Committee I said that I found it too weak. I know that it is written in a neutral way, but something more should have been said against the war in Vietnam with its bombing of civilians and small communities, including women and children, with napalm bombs, and bombing the ground occupied by poor farmers with poison bombs, which means that nothing will grow there for many years. It is a terrible terror which has been unloosed against the civilian population and against all human laws and rights. I am sorry that nothing is said in the resolution about these terrible methods of war. If it had been, it would have given a human air to the resolution which would ensure its acceptance by millions of cooperators throughout the world.

The President declared in opening the debate in the Central Committee that the text which had been drawn up was the only possibility of uniting different nations. I have not myself presented a proposal and shall not do so now, but I feel in my heart a duty to declare my opinion, and I know that many of our American friends have the same feeling. My words, therefore, are not directed against the Americans, but against the army leaders in Vietnam. It is horrible that life should be destroyed in such a barbaric way without protest. I do not understand how people can shut their eyes to such actions. I would also say that it is a great mistake to think that it will be possible to take care of the socially under-developed countries and to solve social problems with bombs. Civilised, developed people will understand that that is a wrong way to act.

I am also sorry about what is happening for another reason. In many parts of the world the Americans have great sentiments of sympathy with them. If these methods used by the army leaders in Vietnam go on, I am afraid the Americans will lose that goodwill and sympathy may vanish, and for that I am also very sorry. It is an unhappy thing for the future development of the world.

- **Mr. T. Taylor, Great Britain:** At this Congress we have decided on a new set of principles for the international cooperative movement. These principles make it possible for cooperative organisations with different economic and social backgrounds to come together in one organisation. They provide a basis for organisations from the western

liberal countries, from the planned economy countries, and from the developing countries, enabling them to reach agreement and combine in one organisation. In doing this we are not creating another United Nations. The United Nations is an organisation to which people come representing their separate States and speak on behalf of their separate States, but that is not the purpose of the I.C.A. Nor have we created a world court where we are going to assess and judge every international political issue or area of conflict. We are not competent to do so: many of these things are too complicated to be adequately assessed in this assembly. To our friends from the U.S.S.R. who have submitted an amendment condemning intervention in the internal affairs of other States, let me quote a verse from the New Testament "Let him who is without sin cast the first stone." I do not say that in any nationalist spirit, because I am conscious of our own guilt in that respect.

What we have decided to do is to create an international organisation in which people hold certain objectives in common. The Report of the Principles Commission ends by saying that if this experiment is to survive it must survive on the basis of the affirmation of the things which we hold in unity and in common. It, therefore, does no service to this great experiment on which we are now embarking if we start by dividing ourselves into peace-lovers and war-mongers. It makes no contribution to our future success if we start to make fine distinctions. What we have to do in the international situation is simply to emphasise the things which we have in common. What have we in common? We have a basic belief that it is possible, and in our own experience practicable, for men and women to unite and work together in peace for mutual advantage. That is what we want to see writ large in the world, the experience of our own communities and societies. We stand for great human values in unity.

In discussing this peace resolution, therefore, let us give up the fine distinctions which divide us and assert the great unifying principles which bring us together. Do not let us use this tragic situation in Vietnam as a platform for propaganda for our own country or our own ideological convictions. Let us in the language we use to one another speak as comrades and cooperators. Let it be a language first designed to build bridges and not to shatter friendships. Let us try to assert that which we hold in common and support a resolution which says "In God's name, let us come together round the table now."

Mr. N. Thedin, Sweden: I have asked to speak because of something which has been withdrawn from Congress. We have in our Congress papers a peace resolution presented by Mr. Voorhis and which has been withdrawn. Mr. Brot called this resolution excellent, and I would add that it is powerful and concrete. But, even if this resolution in certain respects constitutes an improvement on that of the Central Committee, I do not regret its withdrawal; on the contrary, I welcome it because it was done in the interests of unanimity.

I believe that this would be a proper moment to pay tribute to the man who presented the resolution and who himself is now withdrawing from his post in the Cooperative League and in the Executive of the I.C.A., because his name and personality are so closely connected with peace.

Since 1944, when he published his wise and farsighted book on postwar reconstruction, Jerry Voorhis has been one of the most untiring fighters for mutual understanding, human dignity and constructive peace. It was only logical that his intervention in our discussion on peace should be a gesture of goodwill in the interests of unanimity.

While saying this, I express the hope that the amendments to the Central Committee resolutions on peace and on Vietnam will be withdrawn. Each one of us could propose what he or she thinks are important improvements to the texts submitted by the Central Committee, but peace resolutions which divide us are of little value. The concern which we all feel about the terrible, dirty war in Vietnam is expressed in the resolution of the Central Committee. Mr. Carl Albert Anderson, I think, expressed our feelings when he said that the bombing is against all human rights, but it is not only bombing; war itself is inhuman. This is, therefore, a plea for unanimity, which will add strength to both the

resolutions of this Congress. I would gladly associate myself with a plea to U Thant if that should be the general wish of Congress.

Mr. C. Mateescu, Roumania: As we have already spoken about the resolution on Peace, I wish now to refer to the emergency resolution on Vietnam. During the meeting of the Central Committee we decided in favour of including this emergency motion on Vietnam in the agenda. We must state, however, as we did at the Central Committee meeting, that the resolution does not call things by their real names.

In the Democratic Republic of Vietnam, an independent and sovereign state, an aggression is being committed, challenging the most elementary standards of International Law. Atrocities are committed against a peaceful population, women and children are killed, factories, schools, houses and hospitals are completely destroyed, poisonous substances and napalm are used.

As the representative of more than 211 million cooperators, the Alliance should take a firmer position in such a grave situation which causes profound anxiety, disturbs public opinion and threatens world peace.

The cooperators and people of Roumania declare themselves for the respect of the standards of International Law, for the respect of the sovereignty of states, and for non-interference in internal affairs of other countries. They demand the cessation of bombing on the territory of the Democratic Republic of Vietnam, the withdrawal of interventionist foreign troops from South Vietnam, and respect for the sacred right of the Vietnamese people to solve their own affairs, without any foreign interference.

Dr. A. Laidlaw, Canada: I stand before you for two purposes: first of all, to explain the Canadian position, and, secondly, to make an appeal.

The Canadian delegation were afraid that if we did not speak on this issue it might be interpreted as indifference on our part; it might be construed as our not having views or being unconcerned about the whole question of peace and the world situation. So I am here to tell you that Canadians are not unconcerned. Canadians are not indifferent. Canadians are deeply disturbed and they are very much concerned. Although at times we may appear to the world to be neutral, I want to assure you that Canadians in their hearts are not neutral. That is the first point.

First, we deplore this kind of debate in the I.C.A. We do not think this is the proper place for it. We are here, representing cooperators, to promote cooperatives, and not to discuss international politics; and so we condemn the use of the Alliance as a platform for political views.

Our second point is that we are here not representing our governments but representing cooperators, and we feel that we do a great disservice both to the idea of cooperation and to the world cooperative movement and to cooperators generally when we inject this kind of debate here and especially when we speak as apologists for the military mind that seems to be taking the world apart at the present time.

No country is more unhappy than Canada. As I said before, we are not neutral. I invite you to read the Canadian Press on questions of peace and the war in Vietnam. A very large majority of Canadians condemn the war in Vietnam, condemn the escalation of the war, and condemn the crushing of a gentle and peaceful people by military machines.

What is our case, then? First of all, we feel that this assembly should call for an immediate ceasefire. Secondly, we should with one voice condemn all forms of barbarity, cruelty, destruction of crops, and the outrage against human decency that is taking place in Vietnam today. We should, as national movements, speak with one voice to our governments on this issue, and we should support the concept of international action by the United Nations to intervene in the Vietnam war. That is our position.

Now the appeal. Our appeal is simply this: that we as cooperators unite in one resolution so that we can go forth from this assembly with one mind in the interests of world peace. We would appeal to those who want to divide this assembly, perhaps, by their amendments, to withdraw them in the interests of one unified voice of the Alliance,

so that we can transmit the message here from this assembly and thereby from 215 million people around the world, transmit it first of all to the United Nations so that our opinion and our expression of dismay at the world situation will be recorded.

I would like to add, too, that we support the idea put forward by previous speakers, that we request U Thant to reconsider his position in the United Nations, because we know it is no secret that he is heartbroken over the escalation of the war in Vietnam, and that is probably the reason he is not offering himself for another term.

Mr. G. Jordanov, Bulgaria: The delegation of the Central Cooperative Union of Bulgaria accepts the Central Committee resolution on Peace and will vote in its favour, but we consider it would make a better appeal to peace-loving cooperators of all countries if it were more energetic in defending peace. Therefore we support the amendment proposed by the Soviet delegation.

As regards the resolution on Vietnam, we consider that it does not objectively reflect the events in Vietnam and does not give the kind of lead which would channel the efforts of all cooperators into stopping the war in Vietnam, in keeping with the Geneva Agreements, thus enabling Vietnam to solve its own fate. Cooperators of all countries who are especially interested in peace should reflect their feelings in a Resolution which defends the interests of the people of Vietnam who are carrying a heavy burden in meeting the cruel aggression being committed against them by some capitalist countries.

On the basis of these considerations we shall abstain from voting for the Resolution of the Central Committee.

Mr. J. Voorhis, U.S.A.: John Steinbeck, the American writer, once wrote to one of his friends in the Soviet Union, a distinguished poet of the Soviet Union: "I am against this war in Vietnam. I don't know a single American who is for it. But you ask me to end half a war - our half. I appeal to you to join me in ending the whole war. If you could persuade North Vietnam to agree in good faith to negotiate, the bombing would stop instantly, the guns would fall silent and our sons could come home. It's as simple as that, as simple as that, I promise you."

This is really what I wish to say.

I want to associate myself and our delegation most earnestly with the suggestion of the British delegation that a message be sent to U Thant thanking him for his efforts and urging him to remain as Secretary-General of the United Nations. I wish to thank Mr. Taylor very deeply for his intervention and, of course, my friend Nils Thedin.

Many years ago, at the request of the people of South Vietnam, we began to develop a cooperative training centre in that country. This was done and groups of people in the villages would gather together to study cooperation. Those groups had to meet very secretly, for if they were found out they were shot at by the Vietcong.

This is not just a one-sided war, as indicated by Carl Albert Anderson. It is a horrible tragedy, as the resolution upon which we are called upon to vote says. When it is said that there should be a withdrawal of all forces, all foreign forces, from South Vietnam, this is what we ask and, if that is agreed to, American forces will be withdrawn. But sometimes we are asked to do it all by ourselves. The real aim is to bring everyone to a bargaining table.

My country has said it would agree to the three-point proposal of U Thant. Twice the bombing has been stopped and both times we were accused that it was an American trick.

No one wants this war to end as deeply as do the American people, or feels as deep a sense of guilt about the whole matter as I do. Our resolution, however, which is before you on the subject of Vietnam, calls for a real way out. It certainly calls upon my country to do everything it can, as it properly should, but it also calls upon all other parties to do everything they can.

War is mass murder on all sides. The enemy of man is the war system. The only hope of man in the end is a measure big enough to stop the war system, which opposes the claim of any nation, my own nation included, to make war when it feels it should or can.

This is the whole purpose of the resolution that we introduced, it is the purpose of the resolution of the Central Committee, and it is the purpose of the resolution on Vietnam.

Until the United Nations is strong enough and has the right and the power to enter any situation like this, instead of any one nation being allowed to do it, we shall not be able to have peace. Our task in every country, certainly in mine and also in yours, is to bring our governments to the place where they will support with all the effort at their command the development of the United Nations as an agency strong enough to enforce peace upon all mankind.

✓ **Mr. B. Perakash, India:** We have listened to an impassioned plea from Mr. Brot for the acceptance of the Peace resolution, and we have heard testimony from a number of other cooperators as to how they feel, especially Carl Albert Anderson. I have not come to this rostrum to add either words or wisdom but rather simply to associate myself, and the cooperators of India, with the sentiments expressed in this resolution and also with the sentiments expressed in this assembly.

Peace is India's tradition, not simply today but over many thousands of years. Even when we were fighting for our freedom we did not use the customary methods but chose non-violent means, under the leadership of Mahatma Gandhi. There was an occasion when he had started the struggle and some people burned down a police post, so he stopped the struggle because he did not want to have freedom at the cost of violence. That is our tradition. It is the tradition of our country, not only of the people but of the government and of the leaders. At any time we are prepared to conclude with any country a "no war" agreement. We know the cost of war also. Only a few months ago we had trouble on the border and this caused us great misery. The very meagre resources saved by starving Indians and what we were able to borrow from outside had to be spent, under public pressure and the pressure of the world, for armaments. In order to buy arms from other countries we had to double our budget, and that is not a very happy situation; it is a very distressing one. Our cost of living has gone up. That is the situation today in my country of 450,000,000 people, which has reason to be afraid of the intensions of other countries. Not only as a matter of tradition but also as a matter of human need we want peace, so that we may provide the bread and clothing and shelter required by our starving millions. This is the need not only of the people of India but of people all over the world.

The responsibilities today lie on the great powers. What is happening in Vietnam might happen in Thailand or in other countries, or even tomorrow in India. I feel that we are just pawns in the game of the big powers. The degree of aid that is available to the poor countries of the world is being adversely affected by the huge expenditure on armaments by the great powers. It is also the duty of the great powers to stop the supply of armaments to other countries. If this is not done the tragedy of Vietnam will be repeated elsewhere. In the nuclear field we see countries that are anxious to possess nuclear weapons and to join the nuclear club of the great powers.

Somehow a stop must be put to these dangerous practices. Surely it is our duty as cooperators to bring pressure to bear upon our governments and politicians to stop the drift towards war, to stop the war in Vietnam, and to see that the situation is not repeated elsewhere. We must see to it that power does not reside in the hands of the generals but in the hands of the people, where it ought to be.

Dr. G. Banchieri, Italy: The delegation of Lega Nazionale delle Cooperative support the emergency motion on the events in Vietnam formulated by President Bonow and Mr. Alexander, and as recommended by the Central Committee, as a motion which has been so conceived as to assure its acceptance by all the national delegations taking part in Congress.

In fact, this motion is limited to expressing the desire of the cooperators of the world for the early coming of peace in Vietnam and, to this end, the adoption of measures which will create a climate favourable for negotiations.

In our view, such a motion commends itself and I am sure every delegate at this 23rd

Congress of the I.C.A., as a cooperator in love with peace and human solidarity, shares this desire wholeheartedly. Allow me to inform you of the most profound reasons which impel my organisation to cast a favourable vote on the emergency motion.

In an amendment to the general resolution on Peace which, due to a technical delay, we were unable to present, we abstained from mentioning past and present responsibilities which are the basis of the armed conflict going on in Vietnam for a long time and its deterioration in the last weeks. This does not mean that my organisation has not its own opinion on the subject, indeed it has already expressed very clearly its point of view. Quite recently, in official documents, we have expressed the wish for the ending of the bombing in North Vietnam which would be a first step to creating a climate suitable for a negotiated solution on the basis of the Geneva Agreement, with the same arguments which Mr. Anderson of Sweden so magisterially mentioned. Our proposal received the approval of the Secretary General of the United Nations, U Thant, that great authority of international prestige. Every day in my country standpoints are being taken in this sense, emanating from basically cooperative organisations, which are profoundly pre-occupied with the tragic consequences for world peace which the continuation of the Vietnam conflict could bring.

I also wish to stress that the standpoints taken up by our cooperative organisations bear the signature of all political trends and ideals represented in the Lega Nazionale delle Cooperative.

We realise, however, that, in an international assembly like ours, it is very difficult to obtain the united vote of Congress on the present responsibilities in the Vietnam conflict and for the adoption of specific political solutions in the presence of a positive issue. We know well that on these questions our views differ and that it would be very difficult to reach agreement. But to make no mention of these tragic events during the Congress of the Alliance would be going too far, and we express our most sincere thanks to the President for having taken the initiative in drafting this emergency motion.

In effect, from the motion which is proposed it is very clear that in the first place the movers want to draw attention to the fact that the danger of possible destruction of mankind through war – to which they have rightly referred in the Peace resolution – finds in the events of Vietnam its most dangerous potential, and the most susceptible to catastrophic and irreparable consequences for world peace.

For these reasons the motion affirms that the just reflections on the concern of cooperators for the maintenance and defence of peace, formulated in the general resolution on Peace which we approve, must, to be really effective, involve action on the part of cooperators in all countries in favour of a peaceful solution to the Vietnam conflict.

But we are equally convinced that, as it is conceived, the motion seeks to express the human solidarity of the cooperators toward a martyred people who, for decades, have not known the blessings of peace.

It is therefore with a sense of profound human solidarity toward those who, at this moment are experiencing the most terrible sufferings, the most dreadful violations of their physical integrity and their national, cultural and economic inheritance, that we support without reserve the emergency motion on Vietnam.

This same sentiment impels the cooperative organisations assembled within the Lega Nazionale to be among the most fervent in the collection of funds for sending medicines in response to the appeal of the national committee for medical assistance to the people of Vietnam.

In the light of these reflections I ask Congress to give a favourable and unanimous vote on the emergency resolution recommended by the Central Committee.

Mr. M. Palacin, Argentine: We are not here to make political speeches and must take care that we do not convert this Congress into a political assembly.

We have this resolution on Peace before us, sponsored by the Central Committee, and I am pleased to say it is one that I can support.

The President: I will now ask Mr. Brot to reply to the discussion.

Mr. M. Brot, France: You have heard some really moving appeals. Our friend Carl Albert Anderson has spoken of the atrocious way in which war is being waged. But, as he rightly said, it is not only the physical atrocities but the whole war that we condemn, and not the technical media which are employed.

You have heard the appeals like that from Mr. Taylor which should really persuade our friends who have tabled amendments to withdraw these in order that we may have a unanimous vote. I have tried, by personal talks, to gain support but so far I have not succeeded; I think, however, there is still time, before the vote, for our friends who might cast separate votes not to do so.

The amendment of Centrosoyus and Ustredni Rada Druzstev is extremely dangerous; as you have understood from the rejoinder to it, in which our friends were reminded that it condemns a certain action taken by their country ten years ago. Are we going to throw at each other's heads here the reproaches which we make from nation to nation? It would be better, on the contrary, to suppress them and to think only of the future.

I beseech our Soviet friends to make this gesture, which so often their predecessors have done at previous Congresses.

I now come to the point of the resolution on Vietnam. You heard the intervention of our friend Mr. Voorhis. We agree with him to delete the word "provisional" in the final paragraph. If this word was used, it would mean that an agreement, even provisional, would be useful for opening negotiations. We can, however, delete it.

As for the first sentence which we are asked to prune which says that the governments concerned, directly or indirectly, should together seek peace, I believe it is desirable that all those who, directly or indirectly, are more or less involved in the conflict, or support it, should unite to try to solve the problem.

This is where we stand: There will be two separate votes. The first, on the general resolution on Peace, submitted by the Central Committee, and the second on the emergency resolution on Vietnam.

I pray you, for the last time, to suppress a little your sentiments and your pre-occupations to win the day so that we may be unanimous.

The President: I will now call on the representative of Centrosoyus, as the mover of the amendment to the Peace resolution of the Central Committee, which was, until some few days ago, a unanimous Central Committee resolution.

Mr. M. Denisov, U.S.S.R.: The delegation of Centrosoyus considers the resolution on Peace undoubtedly a step forward, but it does not fully reflect the situation and is inadequate. It is for this reason, and in order to have a more complete resolution, that the Centrosoyus delegation has suggested the amendment that is before Congress, namely, to insert the following new paragraph: "Condemns the intervention in the internal affairs of other states, the application of force or pressure by force in international relations; stands for complete prohibition of atomic weapons, for liquidation of military bases on foreign territories, for the development of equal international economic cooperation and final liquidation of colonialism and racism." This is a paragraph that deals with the realities of the situation.

As regards the emergency resolution on Vietnam, we feel that it is even less acceptable than the Peace resolution. It seems strange to me, and to the other members of the delegation, that Mr. Brot should criticise our amendment. We justly condemn the operations against the Vietnamese people. We consider that the emergency resolution is not objective and would ask you to listen to the following resolution: "Condemns the aggression in Vietnam, demands the immediate stopping of the bombing of the territories of the Democratic Republic of Vietnam, the ending of intervention in South Vietnam, the withdrawal of troops and the liquidation of all foreign military bases in Vietnam; thereby creating the possibility for the people of Vietnam to work out their own fate in accordance with the Geneva Agreement".

Mr. Voorhis says that the Americans would like to stop the war but how can we stop the war when it is their troops that are in Vietnam and their planes and their bombs that

are being dropped? How can we, in such a context, speak of the cessation of war in Vietnam? This is why we insist on our proposal and ask Congress to accept it.

The President: Mr. Denisov has made the situation completely clear and we will now proceed to take the vote.

We will first take a vote on the Centrosoyus amendment to the Peace resolution. May I ask everyone in favour of that amendment please to show? (*Show of hands*) Those against? (*Show of hands*).

There is an overwhelmingly great majority against the amendment, and I accordingly declare the Centrosoyus amendment **lost**.

We will now take a vote on the principal motion on Peace submitted by the Central Committee. Will those in favour please show? (*Show of hands*) Those against? (*None*) I declare the Central Committee resolution on Peace **carried**.

The President continued: We now proceed to the emergency resolution on Vietnam to which the Czech and Soviet delegations are moving an amendment.

Mr. M. Capek, Czechoslovakia: Mr. Voorhis's statement has convinced us that we should insist on our amendment and should not withdraw it. Mr. Voorhis spoke of the fact that the demand to stop the war is only directed to half the participants in the conflict but we would like to ask which half, the half whose bombs are being dropped on the Vietnamese people or that half which is defending its independence? This is the sense of our amendment and we would like it to be put to the vote.

The President: That makes the position quite clear again. We will first vote upon the amendment proposed by Ustredni Rada Druzstev and Centrosoyus. Will those who are in favour of the Czech and Soviet amendment show? (*Show of hands*) Those against? (*Show of hands*)

Again we have an overwhelmingly great majority against, and I declare the Czech amendment **lost**.

We will now take the vote on the principal motion before Congress.

The wish has been expressed that, as the word "provisional" might be misunderstood it should be deleted. As the one who wrote the original text I have no objection to the deletion of that word, it does not affect the content and is a verbal change only. May I take it that, with the deletion of the word "provisional", we may proceed to vote on the emergency resolution on Vietnam?

Will those in favour of the resolution please show? (*Show of hands*) Those against? (*None*) Are there any abstentions? (*Fifteen*)

Do the delegations which abstained wish to have the fact recorded in the Congress Report, that is the Soviet, Czech, Bulgarian, Roumanian, Polish and Hungarian delegations? Agreed.

I declare the Central Committee resolution **carried**, with no dissenting votes, but with a number of abstentions to be recorded in the Report of this Congress.

Mr. Denisov wishes to make a statement under Standing Order 25.

Mr. M. Denisov, U.S.S.R.: The delegations of the socialist countries, considering the resolution on Vietnam to be completely insufficient have striven to secure acceptance of the amendment which gives a fuller and more objective statement of the situation. We base ourselves here exclusively on goodwill and sincere conviction, and we try to pursue only one goal, that is, to stop this war and to end the suffering of the Vietnamese people. If we are to look truth in the face, we must in all conscience state the fact that a monstrous crime is being committed in Vietnam. The aggressor is infringing all known standards of international rights in carrying out scorched earth tactics. The Democratic Republic of Vietnam is the recipient of thousands of tons of napalm, poisonous gas is being used extensively, and monstrous bombardments are taking place, of a character previously

unknown to history, in the course of which houses, hospitals, schools, and other non-military objectives are being destroyed.

The President interrupting: You are supposed to be making a declaration on the vote, Mr. Denisov, but you are instead going into the subject matter and opening up a new discussion, and those who would certainly like to participate in it will have no chance to do so. Five minutes only is permitted for a declaration on the vote.

Mr. M. Denisov: I wish to use my five minutes in telling you why we have abstained from voting. The region of military activity is expanding. Operations are being conducted on the territories of Laos and Cambodia, and the war in Vietnam could at any moment turn into a world war.

The President again interrupting: You can perhaps hear the reaction of Congress, Mr. Denisov? You are going on with a speech touching upon the substance of the matter with which we have already dealt. I ask you to confine your remarks to the reasons for your abstention and then leave the rostrum.

Mr. M. Denisov: I am giving my explanation as to why we have abstained from voting and I would beg you not to interrupt me. It may be said that this is all propaganda. No, this is not propaganda. Our country, at the cost of much blood, has paid for a war in which more than 20 million people in the flower of their youth lost their lives. In every family there were victims of the war, people who were wounded or killed. In our delegation here there is a Hero of the Soviet Union, the Chairman of the Latvian Union. Ask these men if this is propaganda or the cruel truth.

We do not doubt that in discussing this question at Congress all the delegates, or at least the majority of them, feel true alarm at the situation in Vietnam. Many delegates have said so. But sympathy and passive consideration are not enough, and the resolution which was carried by Congress is insufficient. It becomes perfectly clear that in approving such a weak resolution Congress did not express the view and the will of the wide masses of cooperators. We deeply regret this. Since Congress was not prepared to approve a more decisive and at the same time more just resolution, we were compelled to abstain from voting on the resolution of the Central Committee.

The President: In the course of the discussion several speakers, I think the first was Mr. Taylor from Great Britain, made a submission that, having regard to the present serious situation in Vietnam and its possible implications, and the fact that U Thant has declared that his intention is not to undertake a further period of office as Secretary-General to the United Nations, this Congress should make an appeal, in the name of the 215 million cooperators whom we represent, urging U Thant to reconsider his decision; furthermore, expressing our sincere appreciation of his efforts to achieve a peaceful settlement in Vietnam, also his general activities in promoting peace throughout the world.

Is it the desire of the Congress, and here I do hope we shall have an absolutely unanimous decision, to instruct your President, together with the Vice-President and the Secretariat, to formulate a proper appeal to the Secretary-General, U Thant, to this effect? Is Congress prepared to support unanimously such an appeal? (*The proposal was received with acclamation*).

There is no one who is opposed to such an appeal being made? Thank you for that unanimous decision.

Amendments to the Rules of the I.C.A.

(Proposed changes are in italics)

Amendments proposed by the Central Committee

Article 8. Eligibility

Insert new clause "k":

"k. Supra-National or International Cooperative Organisations".

Present clause "k" to become clause "l".

Article 18. Rate of Subscription

Paragraph II to read:

"The subscription of each National Union admitted under clauses a. and b., and Regional Unions admitted under clause c., and *Supra-National or International Cooperative Organisations admitted under clause k.*, of Article 8 shall be £202.10.0."

Clause "k" in paragraph 2 to read clause "l".

Article 23. Representation at Congress

Paragraph 1 to read:

"Representation at Congress, subject to the full discharge of their financial obligations to the I.C.A., shall be accorded to affiliated Organisations as follows – provided that the Organisations of one country, or of a union of countries, *or Supra-National or International Cooperative Organisations* shall not exercise more than 15 cent per of the total voting power of the Congress – "

Clause a. to read:

"a. National Organisations admitted under clauses a., b., c., d., and e., *and Supra-National or International Cooperative Organisations admitted under clause k.* of Article 8 on the basis of Individual Membership (Article 18 II) shall be entitled to one vote (delegate)."

In clauses b. and c. delete "£100" and insert "£135".

In clause c., substitute "l" for "k".

Last paragraph to read:

"Unless the Central Committee shall decide otherwise, a fee of £5 shall be paid for each delegate, and shall be sent to the Secretariat with the nomination form."

Article 28. Central Committee

Add a new penultimate paragraph:

"Subject to the full discharge of its financial obligations to the I.C.A., each affiliated Supra-National or International Cooperative Organisation shall be entitled to one representative and one vote."

The President: The Central Committee has asked Dr. Schumacher to introduce their proposed amendments.

Dr. C. Schumacher, Germany: It is not only human beings who require shelter. Any association of persons for a common purpose requires a house so that its cooperation may develop. The efficiency of the house is in relation mainly to the quality of the architects who were entrusted with the task of designing it. It would be erroneous, however, to believe that a house of this kind could in the long run be adequate, for the more alive, the more active its occupants, the greater will be the need from time to time

to alter the shape of the rooms or to make them larger. As rooms are enlarged, the house itself extends. But there have to be rules to make it possible for the house to remain habitable. We have had a number of amendments and so I assume that the movers are not satisfied with the house and would like some radical changes to be made. But I feel that, on the whole, the rules of the I.C.A. have provided a fairly comfortable home for us as cooperators. This does not mean that minor changes should not be made to provide for what is necessary.

The first amendment proposed by the Central Committee concerns **Article 8, Eligibility**. Here it is proposed to insert a new clause "k" for "Supra-National or International Cooperative Organisations", and that the present clause "k" be "l".

Article 18, Rate of Subscription. Under Section II of this Article an addition is proposed to the first paragraph consequential to the amendment to Article 8, "and Supra-National or International Cooperative Organisations admitted under clause k, of Article 8 shall be £202,10,0."

Also, the reference to clause "k" in paragraph 2 becomes clause "l".

Article 23, Representation at Congress. Article 23 provides that all member organisations must pay a membership subscription to the I.C.A. There is a provision that national organisations shall not exercise more than 15 per cent of the total voting power of the Congress. In view of the additions to Articles 8 and 18 already mentioned, it is necessary to amend the first paragraph of Article 23 by the insertion of the words "or Supra-National or International Cooperative Organisations" after the word "countries" in the third line.

A further amendment is necessary in clause a. by the addition of the words "and Supra-National or International Cooperative Organisations admitted under clause k".

Also the reference to clause "k" in clause c. would become clause "l".

In 1965 membership subscriptions were increased in accordance with the present scales in Article 18 and representation at Congress was adjusted to the changes. Similarly in accordance with the amendment now proposed to the first paragraph of Article 18 II, the figure of £100 in clauses b. and c. of Article 23 is to be changed to £135.

The other amendment to this Article concerns the delegate fee. It is now proposed that the last paragraph shall read - "Unless the Central Committee shall decide otherwise, a fee of £5 shall be paid for each delegate and shall be sent to the Secretariat with the nomination form."

Article 28, Central Committee. Article 28 requires a new penultimate paragraph, reading: "Subject to the full discharge of its financial obligations to the I.C.A., each affiliated Supra-National or International Cooperative Organisation shall be entitled to one representative and one vote."

On behalf of the Central Committee I should like Congress to approve these amendments to the Articles of the Alliance.

Mr. J. L. Davidson, U.S.A.: I want to refer to Articles 8, 18II, 23, and 28 of the Rules. There can be no doubt in the mind of anyone of us about our allegiance to our respective societies, but we are here as cooperators and are a living proof that we can and do work together. I would challenge those who may feel that the representative voice of 215 million cooperators will not be heard at United Nations level or in any other organisation of nations. We at this Congress exemplify the different cultures within our respective societies, and I wish to remind Congress that all our societies are represented on the Central Committee of the I.C.A., also that the resolutions and amendments proposed by the Central Committee are the results of three years of study and research.

I propose that we follow the advice of our Central Committee, whose labour and research are to be commended. Let us discuss our successes and let us discuss our failures, and let us discuss and exchange technical knowledge and the expansion of culture. We are cooperators and we should give a lead in world peace.

Mr. M. Utkin, U.S.S.R. : I wish to explain our attitude towards the first proposal of the Central Committee, which would enable supra-national and international cooperative organisations to become members of the Alliance. It is thus in contradiction with one of the basic principles of the cooperative movement, one member, one vote, since by accepting supra-national organisations we should be giving extra votes to organisations which enter the Alliance independently, but which could have double membership, because an organisation could be a direct member of the Alliance and also a member through a supra-national organisation to which it belongs. As this is an infringement of the basic principle of the cooperative movement, we ought not to vote for this proposal by the Central Committee.

Our delegation will vote against the proposed amendment for the acceptance into membership of the I.C.A. of supra-national and international organisations.

Dr. C. Schumacher, Germany, replying: Mr. Utkin has not been able to convince me that the amendments to the Rules submitted by the Central Committee are likely to violate any of the basic principles of the I.C.A. Dual membership is possible both for juridical persons and for individuals in many respects. What would be the result if we were to analyse each and every cooperative to find out what dual memberships exist? Are there any cooperatives affiliated to other organisations which are members of the Alliance and, at the same time are directly affiliated to the I.C.A.? I think this would not apply to the higher levels of the organisation, where it is not possible to be too formal, because if we were to adopt this approach we should create problems which it would be impossible to solve. We have had many examples illustrating this kind of development. We have heard the appeal from Mr. Ahmed, from Pakistan, for the I.C.A. to provide for the membership of international or supra-national organisations. I greatly regret that a proposal of this kind should be opposed by our Soviet friends, whom I should expect to welcome such a movement. I ask Congress to adopt the proposals of the Central Committee by a majority vote.

The President: We will now vote by show of hands, the proposals of the Central Committee, as moved by Dr. Schumacher on behalf of the Committee. (*Show of hands*).

The President: I declare the amendments carried by an overwhelming majority.

Resolutions of Affiliated Organisations

The Rules of the I.C.A.

Individual Membership

Submitted by the Central Cooperative Union of Bulgaria

At the present time the Alliance offers three categories of membership – collective, individual and associate.

Organisations admitted to individual membership are offered limited rights in respect of representation within the administrative bodies of the I.C.A.

Such a situation bears witness to discrimination towards individual cooperative organisations. Furthermore, the existence of different categories of membership contravenes one of the basic principles of the Cooperative Movement – one member, one vote.

In the interests of strengthening the unity of the International Co-operative Alliance and of conceding equal rights to all members of the Alliance – the 23rd Congress of the I.C.A. resolves to liquidate compulsory individual membership and to determine representation within the administrative bodies of the I.C.A. on the basis of the number of individual members amalgamated within the given organisation. Should any of the national cooperative organisations wish of their own accord to take advantage of the form of individual membership of the I.C.A. they are at liberty to do so. The 23rd Congress of the I.C.A. instructs the Central Committee to table a motion to amend the I.C.A. Rules accordingly.

Mr. G. Jordanov, Bulgaria: The cooperative movement in Bulgaria, as in other countries, from its very inception has been based on democratic principles, the principle of equality, of one member, one vote, each for all and all for each. The election of the leadership of our movement is by direct voting, and the principles to which I have referred have always been observed in our cooperative movement. These principles have been expressed in the Rules of the I.C.A. by establishing collective membership.

There has been a definite derogation from this principle, however, by the introduction of individual membership. The Bulgarian Cooperative Movement, which last year celebrated its 75th anniversary, should have equal rights with other members of the Alliance and a number of votes corresponding to the number of members. By grouping individual cooperatives into a single cooperative union we have the right of collective membership. Our movement is well known all over the world; it is democratic, and has individual members with one vote for each member.

Our position of inequality in the international movement, by having only individual membership of the I.C.A., is regarded by our members as discrimination against a cooperative movement which has carried on the fight for democracy and equality. There is inequality involved in individual membership of the Alliance, and cooperators should insist that individual membership be abolished.

The system of individual membership is a serious obstacle to the future cooperation of cooperators of all countries. which cannot be achieved unless we have a single form of equal membership for all cooperative movements which are members of the Alliance. The I.C.A. must be a democratic organisation and that is why the Executive of the Central Cooperative Union of Bulgaria proposes the resolution which stands in its name.

At present there are three categories of membership - collective, individual and associate. This introduces discrimination between individual cooperative organisations and contradicts the principle of one member, one vote. In the interests of strengthening unity in the I.C.A. and giving equal rights to all members, the 23rd Congress should decide to abolish the category of individual membership, and call upon the Central Committee to table a motion to amend the Rules accordingly.

Mr. A. Kozlov, U.S.S.R.: We second and support the motion proposed by the Bulgarian cooperators. It is well known that there are at present three categories of I.C.A. membership - collective, individual and associate, but we are not at the moment concerned with associate membership, because there is a separate proposal for abolishing it. So far as the first two categories are concerned, however, the present rule gives members different degrees of representation and different rights in the I.C.A. This is against the principle of equality and is a discrimination against certain cooperative organisations, it also infringes the principle of one member, one vote.

So far as representation in the Central Committee and in Congress is concerned, the rights of members are determined by the amount of their contribution, and not by the number of members. It may be said that the money paid by collective members is calculated on the number of individual members, but this argument is not correct, because so far as contributions are concerned it discriminates against the cooperative movements of Asia, Latin America and Africa. The bulk of the voting power is in the hands of the movements in the Western countries, who are thus able to influence the policy of the I.C.A. in the directions they desire.

We are a democratic organisation, and the principle of one member, one vote, should exist. The rights of members should not depend on capital or on contributions. Through the existence of these different categories of membership the voting power depends on the type of organisation. There have been instances where an organisation admitted as an individual member has desired to change to collective membership. What objection can there possibly be to this desire on the part of a cooperative organisation? The organisations of Roumania and Bulgaria were both refused the right to change their status from individual to collective, without any reason being given. This leads to such an absurd position that an organisation which has more than seven million members has only one representative in the Central Committee, whereas an organisation with one million members, such as Switzerland, has six representatives.

The Centrosoyuz delegation supports the proposal of the Central Union of Bulgaria.

The President: I will call on Mr. Southern to reply on behalf of the Central Committee.

Mr. R. Southern, Vice-President: I speak on behalf of the Central Committee, and in doing so I have to ask Congress to reject this proposal. There needs to be imported into this matter the consideration of a few plain facts. The first and obvious fact is that the motion from Bulgaria is based on an allegation which is completely untrue. There is no discrimination against Bulgaria or any other country in this matter of membership or membership subscription. There are, however, two categories of full members of the Alliance depending on the basis on which their subscriptions are paid. There are those organisations which pay on a collective basis and those which pay on an individual basis. Where the collective basis is applied, the national organisation becomes a member and its subscription is based on the average size of its constituent societies. In other cases, the national organisation may be an individual member, in some countries there are several individual members.

Perhaps Great Britain is the outstanding case of the evolution of individual membership, because there are our national federations which are individual members, and each of our retail societies, acting on its own volition and responsible for its own costs, may become an individual member. But, whatever the basis of membership, collective or individual, the choice is made by the applicant when seeking membership of the Alliance. There is no organisation within the Alliance at the present time which has been compelled against its will to accept either collective or individual membership, and so we have a situation in which the members of the Alliance came in on an agreed basis of contribution. It seems to me wrong that a member should come into the I.C.A. on an agreed basis and then claim the right, at its own will, to change that basis without consultation or agreement.

We must appreciate that circumstances change and that movements differ; they grow

larger, their structures change, and where there are fundamental changes in the circumstances of a movement, in justice to them those changes ought to be looked at; but we cannot have transfers from one membership basis to another simply as a means of acquiring additional representation or additional votes. A case would have to be made out, and care would have to be taken to find a basis of contribution which, because of the structure of a particular movement, meant that the individual membership of societies was not duplicated or triplicated.

The Central Committee object to the idea that an individual member can change its membership category simply by the exercise of its own will. If that were possible, it would introduce into the working and the finances of the Alliance a condition of instability which could not be tolerated.

One further point. It has been urged that individual membership should be done away with, whereas in the resolution there is a claim that there should be only one category of membership, though later in the resolution there are envisaged two categories of membership, some organisations retaining their existing individual membership and others, at their own choice, becoming collective members. There is, therefore, a fundamental inconsistency in the presentation of this case to Congress.

This matter is difficult and complex and worthy of serious study, but I submit that such a matter ought not to be brought before such a large gathering as Congress until it has been studied in detail by the two responsible organs of the Alliance, the Executive and the Central Committee. We here in Congress cannot be expected to go into all the implications of this question. For that reason, and for the others which I have stated, the Central Committee recommend Congress to reject this proposal.

The President: We will now take a decision on the proposal from the Central Cooperative Union of Bulgaria.

A vote was taken by show of hands,

The President: By an overwhelming majority, the motion is defeated. I do not think that it is necessary to lose time by counting the votes. I declare the proposal **lost**.

Associate Membership

Submitted by Centrosoyus, U.S.S.R.

With reference to the further expansion of democratic principles in the activities of the International Co-operative Alliance - Centrosoyus, U.S.S.R., proposes that the Central Committee should recommend to Congress the liquidation of associate membership.

The reason for this action is that the institution of associate membership constitutes discrimination against cooperative organisations in Asia, Africa and Latin America since they do not enjoy equal rights as compared with other I.C.A. members. In practice organisations admitted as associate members have no part in the work of the I.C.A. For example, in the last three years, not a single associate member has taken advantage of its right to be present at Central Committee Meetings and only one member - a delegate from Mauritius - attended the last I.C.A. Congress.

The reason given for the introduction of associate membership had been that organisations admitted on these conditions were not independent and received state assistance. On the other hand it is accepted that Cooperatives in these countries cannot exist without such assistance during the first stages of development and that they do not lose their cooperative status on account of such aid. Therefore these organisations should be admitted to the I.C.A. as full members.

In accordance with Article 14 of the rules associate membership is "a transitional stage towards full membership and shall be reviewed periodically by the Executive Committee". For the last 12 years, however, ever since the creation of associate membership the Executive has not once reviewed the membership of a single associate member. Thus the aim of the partisans of associate membership has lost all sense.

The unpopularity of associate membership in developing countries is evident from the fact that at one time the Cooperatives of Western Nigeria submitted a proposal for the abolition of the institution of associate members. This question has also been a subject of discussion at previous congresses of the I.C.A. In the last three years – and not by chance – only one cooperative organisation has been admitted to associate membership, and in the main, the Alliance admits cooperative organisations in these countries not as associate members, as previously, but as members with full rights, by special selection.

Centrosoyus suggests the following wording for the decision of the 23rd I.C.A. Congress:

“It is known that at the present time the Alliance has a category of associate membership under which, in point of fact, organisations admitted are granted no rights, since, in accordance with Article 14 of the Rules, associate members are only entitled to nominate an observer to meetings of the Central Committee without the right to speak or to vote; to nominate an observer to the Congress without the right to vote, but with the right to speak subject to the consent of the Congress.

Such a situation bears witness to discrimination towards individual cooperative organisations.

In the interests of strengthening the unity of the International Co-operative Alliance, in the interests of granting equal rights to all members of the Alliance, the 23rd Congress of the I.C.A. resolves to liquidate associate membership.”

Amendment submitted by Centrocoop, Roumania

Add the following sentence at the end of the last paragraph:

“The present associate members remain full members of the I.C.A., it being necessary from now on for them to decide whether they prefer to be an individual or collective member and to pay the appropriate subscription.

Mr. F. Kolesnik, U.S.S.R.: What we are proposing is the abolition of associate membership. Organisations which have been accepted into the I.C.A. on this basis have no rights, since according to Article 14 of the Rules associate members have the right only to appoint observers to meetings of the Central Committee, without the right of participation and vote, and in Congress they have no vote and have the right to speak only with the permission of Congress. We consider that there we have a discrimination against countries more particularly in Asia, Africa and Latin America.

As a basis for the introduction of associate membership, it is argued that organisations which are accepted on this basis are not independent, since they receive aid from their Governments. At the same time, many cooperators, assessing the position objectively, recognise that without this assistance the societies in question could not possibly exist.

Cooperation is one of the methods of social and economic organisation aiming at raising the material standards of the people, and so it merits the support of Government. Why are cooperative movements which are in this situation not recognised as true cooperative movements? We believe that such movements should receive the support of the I.C.A. Governments give assistance to these cooperatives in order to fortify them, so that they can act effectively. History shows that no single cooperative movement in the world is entirely independent, because all cooperatives must act in accordance with the laws of the country in which they operate, and to which they are subjected. It is in the interests of the I.C.A. to give equal rights to all members, so that the cooperative organisations of Asia, Africa and Latin America can side by side with us solve the problems of the cooperative movement. We are confident that our proposal will be supported by the delegates at this Congress.

Mr. C. Zambelli, Italy: The Lega Nazionale delegation is in favour of the Centrosoyus motion concerning the abolition of associate membership.

For reasons of principle, which the Lega has sustained since 1954, or for practical

reasons, which have been confirmed by twelve years' experience, we maintain that one of the essential elements which characterise cooperative enterprises and organisations is equality of rights of the members, an equality which is expressed by rule and not by vote.

Why then, in the great I.C.A. family, should there be members without the right to vote? We consider that this is unjust all the more since it affects young cooperative organisations of Asia, Africa and Latin American countries. For this reason, we join those who invite Congress to change this situation by abolishing associate membership, or by finding suitable means to give to all members the possibility to enjoy the same rights within the I.C.A.

Today, all member countries, regardless of their level of development and of their political or social system, need cooperation in order to develop more rapidly and to raise the material and moral living standard of the working classes. This need is all the more acute in developing countries, and it is, therefore, particularly in such countries that cooperation can and must represent a liberating force, new creative energies and new cultural values, as it has done and is doing always in the more developed countries.

If we recognise that in most countries of Asia, Africa and Latin America cooperation cannot develop without, at its initial stage, the intervention of the state, our attitude cannot be limited to judging whether, in these organisations, there are 30 per cent or 90 per cent active cooperators and to decide their right to vote accordingly. On the contrary, it seems to us more just that the Alliance should emphasise and increase its positive involvement towards cooperative organisations in these countries by granting them all possible help towards self-government and independence, including equality of rights within the Alliance. This would represent a constructive instrument, a manifestation of mutual solidarity and cooperative autonomy.

In this way, would we risk admitting into the Alliance cooperatives which, in fact, are not cooperatives and of turning the Alliance into a hybrid organisation?

Our delegation recognises these problems and we do not hide from ourselves the existence of these dangers. But, we see the even greater danger, that the Alliance might not be capable of being the organising and promotional centre of world-wide cooperation.

We consider that, whilst recognising the positive work of the Alliance, we must pursue our effort to enlarge its organisational force by reinforcing its universal character and its unity, which are indispensable if the Alliance is to be the representative of world cooperation.

The President: I draw attention to the fact that there is an amendment to this proposal. I call on Mr. Mateescu of the Roumanian Movement who will move this amendment.

Mr. C. Mateescu, Roumania: The practice of international organisations has demonstrated that respect for the equality of rights of the members constitutes one of the essential conditions for a fruitful activity leading to the realisation of their objectives. Although the I.C.A. Rules provide that all associations of persons or organisations which observe the aims of the Alliance and the policy laid down by its Congress shall be eligible for membership of the I.C.A., certain affiliated organisations do not enjoy equal rights.

This applies to organisations admitted as associate members, which have neither voting rights nor the opportunity to collaborate effectively in the work of the Alliance. They may not express an opinion on the important problems of the international cooperative movement, and they may only speak at the Congress subject to the consent of Congress. Such a situation is all the more abnormal and incomprehensible since we all recognise the growing importance of the cooperative movements in developing countries.

In spite of the provisions in the Rules of the I.C.A. which state that this category of membership only is, in fact, a transitional stage towards full membership and shall be reviewed periodically, during the twelve years since the creation of this category not one of the eighteen organisations admitted as associate members has had its membership reviewed. Of nineteen organisations which have applied for membership since the last

Congress, only three wished to be admitted as associate members, which shows how little interest there is for this discriminating category of membership.

These are the reasons why Centrocoop supports the resolution on this subject which should be completed by the amendment which has been distributed to delegates to add the following sentence at the end of the text: "The present associate members remain full members of the I.C.A., it being necessary from now on for them to decide whether they prefer to be an individual or collective member and to pay the appropriate subscription."

Mr. J. Subrt, Czechoslovakia: On behalf of the Czechoslovak delegation, I declare our support of the proposal submitted by Centrosoyus to abolish the category of associate membership. We consider that there is no place in the International Co-operative Alliance for such a category of membership which is reserved for the cooperative organisations in developing countries. It is inadmissible that at every meeting of the Alliance we should express our sympathy and goodwill towards the cooperative movements in developing countries and prepare and discuss technical aid programmes, whilst at the same time we refuse them the fundamental rights of members.

It does not help the creation of good relations between members that cooperative organisations of developing countries, which have been granted only associate membership, may not, according to the strict application of the Rules, either vote or express an opinion on problems which directly affect their own activities or those of the cooperative movement in developing countries generally.

We have formerly asked for the cancellation of associate membership, but the leaders of the Alliance have always justified it on the ground that it concerns cooperative organisations which are dependent upon the government of their country. This argument is invalid since cooperative organisations, even in socialist and capitalist countries, depend in one way or another on their governments and must submit to the legislation of their countries and respect it in the course of their activities.

During the discussion of the report of the Central Committee we were informed that the 50th International Labour Conference had adopted an instrument on the role of cooperatives in developing countries. This instrument, which is intended for the governments of developing countries, contains a stirring appeal and shows how cooperative activities must be encouraged.

Mr. J. Sobieszczanski, Poland: Polish cooperators support the proposal for abolishing the category of associate membership, because we are convinced that all members of the I.C.A. should be entitled to participate in its work, to help in forming its policy and directing its activity on the principle of cooperative democracy. Associate members have the right only to attend meetings of the Central Committee, without the right to speak or vote, and while associate members may nominate delegates, these delegates have no right to vote and can speak to Congress only with the permission of Congress, so that in practice associate members have no membership rights.

At the last meeting of the Central Committee it was said that this clause had been adopted because of the opinion that some cooperative unions are controlled by their Governments and receive Government assistance, but if we decide to accept their membership at all we ought to give them full membership rights. I, therefore, support the motion of Centrosoyus.

Mr. D. Ainley, Great Britain: We are living in a world of rapid change. New nations are emerging, and without exception they have a heritage of poor economic development and backwardness. We believe that the rapid development of cooperative economic activity is essential for these countries if they are to have economic independence to match their newly-won political independence. It is right and proper, and not an act of charity but of enlightened self-interest and moral obligation, that countries such as Great Britain, whose Governments have so long regarded colonial territories as suppliers of raw material and an assured outlet for manufactures, should do all in their power to assist the economic development of these territories.

We must extend practical assistance to them. My own society has made a small beginning in this respect; we have raised £1,600 to assist cooperators in one of these regions, and we are accepting trainees in departments of our society. A number of African cooperative movements have sent us trainees. We have released or seconded a number of members of our management staff for a year of work to assist cooperative developments in former colonial countries. We are participating in the campaign of our national movement to raise £30,000, in conjunction with Oxfam, to assist cooperative development in Bechuanaland, which is shortly to gain its independence. We hope to do much more in kindred fields, but tutelage and technical assistance are not enough; the cooperatives of these countries should be drawn into effective participation in the work of the Alliance, which cannot be done on the basis of associate membership, which conveys no effective voice or representation.

We must be concerned to see how these vitally important additions to the world cooperative movement are represented in the Executive, the Central Committee and Congress. If our Alliance is to carry out its work effectively, ways and means must be found to repair what is a serious defect in our international organisation. For historic reasons the countries of Western Europe have played a leading role in, and have in fact dominated, the I.C.A. but this position must not continue indefinitely.

It is vital to restore the balance as soon as possible, without insisting on the full independence of the cooperative movements in the developing countries from assistance from their Governments or from support from those Governments which they are found to require. It is urgent that this be done without imposing impossible financial conditions for full membership of the Alliance. It is possible that the proposal by Centrosoyus has not taken adequately into account some of the financial and other difficulties which may arise, but we believe that the resolution is fundamentally sound and should be supported.

We also believe that the amendment proposed by Roumania goes some way to meet the difficulties. If the Central Committee oppose the amendment, it has the obligation to bring forward in the near future effective counter-proposals which will give the countries of Asia, Africa and Latin America adequate representation in the I.C.A. and its organs.

Mr. R. Southern: I have been asked on behalf of the Central Committee to speak against the motion and amendment and to recommend Congress to reject both. The category of associate membership has been described in this discussion as an absurdity. I put it to Congress that the concept of associate membership was one of the most imaginative acts of the I.C.A. in recent years, because it was designed to bring into our wider fellowship organisations which would not otherwise have been able to join by reason of limited finance or by reason of the fact that they were not entirely democratic in character.

There has been completely overlooked the response to this conception of associate membership, which was to meet the aspirations of cooperators in certain countries to be associated with the movements in the developed countries. The Central Committee does not wish this question of associate membership to be mixed up with any questions of technical assistance.

There was one aspect of Mr. Ainley's statement with which there can be no disagreement whatever. There must be appreciation of the attitude of the London Society and of other societies in Great Britain and other organisations throughout the world who give help in so many forms without asking any questions about whether the applicant is an associate member or not. The two things, however, are quite distinct and separate.

Clearly associate members have limited rights. They are in contact with the Alliance; they receive its publications; they are entitled to send observers to meetings of the Central Committee, but have no right to speak or to vote. At Congress they are entitled to speak, but not to vote. They are entitled also to all the services and advice which the I.C.A. and its member organisations can give.

I suggest that there is no discrimination in this matter, but a proper and responsible recognition of the existence of different conditions in different countries at different stages of cooperative evolution. Associate membership was specifically designed to deal

with the early, formative stages of cooperative development. Many new movements would not get off the ground if they did not have available the financial assistance of Governments, but such are the sanctions imposed in these circumstances that organisations which benefit in this way do not yet have complete control of their affairs, and we have therefore to draw a line and say "If you cannot comply with the basic Rochdale Principles contained in the Rules of the Alliance, you cannot take on the full responsibilities and rights of membership, but there is room for you in a special category and with special provisions which take account of that fact."

In all these cases of associate membership the Executive has been very kindly and helpful in the matter of subscriptions, by fixing them at a merely nominal figure. If associate membership were liquidated and associate members were obliged to take on the full financial responsibilities of full membership, they would be considerably embarrassed.

The Roumanian amendment endeavours to take care of this effect, but it does not meet the case which I am putting, that the associate member should not be compelled to accept any compulsory change. As a matter of elementary courtesy, those affected should be consulted before any change is decided on.

The Executive of the I.C.A. decided this week that it ought to consult the associate members about their present position and circumstances, and any changes which have taken place in regard to their membership of the Alliance. I can give Congress the assurance that that inquiry is going on. It is the only satisfactory step which we can take, and we should not decide this matter arbitrarily without taking account of the views of those who are most intimately concerned. The Central Committee, therefore, urges Congress to reject this proposition, and also the amendment.

The President: Before calling on a representative of Centrosoyus to reply, I ask Centrosoyus delegates whether they accept the Roumanian amendment. If so, there will be only one vote on the resolution as amended.

Mr. F. Kolesnik, U.S.S.R.: In spite of the obvious necessity for accepting our resolution to abolish associate membership, some of our colleagues have tried to prove the necessity of retaining it. This is an entirely false conception. Centrosoyus, with full conviction, proposes the abolition of associate membership because it is an imaginary membership and is against the principles of the I.C.A.

Since 1963, the membership has been increased by eight cooperatives, but only one is an associate member.

Centrosoyus agrees with the amendment proposed by the Roumanian delegation, and thanks our colleague from the United Kingdom and others who have supported the resolution, approval of which will fortify the democratic principles of the international cooperative movement and its expansion. We ask for a card vote to be taken.

The President: I thank our Russian friends for accepting the Roumanian amendment. A card vote has been asked for and will be taken.

The result of the card vote, announced by **the President**, was 257 votes **For** and 505 votes **Against**.

The President, therefore, declared the resolution **lost**.

Size of Executive Committee

Submitted by Centrosoyus, U.S.S.R.

The growth of the Cooperative Movement in socialist countries and countries which have freed themselves from colonial domination requires that these changes should be reflected in the structure of administrative organs of the I.C.A.

The purpose of this measure is to ensure equal representation within the administrative organs of the I.C.A. of cooperative organisations operating under different social conditions and in various geographical regions.

The 23rd Congress of the I.C.A. therefore resolves that the membership of the Executive be increased on the principle of equal representation of cooperative organisations operating in various social economic systems and different geographical regions.

Mr. I. Krumin, U.S.S.R.: We should like to state our position on the principles for electing the I.C.A. Executive. The substance of our proposal is that the Executive should be representative of cooperative organisations which function in different social and economic systems, and in different geographical regions. The Alliance is becoming more and more powerful, while its influence has extended all over the world. Membership is increasing in the socialist countries and in those which have escaped from colonialism. If in the past there was preponderantly a majority of capitalistic countries, the position now is different. There are 18 capitalistic countries which have a cooperative population of 67 million, while there are countries from Asia, Africa and Latin America with a cooperative population of more than 65 million, but until now this changed situation has not been reflected in the structure of the Executive, where the predominant position is held by the organisations of capitalist countries. Among the 14 members, there is only one representative of a socialist country and one from the developing countries. We should, therefore, alter the composition of the Executive, so that its decisions will take into consideration the wishes and needs of all the members.

In February last, the Executive considered its composition, but it has not yet reached any decision. We feel that a solution must be found and that the simplest way is to expand the membership.

Mr. J. Nepomucky, Czechoslovakia: We agree with the resolution to change the size of the Executive and its composition because we are convinced that the implementation of the principles in the resolution would put an end to the present abnormal situation in this statutory organ. The fact that of the fourteen members of the Executive only one is representative of the cooperative organisations in socialist countries, and one of the cooperative organisations in developing countries, is a contradiction of the principles of democratic representation. In fact, the organisations in socialist countries represent 35 per cent of the total membership of the Alliance and those in developing countries 25 per cent. This makes 60 per cent of the total, but the two representatives of these two groups constitute only 15 per cent of the members of the Executive. We appreciate that it is not possible, or even practical, that the cooperatives of all countries should have their own representative on the Executive, but the present situation is untenable.

If, at this Congress, we evaluate the work of the Alliance during the last few years and discuss the programme of our activities for the near and distant future, we should finally solve the question of the just representation in the authorities of the Alliance, notably the Executive, taking into consideration the strength and importance of the member organisations of each country in the different geographical regions with their different economic and social systems. Such a composition of the Executive will enable us to solve problems facing the Alliance with a wider range of opinions based on the personal experiences of cooperative organisations of different types and from different regions.

Therefore, we shall vote for the Soviet resolution and we also appeal to all delegates to support it.

Mr. B. Trampczynski, Poland: The motions sent in for this Congress include the resolution submitted by Centrosoyuz of the U.S.S.R., for enlarging the Executive Committee.

The Polish delegation fully supports the proposal which is entirely justified in the present situation in the world cooperative movement.

The present development of the movement in countries administered under different economic and social systems, as well as in different geographical regions, should be reflected in the structure of the administrative authorities of the I.C.A.

The aim of this proposal, which should be adopted by Congress, is to assure the equitable representation in the administrative authorities of all the cooperative organisations operating in different geographical areas.

Mr. F. F. Rondeau, U.S.A.: On behalf of the Cooperative League of the USA, I should be prepared to support the proposal of Associazione Generale, Italy, but as this is not yet under discussion, I want to say that the United States delegation opposes the proposal of Centrosoyus, with the single exception of that feature which asks for an increase in the number of members of the Executive. As we have decided to support the Italian proposal, I should like to give the reasons for our opposition to the Centrosoyus proposal.

First, we believe that from the practical point of view it would be quite unworkable to admit the allocation of places on the Executive on the basis of different types of organisation in different countries. Secondly, we believe that such a proposal would tend to divide our organisation rather than to unite it. There is one distinguishing contribution which the I.C.A. has made over the years, namely that it seeks to unite peoples around the world, and that is all to the good. It brings us together to discuss cooperative problems every three years in the kind of atmosphere which we feel makes a real contribution to the unity of the world, and we should foster that unity rather than seek to divide our organisation by emphasis on what divides rather unites us.

The third reason for our opposition to this proposal is that we believe that cooperatives anywhere, in any country, which subscribe to the basic Rochdale principles are adequately represented on the Executive and the working bodies of the I.C.A., already. The Cooperative League has had the privilege of being represented on the Executive for some years, but there was a time when we were not so represented, yet we felt that we were adequately represented by the distinguished leaders of countries which accepted the Rochdale principles.

We think that the proposal put forward by Centrosoyus would divide us, but we are prepared to agree that the size of the Executive should be increased, though not in order to allocate the seats on it according to type of organisation and country. That is the position of the Cooperative League of the USA.

Mr. B. Perkash, India: I support the Centrosoyus resolution in principle in regard to the number of members of the Executive and also the reservation of seats for the countries in certain geographical regions. I might not agree with the entire reservation but in principle it meets with my approval. Now that Congress has already rejected two proposals, one about individual membership and equal rights and the other about associate membership, that is all the more reason for an increase in the number of seats in the Executive and the reservation of a place for the developing countries. When this matter was discussed at Bournemouth some sort of assurance was given by someone with authority that at the next Congress the question of increase of membership and of representation would be taken up. Unfortunately, it seems that the point has not found favour with the authorities.

For a long time to come, 30, 40, 50 years maybe, I do not think the developing countries, on the basis of subscription, will be able to come in in large numbers and have members in the Committee. The principle on which the vote is given in Congress is not understood by me or by other members in Asia and Africa. I must be very frank about this. As far as I know, this is the only organisation of the people and workers where representation is based on the strength of the subscription. One can understand that up to 1945 it was different, for people had been under the yoke of exploitation in every possible way for many centuries. But after the end of the Second World War men began to stand up, however poor they were. Today a system of voting based on the strength of the subscription is no longer understandable. Countries should be given equal votes.

✓ Even in the U.N. there is an equal vote, no matter how small the country may be. Our cooperative organisation of peasants and workers of the world should end this discrimination.

I am not asking for charity but as long as voting remains linked with subscription there is need for this suggested reservation of places for the developing countries on the Executive. Those who filled such places on the highest executive organ of the Alliance would then be held as equals and not as second class people.

I strongly support, in principle, the resolution moved by Centrosoyus.

Mr. J. J. A. Charbo, Holland: The proposal from Centrosoyus deals with the composition and size of the Executive; the proposal from the Associazione Generale, Italy, deals only with size.

According to the Rules, the administrative organs are the Central Committee and the Executive. In the Central Committee nowadays every member organisation has equal rights and, consequently, groups of members have a similar position. Centrosoyus' proposal urges that there should be equal representation also within the Executive. It is the feeling of the present Executive and Central Committee that for a number of reasons this proposal should not be accepted. In the first place, the Executive is not a policy-making body but only an executive organ, and its members do not represent member organisations but the whole of the Central Committee, therefore, there cannot be any question of equal or unequal representation of national movements or groups in the Executive.

I know that our rules sometimes do not use the proper wording. For instance, in the German translation the Executive is called the 'directing body', which, of course, is not a correct translation of the English word 'Executive'. A second example of misleading wording is to be found in the English text in Article 32, the second clause, where it is said that 'The Organisations of one country, or union of countries, shall not have more than two representatives on the Executive'; but the third clause states that 'Any member of the Executive who is prevented from attending a meeting shall have the right to appoint a substitute, who shall be a member of the Central Committee', but may be a Central Committee member from quite a different country.

The main objection, as I have indicated, is that the Executive is not a policy-making body and, not being a representative organisation, the membership cannot be based upon national groups. Further, if the Executive were to be composed on the basis of various groups, we should certainly not in the first place be governed by social, economic and geographical criteria but by cooperative categories such as consumer, agricultural, artisanal, and so on. It has been said in the course of many debates in our meetings that on questions of eligibility cooperatives are cooperatives, irrespective of their external environment and irrespective of the kind of state in which they are operating.

There is another objection. Who would be competent to declare to which economic sphere or political group an organisation belonged, and how should these be combined? Let us take Spain as an example. What would be our reaction if a Spanish cooperative movement asking for membership were to declare itself to be operating in a Western European democratic, non-capitalist, modern, fully developed country? Would we say that Australia and Indonesia, in the same geographical region, should belong to the same group in the sense of this proposal? Even if we were to accept the social, economic and geographical criteria, in regard to the variety of cooperative categories, to what number of Executive members would that lead us, 40, 50, or perhaps more? It would be many more, at any rate, than envisaged in the proposals before Congress. The Executive would become quite unwieldy and unworkable.

There is another factor. Most organisations cannot afford three expensive visits to Executive meetings every year, and the I.C.A. has no authority, because Rule 36 excludes the possibility, for paying them. A solution could only be found by amending the Rules so that members could contribute for this special purpose. Without such arrangement, it would be likely that these additional seats would not be filled in fact by the people for whom they were designed but by European organisations. Having gained a seat in the

Executive, these new members could always ask a European friend to attend on their behalf and to act as a substitute.

In conclusion, the Executive and Central Committee feel that the present rules and practices fully enable the Central Committee to choose the sort of Executive that is required, having in mind the need to combine a certain degree of cooperative variety with the efficiency that is so necessary for an executive body like our Executive.

Central Committee, therefore, recommends that Congress should reject this proposal.

The President: I now call on the representative of Centrosoyus, as the mover, to reply to the debate.

Mr. I. Krumin, U.S.S.R.: Once again I would like to draw attention to the desirability of adopting the proposal of Centrosoyus on the size of the Executive. As you can see from the statistics, the number of members increases from year to year. Since the last Congress almost a score of organisations have come in, 85 per cent of them being cooperative organisations from the socialist countries or from Asia, Africa and Latin America. They include organisations of Poland and Hungary, this should be welcomed as a positive factor in the activities of the Alliance. All this points to the necessity of making a corresponding change in the constitution of the Executive. The Executive should be able to know of the needs and hopes of each national cooperative organisation in the world, wherever it may be geographically or in whatever economic or political system it may be.

Mr. Charbo has put forward a number of reasons for rejecting our proposal. He says, for example, that the expansion of the Executive would complicate its work. We feel that, on the contrary, it would greatly facilitate the work, in that the Executive would have a better knowledge of the needs of individual cooperative organisations. Neither would it divide our forces; on the contrary, it would bring us all closer together in our common struggle.

What the Indian representative said was quite correct: we need to see in the Executive representatives of the countries of Africa and Asia.

Mr. Charbo has mentioned the financial difficulties which would be encountered by representatives from such areas. We feel sure that this question is one which could be solved if such representatives were to be appointed.

The Centrosoyus delegation sincerely thanks the delegates of Czechoslovakia, Poland and India for their support of this proposal, and expresses the hope that Congress will carry it.

The President: We have before us only the proposal from Centrosoyus. I will now ask those who are in favour of the proposal to show.

A vote was taken by show of hands.

The President: There is no doubt at all that the great majority are against, and I accordingly declare the proposal **lost**.

Composition of Executive Committee

Submitted by Associazione Generale della Cooperative Italiane, Rome

The Executive shall consist of the President, two Vice-Presidents, and *thirteen* other members elected by the Central Committee from amongst its members immediately after each Congress.

Mr. P. Di Corpo, Italy: In the opinion of the Associazione Generale delle Cooperative Italiane, the increase in the number of components of the Executive is primarily justified by the recent considerable augmentation of I.C.A. member organisations. The I.C.A. now represents more than 200,000,000 cooperators throughout the world. The change is also necessitated, we believe, by the fact that the great majority of member societies are outside Europe. According to the 1963 statistical reports, out of a total of 542,812 primary societies, only 98,876 belonged to Europe. From our point of view this

over-all picture of the situation does not change much, even if the European individual cooperators still account for about 50 per cent of the total. It is, therefore, more than just, we think, to raise the question of what we might call the geographical distribution of the I.C.A. Executive. So far, indeed, there are only two members of the Executive from outside Europe, those from the U.S.A. and Pakistan.

It is also necessary in support of our proposal to underline the many important changes which have taken place recently in both the nature and type of cooperation. Agricultural cooperatives as well as their members have greatly increased over the past years, by 1963 they had reached the total of 96,000, as against 51,000 consumer cooperatives. Nevertheless, it is easy to observe that consumer cooperation still has a preponderant representation in the I.C.A. Executive.

Our proposal aims at achieving a more just and equitable distribution of representation by giving two more seats to representatives from outside Europe, and, at the same time, strengthening agricultural cooperation within the Executive. It is not our intention to make a proposal which might be interpreted as in any way discriminatory. Consequently, we limit ourselves to posing the question for your consideration, leaving the Central Committee free to take its own decision as far as the choice of the new members is concerned.

Our attention has been drawn to the fact that it is easier for European representatives to attend meetings. Indeed, it has sometimes happened that the members from outside Europe have been unable to attend. However, in this respect it should be noted that if the number of members were to be augmented the possible absence of one or two of them would probably be less disturbing. In any case, in deciding about the new members it would be the duty of the Central Committee to take into consideration also the guarantees offered by the new candidates so far as their fairly regular attendance in the meetings of the Executive is concerned.

In conclusion, we would like to assure our fellow delegates that our proposal was inspired only by the long-term interests of the I.C.A. and the need to defend the rights of all cooperators.

Mr. F. F. Rondeau, U.S.A.: When I spoke earlier, I indicated that the American delegation opposed the proposal from Centrosoyus which has just been rejected by Congress, and I gave the reasons for our position, pointing out that we were in accord with that part of the proposal which asked for an increase in the membership of the Executive. I stated then that I would speak when the Italian proposal was before the Congress on the reasons why the American delegation support this proposal.

The present membership of the Executive is 14, consisting of the President and two Vice-Presidents and eleven other members. This proposal calls for an increase of two members, from 14 to 16. We believe that this proposal has merit and should be adopted, on two grounds. One has already been indicated by the mover, the substantial increase in membership is covering an ever-increasing area of the world. It is not so much that we feel that those other parts of the world need to be represented on the Executive, but we do believe that they can make a real contribution to the work of the Executive.

I happen to be the operating head of a business cooperative and I would be the first to say that it is not wise to have the operating board of an organisation become too large. The Executive is, in effect, the operating board of the I.C.A., concerned primarily with its administration and operation. We happen to feel, however, that an increase from 14 to 16, in view of the substantial growth in membership, would not be going too far in terms of size of the Executive, and we particularly think that an area such as Latin America could well make a real contribution to its work. A major portion of our technical assistance in the last few years and at the present time goes into Latin America. We have come into contact with their organisations and their leadership and we believe that they could make and would make a real contribution.

In his remarks Mr. Charbo indicated that Article 36 prohibited the making of any financial contribution towards the expenses of the Executive members, and for that reason some seats on the Executive were already ineffective; member organisations were

not able to afford to send their representatives to attend meetings. We fully understand that those in distant parts of the world, particularly when they are in a developing stage, cannot afford the expense. However, I would submit that rules are made by either the Congress or the Central Committee or the Executive, and that those same bodies can also change the rules where necessary. I would like to see the Executive or the Central Committee take into consideration the proposal that a change in the rule should be initiated so as to provide in some way for at least a part of the expenses of those members of the Executive who come from distant parts of the world and whose organisations cannot really afford to send them to the meetings. I am not putting this as a formal proposal but I would suggest that the Executive or Central Committee go into it.

We, therefore, support this proposal for an increase in the membership of the Executive from 14 to 16, for the reasons I have indicated. We hope that the Executive will also take into account the possibility of an amendment to Article 36 to make it possible to cover a part of the expenses of members of the Executive travelling from distant parts of the world and whose organisations cannot afford the expense. We certainly feel that the Central Committee, with these additional seats on the Executive, would in its wisdom, as it has in the past, provide for reasonable representation of the cooperative movements throughout the world; and we would hope that the change could occur at this Congress.

Mr. W. Briganti, Italy: The Lega Nazionale delegation also consider that the Central Committee should be committed to elect a new Executive which would better reflect the composition of the I.C.A. and the new and greater responsibilities following the changes which are taking place inside the world cooperative movement. We should not be too rooted in the choice and composition of this very significant body but should realise that the I.C.A. consists of cooperative movements acting in very different conditions and thereby bringing rich and varied experiences together.

It is enough to recall the economic, social and political differences in the various continents, Europe, Asia, Africa and America, and the different historical and structural realities existing in each continent. Today in the I.C.A. because of the traditional weight borne by the cooperative movements in the capitalistic countries, there is not the kind of reflection in the Executive there ought to be of the growing importance of the movement in the socialist countries. There are also the movements in countries which have recently become independent, and in the developing countries. These have also increased in importance and deserve more attention. The changes reflected in the Congress and in the composition of the Central Committee must be reflected in the selection of the new Executive.

We are convinced that such a decision will increase the Executive's authority and prestige and will also contribute to making the international cooperative movement more capable of dealing with its more serious problems. We are also convinced that the unity of the I.C.A. would be strengthened through such a measure. We believe that Congress should, therefore, adopt the proposition. We had wished to present an emergency motion concerning the enlargement and new composition of the Executive but that has not been accepted by the Congress Committee. But anyway we support the amendment to the rules proposed by our Italian colleagues aiming to raise the number of Executive members to 13 besides the President and two Vice-Presidents.

Mr. J. J. A. Charbo, Holland: The Italian proposal is not based upon groups of any kind but simply pleads for a larger number of Executive members. The arguments show that the intention is to give more opportunity for the various regions of the world to contribute to the work of the Executive and to influence it. One cannot expect anybody in an international cooperative organisation to object to such a proposal. I agree with Mr. Rondeau that one cannot claim that an augmentation from 14 to 16 crosses the boundary of efficiency and inefficiency. The argument that the Executive is not a policy-making body does not come into the picture here; the difficulty is more a practical one. In other words, the financial problem remains, as it did in the case of the Centrosoyus proposal.

It is now suggested that it is the task of the Executive and Central Committee to take the initiative with a view to amending the rules so that Article 36 should disappear or at least be modified. But we have to act in terms of the present Articles of the Alliance, and it is not possible to set aside this Article and pay money out of the budget of the I.C.A. for the travelling expenses of some delegates or members of the Executive, or even the Central Committee. Our rules very clearly say that this cannot be done. Therefore, I think that, although there is certainly an understanding and appreciation of the aims of the proposal made by the Italian organisation, under present conditions it would not be wise to accept this increase in the number of members of the Executive.

That is the conclusion of the majority of our present Executive, and it is my task to report that position to you, especially as the Central Committee support that point of view.

Mr. P. Di Corpo, Italy: The main objections seem to be concerned with the expense involved in making two or three trips a year to Europe. I do not think that money is a satisfactory argument. However, I have already said that the Central Committee, in deciding on this issue, might take into consideration, if our proposal were accepted, whether or not the organisations concerned were prepared to commit themselves to send their representatives regularly to meetings. I believe that on occasion European delegates have not attended meetings. However, I think the most important thing is to take into account the changes taking place in our national organisations and in the International Co-operative Alliance. There are obvious changes and nobody can deny that agricultural cooperatives are increasing and will increase, because the future is with agricultural co-operation. The consumer cooperatives are often in trouble, even if they are very strong, and they still rule our international organisation.

At the request of **Mr. Utkin, U.S.S.R.**, a card vote was taken, the result being announced later by **the President, 388 votes For, 361 votes Against**; he therefore declared the proposal **carried**.

The Director: I would consult Congress as to whether, following the decision on the Italian proposal, it is possible to dispose of the procedural problem without delay.

This proposal was carried by a majority of 388 votes to 361, but if the proposal is to be put into effect it will require an amendment to the Rules. It is not difficult to amend the Rules of the I.C.A. on the instruction of Congress and it is not necessary to postpone such an amendment for another three years; we can carry out any instruction by Congress to amend the Rules.

Under Article 21, however, amendments require a majority of two-thirds of the votes represented at Congress. The voting strength of Congress is 802, so that we must have 534 votes in favour if the wish expressed by Congress is to be put into immediate effect.

The President has indicated that the authorities of the Alliance, the Central Committee, the Executive and the President himself, do not view this matter with any concern, and I can make my own small contribution by saying that there is no additional financial obligation on the I.C.A. by this decision.

Perhaps the President will, therefore, consult Congress on whether an immediate card vote should be taken on this issue so that the decision already taken by a small majority may perhaps be ratified by the votes of two-thirds of the Congress.

The President: Possibly a speedier procedure could be adopted. As the Director has said, there is no objection in principle to what was decided by a small majority; it is merely a question of practical considerations. Perhaps to save time we might take a vote by show of hands. Having agreed on the proposal to enlarge the membership of the Executive, Congress might agree to amend the Rules in the way necessary to give effect to it.

I should like first, therefore, to test the opinion of Congress to see whether any objections are raised, because if there is no objection we may be able to avoid a card vote. I ask those who are in favour of implementing the majority decision to increase the

number of members of the Executive from 14 to 16, the President, two Vice-Presidents and 13 other members instead of the present 11, to indicate their assent.

A vote was taken by show of hands.

The President: There is a sufficient majority, so far as I can see, to amend Article 32 of the Rules and my view is corroborated by the Director.

I therefore declare the amendment of Article 32 of the Rules **carried**.

Other Resolutions

The Secretariat

Submitted by Centrosoyus, U.S.S.R.

Bearing in mind the social and economic changes which have taken place in the world and which have been reflected in the formation of the socialist system, the breaking up of colonialism and the birth of many new independent states – Centrosoyus considers that all these factors should be reflected in the structure of all I.C.A. organs and accordingly submits the following proposal:

“The 23rd Congress of the I.C.A. instructs the Central Committee to consider the question of recruiting I.C.A. staff with a view to including representatives of cooperative organisations operating in different social and economic systems and various geographical regions.”

The President: Mr. Utkin will move the proposal from Centrosoyus and Mr. Ulrich, of Czechoslovakia, will second it. After the Director has spoken, the speakers will have the right to reply.

Mr. M. Utkin, U.S.S.R.: The Alliance is well known as an organisation which groups the cooperative organisations of 58 countries. It has been pointed out here by representatives of the cooperative organisations of the Polish People’s Republic that other international organisations, such as ILO, UNESCO and WHO, adhere to the rule that not only the elected organs but also the working organ, the Secretariat, contains representatives of the member countries. It is precisely here in the Secretariat that all the proposals of the national organisations are concentrated, and it is here that action takes place, after matters have gone through the Executive, the Central Committee and Congress. I think it is only in the I.C.A. that the Secretariat consists mainly of people from one country, the country in which its headquarters are situated.

Many of the members of our Secretariat are well known to the members of the Central Committee and the Executive, and here I shall not be misunderstood if I say that we have no negative attitude towards any of them individually or personally. We feel, however, that by the policy it has adopted, the Alliance is robbing itself of help which it could receive, because many useful and fresh suggestions which could give very fruitful results in our daily work would be obtainable if we had working representatives of the different economic systems familiar with the position in their countries. In that way we could avoid errors in the interpretation of certain understandings, and this would facilitate our work. It has been pointed out here that the translation in particular of the Report of the Principles Commission into French, and I must add also into Russian, leaves a great deal to be desired. It would greatly facilitate the work of translation and would ensure that the documents would be well understood in the cooperative movements of all countries, if there was a better representation of countries in the Secretariat, it would also raise the level of research work and improve the publications of the Alliance. There would also be greater confidence on the part of members in the headquarters of the Alliance, and they would know the sort of difficulties which are encountered in the work of the Secretariat.

In the past, the Director of the Alliance, Mr. Alexander, has made efforts to see that

the Secretariat includes persons from different countries. You all know that these countries have received circular letters informing them that in the Alliance there is such and such a vacancy. I already envisage an objection to this proposal which may be made by our Director, and he may give Congress figures which will demonstrate that in the Secretariat there are representatives of different nationalities, and will refer to the national composition of the Secretariat, as he did at a meeting of the Central Committee. Our delegation is interested, however, not in the national composition of the Secretariat but rather in the representation of different social and economic systems. We know very well that in the Secretariat of the Alliance we have Mr. Zlataric, who comes from Yugoslavia, but he does not represent his country. Mention will be made of other members of the Secretariat who are Indians or Pakistanis. It seems to me, however, that these are persons who live in the United Kingdom, who are citizens of the United Kingdom, and who have not really come from those countries. We cannot consider them, therefore, to be representatives of those countries. I ask the Director in his reply to correct me if I have made a mistake.

On the basis of all that has been presented here, we express the desire that Congress should study the executive apparatus of the I.C.A. and make sure that it is representative of cooperative organisations of different social and political backgrounds and different geographical areas.

If such instructions are given to the Director he will develop the necessary procedure and make representations to the national organisations. We are convinced that they will help the Director to secure a Secretariat apparatus consisting of highly qualified persons.

I hope delegates will vote in favour of our proposal, since it does not involve any risk. No one could suspect an organisation of trying to secure a majority in the Secretariat. This proposal is introduced simply with a view to the improvement of the Secretariat of the I.C.A.

Mr. V. Ulrich, Czechoslovakia: We support the resolution proposed by Centrosyous, which seeks to create proper conditions to assure a machinery for the Secretariat which will take into account the various geographical areas of the globe. When we consider the secretariats of international institutions such as the ILO, UNESCO, the FAO and the United Nations, we see that the secretariats of these organisations depend on several countries for their staff. They have staff from many countries and from all parts of the world. In this way it is possible for their secretariats to reflect the international character of their organisations, to have a proper exchange of information from the various countries and contact with them, and it enables the secretariat to combine the experiences of different countries. We strongly recommend, therefore, that this resolution be adopted and that the principle for which it asks be respected.

The Director: The Central Committee has asked me to explain the present policy in recruiting staff for the Secretariat, to give some facts about the present position, as requested by the mover of this motion, and to state that they are unable to support the resolution.

The criteria for filling posts are qualifications, including languages, likelihood of a reasonable length of service, interest in and attitude to the cooperative movement, and a truly international outlook. There are two main difficulties. The first is for national movements to release really good men and women with the necessary language qualifications for really long periods of service. The second is the limited resources of the I.C.A. for paying salaries, allowances and other expenses for staff from different countries. Vacancies in senior posts are notified to all national organisations, but very few applications are received. I am most grateful to those who have tried to help, including Centrosyous and the Ceylon Federation. I hope shortly to be able to employ an applicant from Ceylon at our Regional Office and Education Centre. If we paid the salaries and allow-

ances necessary to recruit from long distances we should have to cut posts and cut the work output by from one-third to one-half of what it is at present.

Other international non-governmental organisations have the same problem. We have been compared so far with governmental, United Nations organisations. It must be remembered that the employees of international non-governmental organisations have no tax exemption such as is granted to international governmental organisation employees. A senior I.C.A. official would receive much more in a junior post in any United Nations body, but fortunately we have lost only one person in this way in the past three years.

I shall now give the facts of a survey of headquarters staff taken two weeks before I left for Vienna, but I must say immediately, before talking about nationalities, that these people, so far as I know, do not represent anybody except the I.C.A.

There were 34 posts which I examined. These are people paid from headquarters in London. There is one representative at the United Nations, New York, a United States national, and there is one representative at the United Nations, Geneva, who is a Swiss national. There is one temporarily attached trainee who is a Norwegian national. There is one vacant junior post in London the last occupant of which was a Hungarian national. I am discounting those four posts, none of which was held by a U.K. national, and I proceed now to 30 posts all of which are occupied by people resident in London. Of these, there are nine other nationals than U.K. from five countries - two Austrian, one American, two French, one Indian, and three Swiss.

That leaves 21 posts in London and, as Mr. Utkin has pointed out, we find it helpful to employ nationals of other countries who have the right background and qualifications and who have now become U.K. nationals. In this category there are the following nine persons, one now a U.K. national, born in Latvia, U.S.S.R.; one born in Yugoslavia, two born in the United Arab Republic; two in Germany, one in South Africa, one in Czechoslovakia and one in Sweden. That makes another nine U.K. nationals not of U.K. origin and leaves out of 34 posts 12 posts the personnel of which were born in the United Kingdom and are U.K. nationals.

In view of these considerations, the Central Committee advise at present against acceptance of this resolution.

Mr. Utkin, U.S.S.R.: The content of the explanation given by the Director is not clear to me. I think he said that qualification and linguistic knowledge as well as interest in the cooperative movement should be taken into account. He seems to be creating an impression that in the socialist countries there are no people with this experience and linguistic knowledge!

With regard to finance, the problem is more complicated, but this should not be accepted as a valid argument. The question of the composition of the Secretariat has not been answered satisfactorily. A number of nationalities has been listed, but these are not governmental representatives. Somebody was mentioned who comes from Latvia, but he is no longer in the U.S.S.R. and cannot represent it. The answer to this question, therefore, is not satisfactory. I would not impose too heavily on the time of Congress, but I hope delegates will understand the importance of this proposal and will vote in favour of it.

The President: I very strongly refute Mr. Utkin's intimation that the Director holds the view that there are no people of the required intellectual capacity in the U.S.S.R.! The Director does not hold such a view. We shall now vote on the resolution.

A vote was taken by show of hands.

The President: There is a very big majority against the proposal. I declare it lost.

Struggle Against Capitalist Monopolies

Submitted by the Central Agricultural Union of "Peasant Self-Aid" Cooperatives, Poland.

The 23rd Congress of the I.C.A.,

Being preoccupied – under the circumstances of the state-monopolistic supremacy and technical revolution – with the steadily growing monopolies' drive against small enterprises, monopolies' aim to place cooperatives under their command and to be able to determine their development which would inevitably result in their transferring into purely capitalistic enterprises;

Realising that while capitalist monopolies are ruling over the economy, cooperatives have neither prospects to reach their full efficiency nor eliminate fatal consequences of capitalist exploitation;

Believing that the direct aim of cooperative movements is to repulse the attacks of monopolies and to continue the enlarging of their sphere of influence within the national economy;

Appeals to national cooperative member organisations to join the wide and united anti-monopolistic front, the ranks of which comprise all social groups suffering from the oppression of monopolies;

To strive for the establishment of social property in cooperative form within those sectors of the economy where it can be adopted;

To extend the sphere of influence of internal cooperative democracy; to strive against such developments which enable the most prosperous members of cooperatives to dominate over the poor part of cooperative membership; to secure equal rights and duties for all members not only *de jure* but also *de facto*;

To strive for the triumph of democratic social standards, to achieve the state level actions against monopolies which could be able to neutralise their fatal consequence on agricultural production and could provide the necessary support to the agricultural cooperatives;

To demand decidedly from their own Governments to render overall assistance to cooperatives, particularly to agricultural production cooperatives, to provide these cooperatives bigger financial help and some more necessary advantages as compared to private enterprises.

The President: Mr. Janczyk will move this resolution.

Mr. T. Janczyk, Poland: I would point out that the resolution on the Struggle against Capitalist Monopolies is actuated by our concern to find the best way to fight against monopolies. We know these monopolies would like to be able to force cooperative organisations to abandon their cooperative principles and objectives.

Fifteen years have elapsed since the Congress of 1951, and a great deal of change has taken place in the world. The experiences in a number of countries indicates that, so long as monopolistic capital is guiding the economy, cooperation cannot properly develop. Cartels and trusts are taking over greater and greater sectors of the economy, thus limiting the development of cooperatives. In our opinion, cooperators cannot neglect this danger, and we would draw their attention to the necessity of strengthening the fight against the trusts, cartels and monopolies. The most effective weapon in this fight is the solidarity of all cooperators in their various countries.

Many delegates, in speaking with me, have mentioned the fact that the struggle against monopolies is a very complex and difficult problem. As we have little time here to thoroughly discuss the question, I would like to propose that Congress shall refer our resolution to the newly-elected Central Committee, with the directive that it shall be thoroughly discussed; also that authority be given to the Central Committee to work out a suitable resolution on the subject.

The President: On behalf of all the delegates, I express sincere appreciation to Mr. Janczyk and the Polish delegation for their kind gesture. No doubt it is quite correct, as

he says, that since the resolution passed at Copenhagen Congress in 1951, important developments have taken place in the field of private monopolies, and it would, therefore, seem quite proper, because it is a very important problem for all cooperative movements, that it should be further studied by the new Central Committee at some suitable time. At the next Central Committee meeting, whenever that may be, on the basis of this resolution and of any further research it may be possible to undertake in the meantime, it might be possible to produce a resolution which would not be controversial, but which would represent a joint pronouncement of cooperative opinion on this problem through the Central Committee, which is truly representative of our national cooperative organisations.

This proposal was **accepted**.

Cooperative Housing

Submitted by the I.C.A. Housing Committee

The 23rd Congress of the I.C.A.,

Finds that the present production of housing having regard to the increase of population, the urbanisation and the demand for modernisation of the housing stock in practically all countries of the world is insufficient to satisfy the present and future need for housing, and that the housing need and housing situation in the countries in process of development is particularly perilous and gives reason for serious concern and constitutes a human and social problem comparable to world hunger;

Notes that difficulties of acquiring suitable land for housing are a great obstacle to an increased production of housing, that the cost for such land has undergone an increase in practically all countries, and that in many places unrestricted speculative gains are made on the fundamental human right of access to land for housing. High land prices are an impediment for the authorities in their efforts to bring about good planning of cities and housing areas and can create unforeseeable difficulties;

Asserts that the lack of short-term and long-term capital for housing is another obstacle. The supply of capital is a crucial problem for the production of housing, perhaps felt more in this than in any other industry. In spite of considerable efforts in different countries with different economic systems, the question of a continuous adequate supply of capital for housing has not been satisfactorily solved. This problem must be subject to further international studies in industrialised as well as in developing countries;

Observes with concern that the rate of interest for capital, which constitutes a main factor in the price structure of housing in practically all countries, has now reached a higher level than at any time following World War II; that the public measures to make available capital for housebuilding on reasonable terms in most countries are inadequate;

These observations are some main facts having a decisive influence on the supply of housing from quality as well as quantity point of view. The importance of a good housing policy is evident to all. Consumers of housing should be safeguarded against economic and social exploitation. A reasonable cost of housing is a consumer's interest having repercussions on an improved standard of living and increased private consumption.

The Congress

Urges the United Nations in an adequate way to work for increased understanding of the importance of satisfying the human right and need good housing constitutes;

Expresses its satisfaction with and adheres to the ambitious programme the United Nations Centre for Housing, Building and Planning has drawn up for its activity;

Requests the United Nations to expand its activities in this field by the establishment of a Specialised Agency for housing, similar to such as FAO and WHO, and that in this United Nations activity special emphasis should be laid on the application of cooperative methods for housing;

Urges national Governments to continue or renew their efforts to solve, on the national and international level, the supply of housing;

Declares that cooperative principles and methods where they have been used on housing have proved to be efficient and have satisfied not only the consumers' needs but also the needs of society itself, and that because of this, cooperative housing should be given opportunities and support to continue its activity, and that hindrances mentioned above should be removed or remedied.

The President: The next resolution, on Cooperative Housing, submitted by the Housing Committee, has the approval of Central Committee. It will be moved by Mr. Kypengren, Chairman of the Housing Committee.

Mr. S. Kypengren, Sweden: I have already underlined from this rostrum the problem of housing. It is of the greatest importance that the need for housing should be fulfilled on cooperative lines in the fullest sense. This means not only the planning and building but also the management and ownership.

In most countries the cost of housing of any reasonable standard represents a considerable part of the earnings of the breadwinner. In Sweden it represents for new housing 22 to 25 per cent. In addition, cooperators have to contribute towards the financing of housing. Here in Vienna we have learned that they contribute between 10 and 15 per cent of the actual cost of their cooperative flats and houses. For the rest of the capital a very high rate of interest has to be paid; higher than at any time since the end of the last war. In spite of this high rate of interest we have difficulties in Western Europe in finding long-term capital.

The lack of housing is of great concern all over the world. This was strikingly explained the other day by my American colleague. But there is also the problem for the housing cooperative movement of carrying on its activity under reasonably competitive conditions. I cannot go into the many problems of providing housing, because this is an extremely complicated process, involving governmental policies, local authority regulations, finance, etc. Since Congress last met, our member organisations have encountered not only increased costs for the production of housing but also difficulties in obtaining the basic raw materials and related facilities, namely, land. This is the concern of all countries and our Committee members feel it deeply.

The ECE Housing Seminar considered this problem in the spring of last year in Paris, at which a number of our member organisations put forward cooperative solutions.

The resolution presented in the name of the Housing Committee mentions other aspects of housing which would take too long to introduce. We are renewing our demands and urging the United Nations to expand its activity for the solution of the housing problem by establishing a specialised agency. There is great interest in this in the United Nations but the means are lacking. I hope the documentation centre which it is suggested should be set up in New Delhi to supply and disseminate information on housing will be successful, and will work in collaboration with the I.C.A. Regional Office.

I would ask you all, in your respective countries, to encourage your representatives to the United Nations to work for the establishment of a special agency for housing, a desire already expressed at our Congress in Bournemouth.

I take it for granted that the views expressed in the resolution are familiar to you, from whatever country you may come. As genuine representatives of the consumers, and consequently concerned with housing, I hope you will wholeheartedly support the resolution and work for the implementation of its ideas in your respective cooperative organisations and countries.

The President: As this is not a controversial subject, I will, with the permission of Congress, take a decision immediately.

A vote was taken by show of hands.

The President: I declare the resolution **carried** unanimously.

International Trade

Submitted by Centrocop, Roumania

The 23rd Congress of the International Co-operative Alliance,

Believing that trade without limitation and discrimination is one of the most important factors for the economic development of all countries;

Recalling to mind the attention which is being paid to the question of the development of trade among all countries; and

Bearing in mind the recommendation A 1 (3) of the first Conference of the United Nations on Trade and Development, which contains the guiding principles of international trade relations and economic policies promoting development and the particular importance of cooperative trade as an integral part of the international trade, and as such encouraging and strengthening the Cooperative Movement on the national and international scale;

Has decided to recommend to all the cooperative organisations affiliated to the International Co-operative Alliance and their specialised committees to do everything possible to promote and extend international trade relations, maintaining the principle of equal rights and mutual advantages; and

To recommend to all the competent bodies of the Alliance to collaborate as closely as possible, and support the activities of the United Nations Council for Trade and Development in order to come to an agreement on the principles governing international trade relations which is a prerequisite for the development of world commerce.

The President: I wish to inform Congress that the Central Committee recommend the adoption of this resolution. I call on the mover, Mr. Mateescu, of Roumania.

Mr. C. Mateescu, Roumania: It is well known that international trade is one of the most important factors for the promotion of economic development and international relations. For that reason, Roumanian cooperators are in favour of all initiatives aiming at promoting and extending economic relations between all countries, whatever their social system, on the basis of mutual benefits. Such relations must be founded upon the principles of respect for national sovereignty, economic independence, equality of rights and non-interference in internal affairs.

We consider that a real re-establishment of international economic relations demands, in the first place every possible effort to find multilateral solutions likely to create favourable conditions for the realisation of the aspirations of all nations, to accelerate the development of their economies, to raise their standards of living, and to enable them fully to benefit from the advantages which modern science and technology offer. In our opinion, any action designed to find solutions that would promote the amelioration of commercial relations in the international market and the establishment of fair and advantageous economic relations for all states, is an essential need which should be favourably accepted. These objectives can only be realised by a long process which will certainly involve some difficulties. But the concentration of efforts to find acceptable solutions for the development of international trade merits our closest attention. In our opinion no effort is in vain, in view of the favourable advantages of international trade for all countries.

Roumania now maintains commercial relations with over a hundred countries, on a basis of long-term trade agreements. The rate of increase in the volume of trade is high and the range of products is wide. The expansion of trade relations is a result of an active and established policy for the development of friendly relations and cooperation between peoples, which Roumania has promoted and pursued with happy results.

It is within this general context of the development of economic relations between states that Roumanian consumer cooperation continuously extends inter-cooperative trade. Over the last few years, the value of Centrocop's trade with other cooperative organisations has substantially increased.

The importance of the first United Nations Conference on Trade and Development

has been unanimously acknowledged for international trade as a whole and for inter-cooperative trade as an integral part of international trade. And the decisions adopted in 1964 at the meeting of the I.C.A. Central Committee in Belgrade were generally welcomed.

Considering the growing importance of the development of international trade in the life of the people, Roumanian cooperators recommend the 23rd Congress of the International Co-operative Alliance to adopt this resolution on the development of international trade, as they feel that such a resolution, if adopted, would represent a contribution by the Alliance to the important problem in its role as the forum of the international cooperative movement.

The President: As there was no division of opinion on this resolution in the Central Committee, I now put it to the vote.

A vote was taken by show of hands.

The President: There are no votes against and no abstentions. I declare the resolution carried unanimously.

Duties of the Central Committee

Submitted by Ustredni Rada Druzstev, Czechoslovakia

To empower the Executive to appoint, in individual cases, auxiliary sub-committees and working parties consisting of representatives of cooperative movements working under different social conditions and in different geographical regions, on the basis of equality, for the purpose of dealing with specific questions which are to be considered by the Authorities of the I.C.A., and simultaneously to define precisely the task of the above-mentioned sub-committees and the time for which they are to exist.

In this connection the 23rd Congress of the I.C.A. decides to dissolve the existing Executive Sub-Committee and the Technical Assistance Sub-Committee.

Mr. J. Podlipny, Czechoslovakia: In view of the lack of time the Czechoslovak delegation withdraws its resolution and suggests that it be referred to the new Central Committee for discussion and decision.

The President: I thank our Czech friends on behalf of Congress, for their consideration. The resolution will be discussed at the appropriate time by the Central Committee.

The Director reported that an emergency resolution submitted by Centrosoyus on **Reinforcing Peace and Security in Europe** had not been approved by the Congress Committee, and that Mr. Denisov, the appointed mover of the resolution, asked to speak under Standing Order No. 16.

Mr. M. Denisov, U.S.S.R.: The Centrosoyus delegation submitted an emergency resolution on reinforcing peace and security, which was necessary for a number of reasons. We know from history of the need for good relations to be established between peoples and for arrangements to be made to ensure peace in the world. Two world wars have started on the European continent and we know that they were a disaster for mankind. We also know that after the last war the peoples were full of hope that after the great sacrifices they had made a durable and just peace might be achieved. Most people were convinced that in order to maintain security and peace in Europe it was necessary to avoid any further emergence of fascism and militarism, but 21 years after the ending of the war we find that these foci of fascism have not been eliminated. There is still no permanent Peace Treaty, and a certain amount of tension exists between the peoples. The former Allies are no longer in as much agreement as they were, and in a number of European countries there are armed forces, in some cases with atomic weapons at their disposal. We hear the voices of the "revanchists", and talk of the revision of the borders

which were set up after the Second World War. We also hear about aircraft carrying atomic bombs, as well as vessels with atomic weapons. All this creates a feeling of fear and insecurity amongst the peoples of Europe. At the same time we see in Europe an increase in the forces which want peace, and want to liquidate the spirit of the "Cold War". The interests of European cooperators and of Europe as a whole, require that active steps be taken to defend peace in Europe and throughout the world. It is for this reason that we submitted our resolution.

Briefly stated, our proposal is an appeal to European and world cooperatives to participate in an active struggle for peace and security throughout Europe; to urge their governments to take concrete measures in order to reduce tension and in order to increase peaceful co-existence in Europe; to enable better cooperation and the setting up of trade and other types of contacts to take place; also to liquidate the militarists, and to take proper security measures. All of these steps, we believe, must be undertaken in order to maintain the boundaries which have been settled and in order to solve the German question.

We regret that our resolution was not approved by the Congress Committee but we wished Congress to be aware of our proposals and our standpoint.

The President: To make the position clear, I would point out that the reason why the Congress Committee did not admit this proposal was that it was not an emergency resolution. No events have taken place to require and justify an emergency resolution on this subject.

Report of

I.C.A. Commission on

Cooperative Principles

Part I. Introduction

- a. Composition, Meetings and Procedure of the Commission.
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Part III. Recommendations and Conclusions

Part I. Introduction

a. Composition, Meetings and Procedure of the Commission

The Commission on Cooperative Principles was set up, at the request of the International Cooperative Congress at Bournemouth, 1963, by a resolution of the I.C.A. Central Committee which met at Belgrade from the 3rd to 5th October, 1964.

On the recommendation of the Executive Committee, the Central Committee appointed five members to serve on the Commission, as follows:

Mr. A. Bonner	Senior Tutor, Cooperative College, Co-operative Union Ltd., Great Britain and Ireland.
Mr. Howard A. Cowden	Member, Board of Directors, Cooperative League of the U.S.A.
Professor Dr. R. Henzler	Director, Institute of Cooperation, University of Hamburg.
Professor D. G. Karve	Chairman, I.C.A. Advisory Council for S. E. Asia.
Professor I. Kistanov	Professor, Economics and Cooperation, Moscow Institute of People's Economy.

In December 1965, Professor Kistanov, acting on medical advice after a severe illness, did not attempt the journey from Moscow. His colleague, Professor G. Blank, Head of the Department of Economics, Moscow Cooperative Institute deputised for him at this and at subsequent meetings.

The Commission held its first meeting at the Headquarters of the I.C.A. in London on the 15th and 16th December, 1964. Professor D. G. Karve was elected Chairman, to preside over the meetings and deliberations of the Commission throughout.

Secretarial services, it was decided, should be provided from the Secretariat of the I.C.A. under the direction of the Director, Mr. W. G. Alexander, who should enlist the services of a rapporteur to assist him in the drafting of the Commission's report. Accordingly Mr. W. P. Watkins, formerly Director of the I.C.A., was commissioned to undertake this function.

The plan of work of the Commission provided, first, for the collection and analysis of information relating to the present observance of the Principles of Rochdale as formulated in the Report adopted by the I.C.A. Congress at Paris in 1937. It was agreed that this purpose would best be achieved through the issue of a questionnaire to the I.C.A.'s affiliated Organisations, as well as to selected non-member Organisations and individuals well-known for their wide acquaintance with the Cooperative Movement and their acknowledged position as exponents of cooperative ideas. On the basis of proposals submitted by members of the Commission a questionnaire was drafted by the Secretariat and, after approval by the Commission, was circulated on 1st June 1965.

The final date for the receipt of replies by the Secretariat was fixed at 31st August, 1965. Although a large number of replies were received by that date, many others continued to arrive in succeeding months until the total actually exceeded 100. As they were received, replies were copied, translated when necessary, and circulated to the members of the Commission. The information, opinions and fresh suggestions they contained represented a large sample of the I.C.A.'s affiliated Organisations, a number of which brought their own affiliates into consultation. This material gave the Commission a useful insight, not only into the extent to which the Rochdale Principles were actually observed at the present day, but also into the reasons why cooperatives of different types considered it impossible or inexpedient in certain cases to apply them in practice.

The Commission held a second series of meetings, partly at Helsinki from the 18th to 22nd September, and partly at Moscow from the 24th to 26th September, 1965. As Helsinki was also the venue of the Central Committee of the I.C.A., it was possible to

arrange a number of interviews at which the Commission was able to hear the opinions of leading Cooperators from American, Asian and European Cooperative Movements on questions which ranged over the whole field of its investigation. At Moscow the Commission had the advantage of a meeting with the President and Board of *Centrosyus*, and of hearing their explanations of various features of Cooperative activity in the U.S.S.R.

The Commission entered upon its own discussion of its approach to the study of Cooperative Principles against the background of contemporary economic and social life and on the significance of the seven principles defined by the Report of 1937. These discussions, begun at Helsinki, were continued in Moscow.

While in Helsinki, a further request was communicated from the Central Committee that the Commission should endeavour, by all means, to complete its work in time for its final report to be discussed by the next International Cooperative Congress at Vienna in September 1966. To enable the Commission to fulfil the Central Committee's request, it was agreed to hold meetings in December 1965 and February 1966.

The analysis of the replies to the questionnaire was completed by the Research Section of the I.C.A. Secretariat in November 1965 and made available to the members of the Commission before the third series of meetings was held at I.C.A. Headquarters from the 12th to 16th December, 1965. As the Commission had had the benefit of studying the originals, summaries and analyses of the replies to the questionnaire, it was in a position to take decisions after full deliberation regarding the retention, re-formulation or rejection of the Principles adopted in 1937, together with any suggestions for additional principles offered for its consideration.

The draft report was completed and dispatched to the members before the end of January in time for consideration at its fourth series of meetings in London from the 14th to the 18th February, 1966. At this meeting the final report of the Commission was unanimously adopted.

The Commission would like to place on record its sense of obligation to the large number of cooperative organisations and individual cooperators who readily and unreservedly placed their information and views at its disposal. The trouble which some among them took to respond to our invitation to meet us in Helsinki and Moscow is deeply appreciated by us. In Finland, U.K. and U.S.S.R the National Cooperative Unions, and some of their affiliated organisations, were good enough to offer cordial hospitality which enabled the Commission to broaden its understanding of conditions and views of the respective cooperative movements.

Mr. W. P. Watkins, former Director of the I.C.A., who accepted the Commission's invitation to act as Rapporteur helped the Commission in several ways. The efficiency and the speed with which he prepared drafts of the Report for the Commission's use were indeed very remarkable. Without his assistance in this respect it would have been well-nigh impossible to produce the report within the limits of time desired by the Central Committee of the I.C.A.

Mr. W. G. Alexander, who had been good enough to accept the Commission's invitation to act as its Secretary, in addition to his heavy duties as Director of the I.C.A., has borne a very heavy burden, administrative as well as deliberative, cheerfully and most fruitfully. The Commission would like to make special mention of Mr. Alexander's contribution towards the timely and satisfactory results of the Commission's work.

Staff and assisting members like Mr. I. Willams, who recorded a verbatim statement of the deliberations, Mr. V. Kondratov, who helped with Russian interpretation and Mr. J. H. Ollman and Mrs. L. Stettner of the I.C.A. Office, along with other members of the I.C.A. staff, have helped in their respective positions very materially towards organising the Commission's work. The Commission's best thanks are due to all these.

b. Terms of Reference

The objects and scope of the Commission's investigation were first indicated in the resolution adopted by the Bournemouth Congress in the following terms:

“The Congress requests the Central Committee:

To constitute an authoritative commission to formulate the fundamental principles of activity of cooperation under modern conditions;

To empower the Commission to study which of the principles of the Rochdale Pioneers have retained their importance to the present time; which of them should be changed and how, in order to contribute in the best manner to the fulfilment of the tasks of the cooperative movements and, finally, which of them have lost their importance and should be substituted by others;

To empower the Commission to formulate new principles of cooperative activity;

To include in the Agenda of the 23rd Congress of the Alliance consideration of new principles for the activity of the Cooperative Movement;

To empower the Executive to request the national cooperative organisations, members of the I.C.A., to send their proposals on this subject;

To ask the Central Committee to consider the proposals of the national cooperative organisations and those of the Commission at a meeting preceding the 23rd Congress and to submit its opinion to the Congress.”

The Central Committee, after considering the request of Congress, adopted a resolution providing for the constitution and administrative arrangements for the Commission and stating its terms of reference in para. 4 which runs: -

“4. The task of the Commission shall be:

To ascertain how far the Principles of Rochdale - as defined by the I.C.A. Congress at Paris in 1937 - are observed today and the reasons for any non-observance;

To consider, in the light of the results of the foregoing study, whether the Rochdale Principles meet the needs of the Cooperative Movement having regard to the present-day economic, social and political situation or whether any of the Principles should be reformulated in order the better to contribute to the fulfilment of the aims and tasks of the Cooperative Movement in its different branches;

if so, to recommend a new text or texts.”

The first part of the Commission's task, as will be seen above, was to enquire into the present-day observance of the Principles of Rochdale and into the reasons for any non-observance disclosed by its enquiries. It was in order to enlist the assistance of interested Cooperative Organisations, especially on this part of the Commission's terms of reference, that the questionnaire already mentioned was framed and circulated. Their answers, summarised and tabulated by the I.C.A. Research Section will become generally available in due course.

The replies to the questionnaire provided only part of the basis for the Commission's findings and judgement, which also had to depend largely on the studies and experiences of its members. The whole body of material received from correspondence was contributed entirely voluntarily, and a number of organisations brought their own affiliates into consultation before submitting their replies to the Commission. The material thus represented a large sample and its value for purposes of information and illustration was very considerable.

Even more valuable was the evidence, given by the replies, of the great extent to which Cooperators all over the world, irrespective of the type of cooperative organisation to which they are attached and its economic and social environment, possess a common cooperative philosophy, from which they derive common sentiments and attitudes to basic problems greatly outweighing their inevitable diversities of objectives and method. A further result was to reveal the historical continuity which connects the pioneers of Cooperation in the early stages of the Industrial Revolution of the 19th century, even before the Rochdale Pioneers, with the pioneers of the newly-developing regions of the 20th. This made the Commission's task of answering the question, whether

the Principles of Rochdale meet the needs of the Cooperative Movement today, much easier than it might have been. The task proved to be one, not so much of revision, as of clearing up confusion and removing unnecessary rigidity rooted in unbalanced or oversimplified interpretations, in other words, a process of re-burnishing which permits the underlying principles to shine with a brighter light.

c. **Historical Background**

The Resolution of the Bournemouth Congress which called for the present investigation was adopted by an overwhelming majority. The need for a review of the Principles of Cooperation was recognised from several standpoints. Far-reaching changes had occurred in the political constitution and economic organisation of nations. Under the stress of a revolution in distributive trade many cooperative organisations encountered difficulties in maintaining their traditional practices. In the newly-developing regions the young cooperative movements had still to reach their full capacity to implement the Movement's principles and apply them in their special economic and social setting.

Compared with the Special Committee of 1930-37, the Commission has been working in greatly altered circumstances. Although the basic problems may appear to be essentially the same, namely, to maintain the Cooperative Movement's autonomy vis-à-vis political parties and governments; to correct tendencies to compromise on principles for the sake of business advantage; to clarify the essential differences between true cooperatives and other enterprises apparently imitating cooperative methods; to stress the vital necessity of keeping the Movement's democratic machinery and its educational system up to date, they were posed in different forms and with somewhat less urgency thirty years ago. The general situation was less dynamic than it is today. The main work of that Special Committee was not merely to clarify, but also to reaffirm the principles handed down from the Movement's pioneer days. The International Co-operative Alliance itself was smaller in respect of its total membership and mainly dependent for support on consumers' Cooperative Movements in Europe, a fact which was bound to influence the outlook of the Special Committee and the focus of its interest.

Even during the Second World War the Cooperative Movement played an important part in the economic life of many countries. After the fighting ended and the work of national and international reconstruction began potentialities of co-operative organisations for economic and social reorganisation became more widely recognised in all countries irrespective of their economic and social systems.

Meanwhile important changes have taken place in technology and especially management. The world appears to stand on the threshold of a new industrial revolution even more comprehensive than the old. The function of Cooperative Organisations, therefore, is more than the defence of group interests; they should be making a positive contribution to the welfare of their participants in an expanding economic system. The needs of cooperatives for large masses of capital and for trained man-power will therefore grow, though capital used by them will not dominate but only earn its fair interest. Again, in the development over a long period of large-scale business undertakings with many ramifications, an intricate form of organisation is necessary, in which too absolute interpretations of principle are not appropriate. The Movement cannot remain content with the familiar organisation of the past but must realise that new patterns are necessary for the future. This consideration is as important for the newly-developing countries as for the more advanced, for wrong applications of principle may not only hinder the Movement's progress but produce results which Cooperators do not desire. They must recognise that involvement in public policy and in other sectors of the economy than their own is inevitable, and they would be mistaken to wish it otherwise.

As the awareness of the demands of the new era into which the movement is passing has spread amongst Cooperators, they have reacted at every level – local, national and international. Structural changes involving far-reaching consolidation, concentration and integration have already been made in a number of national Cooperative Movements; more are contemplated. In the last five years, these changes have been the subject

of study and exchange of ideas in the Authorities and the Auxiliary Organisations of the International Co-operative Alliance. But as they carry through their measures of reconstruction many leading Cooperators feel with greater urgency the need for guidance in matters of principle – the need to distinguish what is essential and must be maintained at all costs from what may be varied, discarded or added, according to circumstances. They also feel the need of making firmer the common intellectual and moral ground on which Cooperators of all nations, of all schools of thought, of all branches of the Movement, can unite. The work of the Commission therefore takes into account the structural transformations now in progress and proposed for the future.

d. **The Commission's Analysis and Approach**

The Cooperative Movement is world-wide. The International Co-operative Alliance is becoming steadily more and more representative of it. Although cooperative organisations of many countries in Africa, Asia and Latin America have yet to join it, the Alliance grows in membership from year to year and its membership becomes better balanced because it is more inclusive of the diverse types of cooperative society. Consumers' and agricultural cooperatives still greatly predominate, as is inevitable, but it is significant that a growing number of unions and federations operating in the field of credit, housing, fisheries, etc. are being admitted. Sharp divisions formerly existing between cooperatives of various types can no longer be maintained. In the newly-developing regions especially, multi-purpose societies tend in several cases to replace cooperatives of specialised types which may be too small or otherwise ineffective. More important still is the fact that despite the obvious differences between the economic and social systems under which cooperatives carry on their work, the Alliance maintains its unity, as the only international organisation dedicated entirely and exclusively to the propagation and promotion of Cooperation.

The Commission, in its approach to its tasks has been profoundly influenced by its awareness of these facts. On the one hand, it felt bound to recognise that the practices of cooperative organisations must needs vary, in ways too numerous to mention and with considerable differences of emphasis, not only according to their purpose and type, but also according to the environment in which they have to further their members' interests and survive. On the other hand, there must necessarily be common elements from which they derive the resemblances which prove their membership of the cooperative family. This or that branch of the Cooperative Movement may have specific principles which are of minor importance to others, but the Commission considered that its primary task was to attempt to formulate those general principles which could and should be observed by cooperatives of all types in all social and economic systems.

It has already been remarked that the I.C.A. Special Committee in its Report of 1937 may have been influenced to a certain degree by the composition of the Alliance at that time. This notwithstanding, the principles it enumerated were intended to apply universally to cooperatives of all kinds at all times and places. The Commission, therefore, took this Report as its starting point, as requested by its terms of reference, and based its discussion on the principles formulated therein. Since experience has shown that too brief or simple a formulation can be misleading, the Commission has deliberately chosen, at the risk of being longer and more qualified in its statements, to bring out the full implications of its thought on any given topic.

Moreover, it has endeavoured at all times to bear in mind the point of view of practical cooperators, emphasising in many cases the spirit rather than the letter of a principle. It has preferred to keep in the foreground the consideration that, in varying contexts and historical circumstances, different aspects of Cooperation receive varying degrees of emphasis and that innumerable groups of Cooperators in their own environment have been trying out how best to attain the ultimate goals of the Movement. What the Commission has considered important was not so much the verbal or semantic formulae as the substance of these objectives.

c. Cooperative Principles and Ideals

It is also in relation to these objectives that the Commission framed its working definition of Cooperative Principles as those practices which are essential, that is absolutely indispensable, to the achievement of the Cooperative Movement's purpose. This purpose has been described in various ways at different stages of the Movement's historic development. The Rochdale Pioneers, like some of the Cooperators who preceded them, declared their aim to be the establishment of communities supporting themselves by their own labour on their own land. For the most part, the Movement did not advance along this line of intensive development but developed extensively, by spreading out geographically and by breaking into one field of economic activity after another. Its success encouraged many to visualise its ultimate end and ideal as a Cooperative Commonwealth. At a later stage again, and with broader experience, many Cooperators became content to accept the less ambitious ideal of a Cooperative Sector complementary to, but exercising an influence upon, the public and private sectors of the economy.

The common element at all times has been that Cooperation at its best aims at something beyond promotion of the interests of the individual members who compose a cooperative at any time. Its object is rather to promote the progress and welfare of humanity. It is this aim that makes a cooperative society something different from an ordinary economic enterprise and justifies its being tested, not simply from the standpoint of its business efficiency, but also from the standpoint of its contribution to the moral and social values which elevate human life above the merely material and animal.

It follows from the standpoint adopted by the Commission that no distinction of degree of validity can be drawn between essential principles. The Commission has not given some principles a higher priority than others. On the contrary, if every principle denotes something essential, all possess equal authority and the essential substance of all must be equally observed to the full extent and in the manner that circumstances permit at any time and place. This qualification is inevitable in the application of theoretical principles which have to be effective in a variety of circumstances. The Commission has done its work in the hope of arriving at formulations of essential values in Cooperation which will supply meaningful interpretations and guidance to Cooperators who have to meet the challenge and grasp the opportunities of the modern world.

Part II. Consideration of Cooperative Principles

1. Membership

It has been usual in the past to describe the principle of cooperative membership by such words as "Open" and "Voluntary". For several reasons the Commission felt that these brief descriptions do not bring out fully the characteristic features of the relationship between a cooperative institution and its individual constituents. One fundamental consideration, which corresponds fairly closely to the facts and normal practice of cooperative societies of all types, is that those who make appropriate use of a cooperative society's services should and do become its members and, conversely, that the membership of a cooperative consists of persons with needs which its services can and do supply. Another fundamental consideration springs from the very nature of the Cooperative Movement which is at once a social movement seeking to increase the numbers of its adherents and an economic organism capable of expanding and occupying wider fields of activity. Its attitude to persons eligible for membership is, therefore, normally to welcome them when they wish to join it and, even more, to encourage and assist them to join societies appropriate to their situation and needs.

Obviously, the whole group of questions involved in membership can and must be studied from two complementary standpoints, that of the individual and that of the cooperative. The freedom of each – the individual and the cooperative – to consult its own interests and act accordingly – needs to be reconciled and blended with that of the other. On the one hand, the individual should be free to join a cooperative and share its economic and social advantages on an equal footing with other members. That implies that he must shoulder his due share of responsibility also. But he should not be coerced

into joining, either directly, by legal or administrative compulsion, or indirectly, under social or, possibly, political pressure. His decision to apply for membership should normally be the result of his unfettered appreciation of cooperative values and consideration of his economic advantage, including that of his dependants. He should be free also to withdraw from a cooperative when he finds that he no longer has any need of its services or when the cooperative is unable to supply his needs.

In the nature of things, this freedom can rarely, if at all, be absolute. It can be modified or overridden by other considerations of wider application and greater essential validity. A government which is assisting a farmer to reclaim land on which he is to settle may not unreasonably impose membership of a supply or marketing cooperative, at least for a limited time, as a condition of its assistance or support, in the interests of the farmer himself. A producer or group of producers may in effect sabotage the efforts of a voluntary cooperative to improve the marketing position and incomes of producers by refusing to join it and so giving a foothold to opposing, maybe reactionary, economic interests. In order to counteract this government may intervene with legislation compelling all producers to join a cooperative or at least to market their product through it, if a prescribed majority of the producers vote in favour of such measures. Other examples may be cited, where the refusal of a small minority of individuals, after every effort has been made to persuade them to join a cooperative, say, for managing an irrigation scheme or for providing and using pesticides or adopting a new system of cropping with the prospect of much higher yields, may frustrate the whole plan of action. In such cases, refusal to join the cooperative is essentially anti-social and can be justifiably overridden in the interests of the whole community, provided that all the circumstances of the case are taken into account and safeguards adopted against the abuse of power through the extension of compulsion in circumstances where it is unnecessary or inappropriate.

A cooperative, on the other hand, also needs freedom to modify its welcoming attitude to applicants for membership, even to the point of refusal, as well as to have in reserve powers to terminate membership if the interests of its members as a body so require.

It is a mistake to interpret the rule of "open membership" in the sense that all cooperatives are obliged to enrol all persons who may apply to join them. Open membership has never meant that. The Rochdale Pioneers at no time attempted to apply such a rule, for one very good reason that their society, witness the celebrated "Law First", was conceived as something more than a retail distributive enterprise; it was a community in embryo; its growth and success would depend greatly on internal harmony which might easily turn to discord, as earlier experiments had shown, through the admission of bad characters, irresponsible individualists or trouble-makers. Nothing is to be gained and much may well be lost by bringing in a person who unsettles the cohesion of the membership. In the same order of ideas the savings and loan bank or credit union may be justified in refusing to admit an applicant known not to be creditworthy. Another kind of limiting condition, imposed for the sake of orderly and economical working or of avoidance of unhealthy competition, is the exclusion by one society of would-be members from the territory served by another. Several instances of similar obvious limitations on the unfettered admission of members may be cited by examples from all forms of cooperative societies.

It may also be stated as a general proposition that persons or associations who desire to join, or to form, a cooperative for dealing in produce or labour other than their own or of their own members, cannot be said to act in pursuance of the basic cooperative principle – that of association among persons, considered as human beings with equal status, for mutual service.

Taking account of the preceding limitations, it would seem that "open membership" in a very broad sense can and should be the universal practice of consumers' cooperatives, if only because every man, woman and child must consume to sustain life. In the case of other organisations, however, there are further obvious limitations on the admission of members. For instance, the very specialisation of producers' cooperatives, whether promoted by artisans or wage-earners engaged in the same trade or industry or by

farmers or cultivators, automatically limits their membership to persons interested in a given product or range of products and excludes others who have no such interest. For example, cultivators not interested in citrus-growing for the market have no place in a citrus-marketing society, but a citrus-marketing society would not be acting in a fully cooperative spirit, if it closed its membership against applicants for membership who were citrus-growers. In general terms, the essential consideration is that, if an individual has interests within some specific field of service for which a cooperative is formed, he should be regarded as eligible for membership and, if he applies, admitted, unless he is personally unacceptable on some obviously justifiable grounds similar to those indicated above.

In the case of the workers' productive societies, the members of which find their daily employment in the society, limitation may justifiably be stricter. Not every worker who may seek employment or membership in such a society can or ought to be admitted, because the society's capacity to employ its membership and add to the number of workers who may be applicants for membership is itself limited. Again, a limitation adopted by some of these societies on prudential grounds is the fixing of a probationary period for candidates for membership, in order that those who are already members can make sure that the new entrants will possess the necessary degree of technical skill and have sufficient regard for the interests of the society. The fact that these limitations may be capable of abuse by some cooperative associations does not make them unreasonable in themselves, though continued employment of workers to whom membership is being denied would offend against open membership.

Another important class of cooperative which may be obliged to limit their membership are the housing societies which are engaged in supplying a commodity which is naturally limited in supply and can therefore only cater for a limited number of persons. They cannot guarantee that all who may want to join them will obtain within a reasonable time the house or flat they may desire and the only fair course may therefore be to close their membership register until vacancies actually occur. In these cases the essential question has to be posed in the converse way; has the society tenants who have been denied the right to become members? If the answer is no, the society is not acting in an uncooperative spirit.

The preceding examples, without being exhaustive, may serve to illustrate the natural limitations to which the admission of members to cooperative societies may be subject. These notwithstanding, cooperation can maintain its proper character as a voluntary movement offering to share its benefits with all who need them, only if cooperative societies of every type unreservedly accept their obligation to admit to membership anyone who, in return for these benefits will undertake in good faith to fulfil the duties which membership implies. Regulations, policies and practices which are exclusive in their effects, reserving to a select few what should be open to all, are unacceptable restrictions.

One kind of restriction may be called economic since it consists in the erection of barriers which some people eligible for membership may be unable, for economic or financial reasons to surmount. If a society requires new members to pay entrance fees or subscribe a minimum shareholding which are beyond the means of any appreciable number of possible applicants, so that they are deterred from applying for membership, it is acting restrictively. Stating the essential consideration positively, it would be correct to conclude that the entrance fee (if any) and the value of the minimum shareholding should be fixed at amounts which the poorest prospective member could pay without hardship. The general practice of cooperative societies for generations past has been in the direction of easing the conditions of admission by allowing shares to be paid up in instalments or out of accumulated savings on purchases or sales (patronage refunds) and by abolishing entrance fees, but there are limits set to these facilities by the capital requirements of the societies. Within the last 20 years or so these limits have tended to be drawn tighter, partly by reason of monetary inflation, partly by reason of the greatly increased capital requirements in order to finance business expansion and structural re-organisation to meet competition of unprecedented severity. Certain national coop-

erative movements have thus been obliged to raise the nominal value of the share or the number of shares to be held as a minimum, a measure which would appear to be entirely justified, provided that the new figure does not have restrictive effects on the admission of new members. Under conditions of high and stable employment and rising wages the restriction may not be appreciable, but any proposals for raising minima may well be examined from this angle before they are adopted.

A second kind of restriction may be indicated by the term "ideological" for lack of something more comprehensive which would include the most important matters which tend to divide people in society, irrespective of their economic situation and needs. The chief of these areas of conflict have been in the past and still tend to be in the present, politics and religion. Distinct from but partly overlapping these are race, colour, caste, nationality, culture, language any of which can provoke intense and sometimes chronic hostility. From the Cooperative Movement's earliest days wise cooperative leadership realised that if a cooperative society was to maximise the economic power of its membership, actual or potential, it would be a mistake to exclude any person of goodwill on account of political opinions or activities, religious creed or lack of creed, race, colour or any other consideration not relevant to the economic and social purpose of the cooperative. And with few exceptions, that rule is followed today even by co-operative organisations which may have always had close affiliations with political parties or religious institutions. The important consideration is that the society shall demand from its members no other allegiance or loyalty than what is owed to itself and its own democratic decisions and shall admit all who are prepared in good faith to give their allegiance.

Before passing from the question of admission to other aspects of the relations of cooperative societies with their members, the Commission would point out that the consequence of restrictive policies in general is not simply to stunt a society's economic development, but to risk the deterioration of its character as a cooperative. The normal cooperative practice, as was indicated in a previous paragraph of this section, is that the members and the users of the services of any given cooperative society are one and the same body of people. Nevertheless in actual business life it is extremely unlikely that many societies, especially those trading in highly developed industrial or agricultural areas, can avoid dealing with non-members. A non-member is a potential member. If he uses a society's services once and is satisfied, he may well do so again. Many far-sighted societies accumulate his patronage refunds for him and when they amount to a minimum share, offer him the opportunity of membership and so of regularising his relations with it. On the other hand, in a society which pursues a policy of restriction, the existing membership tends to form an exclusive and narrowing circle, whose democracy becomes sooner or later suspect and whose business practice tends more and more to resemble that of profit-seeking enterprise. If it be accepted that the cooperative system is one in which the motive of mutual service rather than profit is dominant, then the rule of "open" membership, with all the qualifications and modifications in its application already mentioned, provides indispensable safeguards against degeneration into business of the ordinary type. Thanks to open membership the shares of cooperative societies remain constantly at the nominal value fixed in the society's rules and can be acquired by any new member at that value. Trafficking and speculation in cooperative shares are therefore rendered profitless and do not arise.

Naturally the salutary effects of open membership are reduced if the distinction between members and non-members becomes blurred. Because they undertake the risks, it is members and no one else who are fairly entitled to share in the savings which a cooperative makes, but only in so far as these savings result from their own transactions with it. The society must itself be scrupulous in dealing with any revenue which accrues from dealings with non-members using its regular services; if it is not reserved for individual non-members as an inducement to them to apply for membership, then it should be devoted to some purpose of common benefit, preferably for the wider community beyond the society's membership. In no case should it be added to the savings distributed to members, otherwise they would participate in profits in a manner that Cooperation expressly abjures. The distinction between members and non-members

becomes increasingly difficult to preserve with the necessary clarity under contemporary trading conditions. The stores of the great urban consumers' societies of the highly developed countries stand open to the general public and in some countries the national Cooperative movement claims sale to the public as a right, or, at least, a condition necessary to the movement's growth and its effectiveness as a price-regulator. There is a disposition among a public pampered by advertising to take the benefits offered by the consumer cooperatives but to decline membership since that involves responsibility. Open membership as a means of keeping the door open to the younger generation and of admitting new elements which may revive democracy in a cooperative where it is becoming effete may nowadays be less effective than formerly, but it still has a certain value, especially where it is supported by the right educational policy - a subject to be discussed under another heading.

If an individual should be free to join a cooperative society he should be in principle free to withdraw from it. But in doing so he does not or cannot immediately shed the responsibilities he undertook when he became a member. He has an obligation to consider the interests of the society and the management of the society has the duty of safeguarding those interests, especially as cessation of membership normally entails a claim to the withdrawal of share capital. In this way the resignation of a single member with a large capital holding or the simultaneous withdrawal of a number of members may seriously inconvenience a society or even jeopardise its financial position. Societies' rules therefore rightly include provisions governing the termination of membership, the withdrawal or transfer of share capital and sometimes the period of a member's liability after he has left it. No member should be given any excuse for ignorance of the conditions he must fulfil if he leaves. In an earlier stage of the movement's development considerations of financial stability and safety induced Cooperators to prescribe in their societies' rules that members should hold a minimum of transferable as well as withdrawable shares, but in the older and well-established cooperative Movements today the tendency is to facilitate the withdrawal of capital because this facility is itself an inducement to members to take out shares above the minimum holding required by rule. The legislation of different countries regulates this situation in different ways, but, in general, while a member leaving a society cannot usually enforce the repayment of his share capital as a right, the management of a society, where society's liquidity or financial position are not impaired, would act fully in a cooperative spirit by avoiding the infliction of any hardship through standing strictly on the letter of the rules and in an emergency by doing everything possible to afford relief.

Finally, a cooperative society, in the interests of the whole body of its members must have the right and must take power in its rules to terminate an individual's membership, given just cause. This is also a case in which the rules should lay down the conditions under which resort to expulsion is possible and the procedure to be followed before expulsion is finally decided, so that all members can be aware of them. It is not grounded in any specifically cooperative principle but in a natural principle, common to all incorporated associations, which permits them to eject elements acting against their interest or contrary to their objects. If the decision to expel is taken in a democratic manner by the elected authorities of the cooperative, that is to say, either the board of directors or the council of supervision or both, the member affected should have the right of appeal to his fellow-members, either in the general meeting or in a representative assembly, invested with the functions of the general meeting, before expulsion takes effect.

Membership of Cooperative Organisations above the primary may consist of co-operatives or of cooperatives and individuals. With very few exceptions the rules and practice regulating the admission to and withdrawal from these organisations are similar to those of primary societies already discussed and raise no important questions of principle. Whereas however membership of primary societies may occasionally include, without impairing their cooperative character, a small minority of corporate bodies not forming part of the Cooperative Movement, the case of many organisations established for special services needs close examination because the conditions are not necessarily similar. A real possibility exists that cooperative organisations would be in a minority.

In this case they might not be able to assure the observance of cooperative principles by, and the retention of true co-operative characteristics of, such organisations. Where the cooperative membership is not in a position to ensure that cooperative principles will be maintained the organisation is in danger of losing its eligibility for recognition as a cooperative.

The important consideration is not necessarily the legal constitution of the organisation but whether in fact the cooperative principles are observed. The same consideration governs the participation of cooperative societies in non-cooperative associations. Cooperative societies ought not to participate in and ought to withdraw from, an association if it involves them in practices for which there is no justification in terms of cooperative principle.

In conclusion, the Commission, after reviewing the practice of many types of cooperative societies in varying social environments today, finds that voluntary membership without artificial restriction or discrimination, as this has been interpreted in the preceding discussion, should be maintained as a fundamental characteristic of the cooperative system of economic organisation because it is essential to the achievement of its immediate and ultimate aims. The individual who seeks to participate, along with his neighbours or fellow-workers, in a cooperative, must do so of his own free-will, not from external pressure or constraint, nor must the cooperative place any artificial or discriminatory obstacle in the way of his entry or impose, as a condition of admission, his adhesion to any organisation or doctrine not relevant to the society's economic and social purpose. The individual should be under no compulsion to remain a member any longer than his own interests dictate, nor should the society be obliged to retain him as a member if he acts in a manner detrimental to its interests and hostile to its aims. The conditions under which individual and society can terminate their association should be clearly laid down in advance and well known to both parties.

2. Democratic Administration

The primary and dominant purpose of a cooperative society is to promote the interest of its membership. What the members' interests are in any given situation only they can finally determine. A cooperative therefore will not in the long run work well and prosper without agreed and efficient methods of consulting the members as a body and enabling them to express their wishes. Moreover, since it is the members who bring a cooperative into existence and whose constant adhesion and support keep it alive, those who administer its affairs and, in particular, conduct its day to day business must be chosen directly or indirectly by the members and enjoy their confidence. It follows further that the administrators and managers are accountable to the members for their stewardship, report regularly in a business-like manner on their activities and submit the results to the members' judgement. If the members are not satisfied, they have the authority and the power to criticise, to object, and in extreme cases, to dismiss and replace their officers and officials.

This is what is meant by saying that cooperatives are administered in a democratic manner. It is significant that amongst all the documentation placed before the Commission there was not one serious challenge to the claim of democracy to be recognised as an essential element in Cooperation. What divergences of opinion or disagreement were revealed referred only to the different rules, conventions and practices necessary to achieve effective democracy in varying circumstances.

It is not therefore that the principle is in any doubt, but that its implementation becomes more and more complicated with the growing size of Cooperative institutions and the scope of their economic commitments, as well as with the rapid and far-reaching changes now going on in the Movement's economic and social environment. The evolution of industry and of cooperative enterprises in particular makes continual modification inevitable. Refinements in the forms and machinery of administration are not therefore to be regarded as a departure from democratic principle.

Development of the cooperative's administrative organs, if they are to embody the democratic principle, must remain anchored to certain fundamental rules and assump-

tions which the Cooperative Movement has accepted from its very beginnings. The cooperative society, unlike a joint-stock company, being primarily an association of human beings, the status of all its members should be equal and all should have equal opportunities of participating in decisions and expressing views on policy. There is no way of ensuring this save by giving each member one vote and one only. Further, since the Cooperative Movement exists in order to place the common people in effective control of the mechanism of modern economic life, it must give the individual (only too often reduced to the role of a cog in that mechanism) a chance to express himself, a voice in the affairs and destinies of his cooperative and scope to exercise his judgement. It is a corollary of the principle of voluntary membership that the individual member should feel that he has a real responsibility for his society's good administration and achievements. Accordingly, there should be no exceptions to the rule of one member, one vote in primary cooperative societies, that is, in associations of individual persons.

The right of every member to one vote and one only, enshrined in the rule-books of cooperative societies, is not in itself a guarantee of effective democratic administration, especially in the vast and widely-extended primary cooperatives, notably of the Consumers' Cooperative Movement, of today. Much depends on the circumstances in which members are called on to vote and in which their votes are given. In societies growing rapidly, whether by simple expansion or by amalgamation, the general meeting of members becomes less reliable and authoritative as a supreme democratic organ. It is therefore often replaced by a representative body legally invested with the powers of the general meeting and exercising its functions. The individual members no longer directly elect the administrative board but only the representatives who elect the board. Instead of one general meeting, the members are convened to a number of branch or district meetings, the agenda of which can cover, of course, the whole field of the society's operations and not simply branch or district affairs. Moreover, personal knowledge of officers and candidates diminishes, giving place to impersonal relations between administration and membership, at the same time as the increasing scope and complexity of societies' operations outrun the ability, not merely of the ordinary members, but of their elected representatives also, to keep track of them.

The tendency to evolve towards the creation of ever larger and more closely integrated operational units is not only characteristic of the economic world but also inherent in the cooperative form of association. The Cooperative Movement therefore must attempt to match it by a corresponding development of its democratic organs and a judicious balancing of centralisation by decentralisation. The more the affairs of primary societies have to be entrusted to trained and experienced professionals and the greater the extent to which vital decisions have to be taken by an official elite at the centre of their administrative systems, the greater the importance grows of consolidating the societies' local foundations and strengthening their influence on the minds of their members. To counterbalance the officials and their natural leanings towards bureaucracy, the societies need to have members' representatives capable of efficiently discharging their responsibilities as guardians of the members' interests and spokesmen for their wishes. To make this possible the general body of members must themselves be well informed about the affairs of the society. It is not within the Commission's terms of reference to prescribe methods of constitution-building or systems of organisation, all of which are bound to require more or less adjustment to circumstances which vary from continent to continent, but it would fail in its duty if it did not call attention to the seriousness and urgency of the main problems involved in the preservation of the Cooperative Movement's essential democracy under contemporary economic and social conditions. In a period when precedent is becoming an ever less reliable guide, there is need for constant testing and experiment. In this connection may be cited the efforts being made in several countries to improve the quality and qualifications of elected officers and the attempts to train members of management committees and to devolve upon the members in their localities matters, even the appointment and dismissal of managers, in which the local interest is paramount.

It is necessary at this stage to consider democracy in relation to another important

aspect of the evolution towards larger operational units, and that is the enhanced role already played – and promising to be greater in the future – by unions and federations of cooperatives, as well as other secondary, even tertiary, organisations. The secondary organisations which are created by the cooperation of cooperative societies are themselves undoubtedly cooperative organisations, with the same obligation as the primary societies of conforming to the essential cooperative rules. The members of secondary organisations have equal rights. This equality gives them the proper basis for democratic management. It is therefore quite consistent to apply the rule of one member, one vote to secondary organisations, as well as primary societies. That, in fact, is what is done in a number of secondary organisations, including some of national dimensions. It would appear to work satisfactorily in organisations where there is no great disparity in size between their affiliated societies. Another method, which unquestionably pays proper respect to the human factor, is to base voting power upon the individual membership of societies. This is characteristic of the consumers' cooperative movements in which the national and regional unions may comprise village societies with a few hundred, as well as urban or district societies with scores or even hundreds of thousands of members. A variant of this system is found where voting power may be based on capital contributions which are themselves based on membership. On the other hand a tendency is observable in some producers' cooperative movements to take account of the different degrees of interest displayed by the affiliated societies in their common organisation, as indicated for example, by their volume of purchases from it or of produce marketed through it. There are, of course, a number of consumers' wholesale federations whose member societies vote in elections and appoint representatives to general assemblies and congresses in proportion to their purchases. It does not appear, however, that these departures from the strict rule of equality of persons have yet led anywhere to a distribution of voting power radically different from that which would have been made on a membership basis, and, from a practical angle and in the light of experience, they may represent a necessary or desirable concession for the sake of unity, equity or efficiency or any combination of these. This case may be illustrated with special force by marketing or processing societies, operating without a binding rule that obliges their affiliates to deliver all their produce to them, which feel obliged to draw a distinction in favour of those which make constant, compared with those which only make intermittent, use of their services.

With hardly any exception however, whatever the basis of differential voting adopted, the largest constituents are not permitted to possess an unlimited number of votes. Normally the rules lay down a graduated scale and impose a ceiling which may not be exceeded, as in the rules of the International Co-operative Alliance. Such a method reduces the likelihood of undemocratic decisions resulting from the power of a small coalition of large organisations to outvote a much greater number of small ones. It is quite possible, however, that, as a result of the amalgamation of local primary societies into regional units, many of the present glaring inequities of size among the affiliates of national unions will disappear.

The present discussion of cooperative management has proceeded so far on the assumption that, given the proper democratic structure and a modicum of education, the members of cooperative organisations can, as a rule, manage their business in their own interests in a competent manner. This assumption agrees fairly well with the facts, otherwise the Cooperative Movements now well-established in the advanced industrial countries would not be able to boast of a century's or half-century's successful development. Nevertheless there are considerable areas of the globe where any such assumption is not justified and may be very much at variance with the facts. This is far from saying that it will not be possible some day to make the assumption and know it to be true. Meanwhile, the fact must be faced that, in a number of the newly-developing countries, people who are just beginning to learn cooperation are not always sufficiently well equipped by themselves to manage their societies successfully without advice and guidance from some friendly outside source. If they do not receive this help, cooperative development may not take place. The possible sources are, generally speaking, two, namely:

government, or institutions and individuals in sympathy with cooperative methods and ideals.

It can scarcely be contested that without the support of generous amounts of government finance, the development of cooperation in the newly-liberated countries will be painfully slow and uncertain. But if governments provide or guarantee large loans or take out large holdings of share capital they will insist on checking the use which is made of public money and on satisfying themselves that proper technical advice is being taken and due financial prudence exercised. Government may therefore ask that its representatives shall sit on boards of management for a time, not with power of veto, but to make sure that the aid provided is being utilised in the way in which it was originally intended. The important consideration is that the government representative shall not continue to sit a day longer than is necessary. The more successful a society is, the more likely are the members to conceive the ambition of acquiring independence of government supervision and work to achieve it.

There is no doubt in the minds of the Commission that democracy in the management of cooperative organisations necessarily implies autonomy in the sense of independence of external control, apart from the obvious obligation of cooperative societies to bow to the same general laws as all other business undertakings and accept the discipline imposed by the State or the planning authorities. In a fully developed cooperative unit the management must rest in the hands of the members and all decisions be taken by the cooperators themselves, with no external interference. Autonomy is therefore a corollary of democracy. At the same time, it must be recognised that, in cooperatives which are themselves at the beginning of their development, their democratic organs also are very probably underdeveloped and, likewise, the capacity of their members for carrying out democratic procedures efficiently and for submitting readily to democratic discipline. The important thing is that they shall be continually advancing towards full and effective democracy, as they very well can if they are willing to learn from their experience as they gain it. If they are prepared to reflect on their experience and discuss their good and bad decisions with their fellow-members, they can make the knowledge of their rights and responsibilities the basis of a sound democratic technique. But there is no finality, as the cooperators of the older Cooperative Movements have been forced to realise in the last two decades. In a rapidly changing world democracy and democrats must learn to be dynamic.

3. Interest on Capital

The Cooperative economic system has broken with the practice of ordinary profit-seeking enterprise, not only through its rules of association and democratic administration, already discussed, but also through the rules which determine the allocation and division of the savings and other financial benefits successful cooperatives yield to their members. This has its origin notably in the resentment with which many working people regarded the distribution of property and income in 19th century society, because in their eyes it was both unequal and unjust. While the immediate goal of cooperative effort among them might be to cheapen the necessaries of life for consumers or to provide a decent living for producers, the ultimate aim was to establish a new social order characterised by what they called "Equity" in the distribution of wealth and income. The new industrial techniques, then as today, had an insatiable appetite for capital. People who possessed or commanded money for investment wielded a bargaining power which enabled them to obtain, at the expense of the other factors of production, high dividends and an accretion of capital values representing something much more than interest – the lion's share of the profits of industry as well.

The Rochdale Pioneers realised that, for their immediate plan of opening a store and likewise for their ultimate plan of establishing a community, capital was indispensable. They recognised the added productivity which the use of capital gave to labour as a reason for remunerating those who supplied it. Their idea, however, was labour working with capital, not labour working for capital or its possessor. They therefore rejected the claim of the owners to any part of whatever surplus remained after the other factors of

production had been remunerated at market rates, although admitting their claim to interest at fair rates. Here it is desired to emphasise that cooperative rules regarding interest and the division and use of surplus are the twofold result of a firm resolve to establish and extend a more equitable division of the product of economic organisation than is commonly found in the profit-dominated business world.

The men of Rochdale, poor though some of them were, decided to provide the initial capital for their venture from their own personal savings. As the venture was successful they were able to add cooperative savings, notably in the forms of reserves and depreciation of their society's real property, to their individual contributions of capital. Self-financing by these two methods became customary and widespread among the old Cooperative Movements, whether of producers or consumers, because of its obvious advantages of economy and security. Provided that capital is forthcoming in adequate amounts when required, self-financing is an added guarantee, in a competitive economy, of a cooperative society's independence and freedom to solve its problems of growth and development through the untrammelled application of cooperative principles. Moreover, individual savings in the form of share capital are a pledge of the members' support. The fact that their own money is risked gives powerful inducements to exercise prudence and foresight when playing their part in their society's administration. Naturally, self-financing is not so easy in the younger organisations of the newly-developing countries but it can be recognised as a desirable objective to work for and attain in time. Meanwhile the members ought to be obliged, as a matter of principle, to contribute at all times as much capital as they reasonably can, however little. In the old-established Cooperative Movements, with their powerful central institutions for trade, banking and insurance, the rule of self-finance must receive, under contemporary conditions, a broader formulation. Self-financing tends to become ever harder and may end by becoming impossible for primary societies. It has to be the national movement as a whole that finances itself through the lending to primary societies of funds accumulated in the central organisations by deliberate policy and placed under their management with the common consent of their affiliated societies. The time may even come when, under the stress of competition and the urgent need to extend their structures and renew their equipment, the national movements will be unable to finance their operations without attracting capital from outside. Cases may even occur when the necessity of competing successfully for the favour of people with savings to invest against savings banks and the securities dealt in on the stock exchanges may tend to restrict the freedom of cooperative organisations to fix their interest rates according to their own principles. All the more reason, therefore, why Cooperators should clearly understand what their own principles require in this connection.

The capital structures of the different national Cooperative Movements are not uniform. Three main categories may be distinguished in most of them, but in proportions which may vary widely from country to country and from one branch of the Movement to another. These are: the members' share capital; capital owned by the societies in the form of reserves and special funds on which the individual members have no claim; loan capital, which includes all external borrowing, as may be from banks or governments or other cooperative institutions, as well as all kinds of loans made or savings deposited by members over and above their share-holdings. Of these three categories, no interest is payable by the society on the second, although it may calculate interest for the purposes of its internal accounting. On the third, the interest rates are not likely to exceed the rates prevailing in the external money and capital markets or fixed by authority in a centrally-planned economy for equivalent kinds of investment. Clearly then, it is the first category, the share capital – subscription of which is an attribute of membership and which is closely associated with risk-bearing – which is subject to fixed and limited rates of interest.

Admittedly, Cooperators are by no means unanimous on the question whether any interest should be paid on share capital at all and the practice of different movements varies accordingly. The question, however, is not one of principle. There is no cooperative principle which obliges interest to be paid. The principle is that, if interest is paid

on share capital, the rate should be limited and fixed, on the ground that the supplier of capital is not equitably entitled to share in savings, surplus or profit, whatever the term employed to denote what remains of the value of the society's output of goods and services, after its costs, including the remuneration of labour, land and capital, have been met. There appear to be four different situations in which the policy of any cooperative regarding interest on share capital can be tested in the light of this principle. The first is that already mentioned, when no interest at all is paid on share capital. This practice does not conflict with any essential principle of cooperation. A second situation is that in which interest is paid, but at a figure which is deliberately held below the rate which would be regarded as fair at any given time on the ordinary market. A limited rate of interest in this sense is not in conflict with cooperative principles. The third situation is the one in which a limit is applied but only for definite periods or raised and lowered in relation to the bank rate of discount or some other rate which is generally regarded as being kept at a fair level in the conditions prevailing on the ordinary market. This limit is equivalent to a fair return on capital regarded as capital and not specifically as share capital. This fair return is not indicated by the frequent and rather wide fluctuations of the short-term money market but by the long-term movements of interest rates over years or generations. If cooperative societies adjust the upward limits of their interest rates to the level set by these long-term tendencies once again there would not be any contravention of the true principle.

There is, finally, the fourth situation, already alluded to, when cooperative organisations may feel obliged to include in the interest paid on shares an additional amount which resembles a premium to the lender, intended to induce him to invest his money in the cooperative rather than elsewhere. Such a practice is from a cooperative point of view, at least dubious. Nevertheless, it has to be regarded from a practical standpoint and the greatly increased capital needs of those branches of the Movement which have to make headway against capitalist enterprise on the largest scale equipped with every modern technical device. If then Cooperative Organisations have to convince their members that they will not lose appreciably by placing their capital in the cooperative, in preference to a profit-making enterprise from which they can ultimately expect not only dividends but increased capital values in time, it may be necessary to offer higher interest rates in order to ensure the continuance of the practice of self-financing, with all its advantages. The question is whether the additional interest is a tolerable or an excessive price to pay for adherence to a sound traditional method. If the addition is no more than marginal, in these circumstances the departure from principle may have to be examined as a special case, but if the addition is considerable and is not to be explained away by a situation such as has been described above, it will be difficult, perhaps impossible to justify.

The Commission is of the opinion that the limitation of interest should not apply only to the minimum share-holding which most societies' rules oblige members to hold in order to enjoy their full rights, but also to any share capital they subscribe above this minimum.

In concluding this section of the report the Commission is of the opinion that a word may be appropriately said on methods and machinery adopted for fixing rates of interest on share capital. In the Movement's early years, in an age of greater apparent stability than the present, when the quality of stability was essential in any cooperative society which intended to endure, rates of interest were often stated in societies' rules and remained constant for relatively long periods. They were thus subject to all the rather cumbrous and roundabout procedures required for the amendment of rules, such as a two-thirds majority vote in a special general meeting convened after so many weeks' notice. The members placed their savings in their society's care for the sake of security, much more than for any additional income in the form of interest, and left them with it to accumulate through the automatic transfer to share account of dividends (patronage refunds). Contemporary conditions in the countries of advanced economic development demand some more elastic system of interest limitation. If the Movement is to be more than a mere camp-follower of the more progressive private sector and blaze new trails

and lead the entire economic systems, the whole question of capital availability has to be studied in a much more mobile and dynamic manner than was possible in earlier days. This does not imply any departure from principles hitherto accepted, only their application in a more flexible manner. If cooperatives adhere to the principle that nothing more than a legitimate rate of interest will be paid, one is no more and no less cooperative than another, whether it fixes its rate for long periods by rule or for short periods by reference to some standard rate prevailing in the market.

4. Disposal of Surplus (Savings)

The group of problems to be discussed under the above heading is complementary to that considered in the preceding section. After the question of fair remuneration of capital in relation to the other factors of production has been dealt with, there remain the problems involved in the equitable sharing among the members of a cooperative of any surplus or saving resulting from its activities. There are two main questions for solution: first, to find the proper balance between the interests of the individual members and those of the society as a whole; second, to do justice as between one individual member and another. The discussion of these questions has been much confused in the past through misconceptions springing from analogies mistakenly drawn between the financial benefits derived by members from their cooperative society and the profits distributed by joint-stock companies to the holders of their ordinary (equity) shares and, as a consequence, through the use of ambiguous terms. The Commission therefore feels obliged, at the risk of traversing what is to many very familiar ground, to clear the air by restating certain fundamentals.

The economic benefits conferred by cooperative societies on their members are of various kinds and become available according to circumstances in a variety of ways. They may take the form of money, goods or services. They may be immediate, short-term or long-term. Some may be enjoyed collectively; others can only be enjoyed individually. In deciding in what forms and in what proportions or amounts the surplus or savings shall be allocated or divided, the members as a body have, and ought to have, absolute discretion.

In reaching their decisions, however, there are two sets of considerations which, if they hope to prosper, they dare not neglect. On the one hand, there are considerations of business prudence; on the other considerations of equity. If they neglect the former, they will run into economic and financial difficulties. If they neglect the latter, they will provoke resentment and disunity in their society. In some countries a conspicuous economic benefit of a prosperous cooperative is a money payment or patronage refund it makes to its members periodically after its accounts have been balanced, audited and approved, along with the proposed allocations and divisions, by its general meeting. These payments are frequently called "dividend", and this is the first occasion of confusion, because the same term is used in company practice to denote payments to shareholders from profits. From this confusion arises another, namely, that the payment of a money dividend is an object, even the principal object, of a cooperative society, just as it is of a company. Despite all that has been done in the past to educate the public and the mass of cooperative members, to say nothing of politicians and tax-collectors, to understand that the sums distributed by cooperatives are yielded by a different type of economic organisation and result from a different series of transactions from company profits, the errors persist, first, that the principle of "dividend on transactions" implies an obligation on a cooperative to make a periodical distribution of its earnings, and second, that the rate of dividend is the most reliable index of its efficiency.

The fallacy is exploded by three well-known facts. The first is that cooperative societies can – and many agricultural supply societies, for example, do – adopt a policy of allowing their members to purchase at prices so near to cost that no margin remains large enough to be worth distributing, especially if the second and third facts play a role of any importance. The second fact is that business prudence sometimes counsels a society to place to reserve or capitalise the whole or greater part of its net earnings, notably when its own position is in any degree difficult or the general economic outlook

is uncertain or if it is contemplating a new departure requiring all its financial resources. The capitalisation of surpluses, especially by unions and federations, has always been a powerful factor in cooperative commercial and industrial development. The third fact is that societies often devote a portion of their net surplus or savings to the provision of services for the common enjoyment of their members, as being more useful to them than the equivalent in cash, because the members could not provide them economically as individuals. The overriding consideration throughout is that whatever is to be done with a society's net surplus or savings is determined by democratic decision by the members according to their judgement of what is just and expedient. Moreover, the amount which is subject to their decision is not profit in the ordinary commercial sense.

Here the Commission would recall that the questions whether to divide or not, and, if there is division, what shall be the method, have been constantly present to the minds of Cooperators throughout the Movement's history. Theoretically, in the pre-Rochdale Cooperative Movement of Great Britain, the net savings or surplus of cooperative societies were to be kept indivisible and added to the societies' capital in order to assist their development into self-supporting communities. Practically, division of net surplus amongst the members was widespread without any uniformity of method. Equal division, division according to capital contributions, division according to purchases were all practised. The Rochdale Pioneers, when faced by the same question, decided, in the light of their experiences and after much reflection and discussion, that there should be division, for the cogent reason that in order to gain the support of any considerable number of members, their society must offer them some immediate or short-term advantages. The British wage-earners' economic position in the "hungry" 1840's needed relief there and then. It would not permit them to make sacrifices for a distant community ideal. The Pioneers' decisions to divide and to divide in proportion to purchases were really dependent on a previous decision as to price policy. They chose to retail goods at current market prices, at this would administratively be easier and simpler than sale at cost prices – costs and expenses were difficult or impossible to forecast accurately – and return to the members periodically in proportion to their purchases what they had paid over the counter in excess of the cost of procuring the goods they bought. The experience of over a century proved the practical wisdom of their decision, but it is significant that those who adopted Rochdale methods in several other countries tended to modify them, once again in the direction of conferring an immediate benefit on the member, by adopting an "active" price policy of slightly underselling the market with the further consequence of lower rates of dividend on purchases.

Before passing to the discussion of these questions it should be noted that a number of customs and conventions have grown up around the dividend system and these have more or less profoundly modified its practical application. One is a tendency to stabilise or even standardise the rate of dividend. On the one hand, the members in time come to reckon with a constant rate for the purpose of their personal or household economy, earmarking the dividend to meet some of their regular outgoings. On the other hand, the managers tend to budget for a constant rate and include it in their calculation of prices, thus in effect turning the system upside down. In either case the correspondence between the dividend rate and the trading results of a given balancing period may be broken, and the danger arises that a society, in order to maintain the regular rate, will pay a dividend in excess of its earnings and draw on reserves or development funds in order to do so. This temptation increases with the pressure of competition, but it is one which should at all times be strenuously resisted in the interests of sound management.

Cooperative societies have also to face the reactions of their competitors to the power of dividend to attract custom and buttress the loyalty of members to the cooperative store, whether they are purchasing consumption or production goods. This reaction takes the obvious forms of discounts, rebates, premiums, etc. which, if they represent cash or its equivalent, may appear more advantageous than a dividend for which the member must wait until the year's or half-year's end. Not seldom cooperatives have felt obliged to make some concession to offset these inducements, as, for example, by giving their members the choice of receiving discount at the time of pur-

chasing or waiting for the dividend ultimately declared. No breach of principle is apparent here, if the rate of discount does not exceed the rate of dividend or patronage refund.

The Commission took note of the tendency for the role and importance of dividend in the economy of Cooperation to change with altered economic and social conditions, particularly in the countries of advanced industrial development. In these countries today, where competition is fierce, dividend rates display a downward trend, the combined result of diminishing trade margins in the branches of business in which cooperatives traditionally engage and of rising costs due to labour's increasing demands and to inflationary factors. The importance of dividend also declines in the estimation of the membership as increased earnings, full employment and state welfare services bring about greater security and higher standards of comfort, and with that, the power of dividend to induce constant and 'loyal' purchasing over the whole range of commodities societies supply. Recent researches tend to confirm that the rate of dividend now exercises less influence on purchases of consumer goods, compared with their quality and presentation. The role of dividend in the self-financing of cooperatives is also liable to change. Members leave their dividends to accumulate in their capital accounts with their societies to a lesser extent than formerly, unless the societies adopt special measures to promote self-financing in new ways, designed to bring in additional capital for special new ventures or to enable the society to retain part of members' dividends as capital for long periods, e.g. as in the family savings account system of the Swedish Consumers' Co-operative. Parallel changes are to be seen in the social, educational and recreational services traditionally provided by cooperatives out of their net earnings, as they are replaced by more comprehensive and effective state welfare and educational systems. This does not necessarily mean that the advantages of collective over individual expenditure are ceasing to be significant in cooperative economy but that the purposes for which allocations are made must change with the times, as new habits and modes of living open up fresh possibilities, notably in the cultural field. Nevertheless, all these differences imply no more than changes in the pattern of disposal of surplus; the elements remain unchanged. They still are: provision for the society's stability and development; provision for collective services; dividend to members according to transactions. In those parts of the globe where free market economies prevail and commodities are bought and sold by cooperatives to and for their members at market prices or prices varying according to market conditions, savings will be made and accounts will show surpluses, if societies are successful. Under these conditions there seems no need to depart from the principle, already observed for over a century as the most equitable and convenient, of distribution on the basis of transactions.

5. Politics and Religion

The topics discussed in this section may appear at first sight to lie to a large extent on the fringe of the Cooperative Movement's proper concerns. The Movement's action has hitherto been, and, many believe, must always be, centred in the economic and educational spheres. For the better performance of these tasks, prudent cooperative leadership has constantly tried, as far as possible, to concentrate the attention of the Movement on them and avoid the risks of disunity and dissipation of energy incurred when issues of no obvious relevance, on which people are bound sooner or later to disagree, are imported into the consideration of Cooperative affairs. The strong feeling that this treacherous ground must be avoided at all costs found expression in the formula "Political and Religious Neutrality" employed in the Report adopted by the I.C.A. Congress of 1937. The Report not only gives Neutrality the authority of a principle, but also imparts a wider significance to the term by linking it with race and nationality, as well as politics and religion. In the present Report, even where race and nationality are not specifically mentioned, they may be assumed to be covered by politics, for both are capable of erupting into political conflict in more than one region of the globe.

It is the term "Neutrality" itself which is increasingly called in question by Co-operators more or less everywhere. It was never a good term, because it carried overtones of passivity and indifference which did not harmonise with the facts or the practice of

Cooperative Organisations which were not, and had no intention of being, indifferent or inactive where the interests of the Movement were involved. The term is to-day almost completely misleading and its use has been abandoned in favour of "independence" by many Cooperators. But to reject the term is not necessarily to abandon all the underlying ideas, and the Commission will attempt in the paragraphs which follow to bring out, as far as possible in a positive manner, certain considerations of significance for the formulation of cooperative policy in regard to politics and religion under contemporary conditions.

To begin with, there are considerations which may be called internal, because they concern the relations of a cooperative with its members. They have already been touched upon in this Report under the head of Membership. There should be no discrimination, either among applicants for membership or among actual members, on religious or political grounds. No one should be obliged to subscribe to any doctrinal declaration. This leaves the member entirely free to hold whatever belief or opinion he chooses or to adhere to any religious or political organisation which attracts his sympathy and loyalty. On its side, the society will not compromise its freedom to carry out its proper cooperative tasks through subservience to any political party or religious organisation and will abstain from taking up attitudes on purely party-political or religious issues. Such a policy would not appear to involve any great formal difficulties in its implementation.

No firm line of demarcation can be drawn between internal and external considerations. They merge into one another. The external considerations are obviously those which spring from the relations of the cooperative unit, or the Cooperative Movement as a whole with the external social and political system. Economic interests and doctrines play an important, often a dominating role in the shaping of political policy and the choice of its objectives. Cooperation, as a movement with an economic doctrine of its own and representing well-defined economic interests, cannot avoid involvement in affairs of government, which, whether they are or are not the subject of party conflict, are in their nature political. The action developed by the International Co-operative Alliance and a large number of its affiliated Organisations to promote the greater enlightenment of consumers and more effective protection of their interests include efforts to influence the legislative and administrative measures of governments, as well as the opinions, attitudes and policies of the national Cooperative Movements. Or again, it is inconceivable that at a period when the productivity and prosperity of agriculture are objects of such great concern to governments, agricultural Cooperative Movements should deny themselves the privilege, even if they do not regard it as a duty, of expressing the views of their members, giving government the benefit of their experience when it is considering farming policy and rural welfare, warning it against mistakes and complaining if the results are unsatisfactory.

Much inevitably depends on the manner and methods by which the Cooperative Movement seeks to intervene in a given political situation. On the one hand, Cooperative Organisations need to choose the methods which promise to be most effective. These range from private representations to government departments and deputations to Ministers to lobbying in parliament, agitation among the public or alliances, temporary or permanent, with political parties. On the other hand, they have to consider which methods will secure the maximum of consent and support among their members and entail the minimum risk of division. Those Cooperative organisations are not necessarily the most powerful or influential which take part in election campaigns and seek representation in parliament. Those which are content to work on the administrative level and have earned the confidence of government because of the wisdom and objectivity of their advice, may play an even greater role in shaping policy and determining final decisions. From the point of view of keeping the members' loyalty and support, those organisations which adopt a consistent policy of non-partisanship, that is to say, independence of party and entanglements and intervention based exclusively on cooperative interests and cooperative principles, are obviously on safer ground. The overriding consideration is that any weakening of a cooperative's unity impairs its power to act effectively, not merely in the political field, but in all the other fields as well.

Yet in these days, it is not always safe to abstain from taking up attitudes or engaging in action on political issues which have any bearing on the Movement's interests or prospects. To declare neutrality, as has been well said, is to express a political point of view in any case. It is consistent with the aims and spirit of the Cooperative Movement that its leaders and members will endeavour to act, in political as in other matters, so as to promote unity and reduce conflict by seeking at all times the highest common measure of agreement.

This consideration is of the utmost importance if the Cooperative Movement is to make its most effective contribution to the solution of those great human problems, which although they cannot be resolved without governmental and inter-governmental action of more than one kind, transcend politics and even religions. Great world issues – such as the avoidance of war, disarmament and the consolidation of the bases of peace through the extension of international collaboration in every sphere; the deliverance of the under-privileged half of mankind from hunger, want, squalor and ignorance: the assertion and maintenance of human rights to individual freedom, equal citizenship and personal development – are not questions on which Cooperators can profess neutrality or indifference. The Movement's philosophy and its practice, the whole trend of its growth and extension, are carrying it onward towards an era of international integration of which the International Co-operative Alliance is the precursor and, in a sense, the progenitor.

The present generation of Cooperators, moving about the world to a greater extent than any previous one, is learning from its own experience that cooperative brotherhood transcends all limitations. It is of the utmost significance that in congress after congress of the International Co-operative Alliance the delegations of the national movements, whatever their social, economic or political background, will make every possible concession and strain every resource of language and phraseology in order to secure unanimous agreement on resolutions about international peace. In this way the practice of the Alliance illustrates the statement in its rules that Cooperation "is neutral ground on which people holding the most varied opinions and professing the most diverse creeds may meet and act in common". Just as peace is not simply the absence or cessation of war, so the attitude of Cooperators to political questions is not simply the negative one of abstention, but the positive reflection of their resolve to meet and work together on common ground.

It will be clear from the foregoing that the Commission feels that it cannot follow the Report of 1937 in giving the same absolute authority to Neutrality as a principle. Neutrality in certain circumstances is a right and proper policy. There should be freedom at all levels of the cooperative structure for the individual members, primary societies, secondary organisations and international institutions, to take to political questions the attitudes which are necessary or most appropriate to their circumstances at any given time or place. This freedom includes independence of alliances or engagements which may impair the performance of their basic task in the economic and educational fields. It is also subject to the primary need of promoting at all levels that unity amongst co-operators which is indispensable to the successful fulfilment of the Movement's mission.

6. Business Practices

Under this heading the Commission considered two important groups of problems which, if not of equal interest to all types of co-operative association, are of special concern to all those engaged in trade, whether in consumers' or producers' interests.

In respect of both the Rochdale Pioneers made strict rules for themselves. They decided to practise cash payments in buying as well as selling. They also decided to deal in goods of the highest standards of purity, and, when selling them, to give full weight and measure. The Report of 1937, while it made no reference to the second rule, declared that the first was a principle to be closely adhered to for both financial and moral reasons. In the judgement of the Commission these rules are applications to particular problems, within a limited field, of considerations which need under present-day conditions to receive a broader formulation and are capable of considerably wider application. Although

neither has the universal validity of a principle, they are nevertheless so important as guides to business policy as to require discussion in this report.

To begin with, it should be borne in mind that the term "cash trading" has never meant simply that goods have to be paid for at the moment they are handed over the counter or delivered at store or domicile. General trade practice has always permitted a little latitude. A few days' delay in payment is not held to conflict with the cash rule especially if payments are regularised so as to be conterminous with the receipt of wages or salaries, weekly, fortnightly or monthly. And, if consumers' cooperatives find themselves obliged to conform more or less to what is considered sound practice in retail trade in general, the same is also true, say, of agricultural marketing or industrial producers societies, which allow their customers whatever trade terms are usual in a given market. Cash trading and its alternative, credit trading, in one form or another, require to be considered together in the light of what common sense indicates as financially sound. Despite the strictness of the Rochdale rule, it is not possible to say that either is at all times entirely good or entirely bad. Each stands or falls in relation to the whole set of circumstances in which it is employed.

The Rochdale Pioneers had good reasons for adopting their rule of cash payment. Experience of earlier cooperative enterprise had shown them that unregulated, indiscriminate credit to members could be a mortal disease to young cooperatives. So long as their range of commodities was virtually limited to foodstuffs of daily consumption, in which the turnover was rapid, they could well dispense with credit. Apart from safeguarding the liquidity and financial stability of their society, they desired to help their members to emancipate themselves from debt, mainly to shopkeepers. When wages are low and employment irregular, the retailer is the working-class consumer's nearest source of credit after his savings are exhausted. The position of the small agriculturist living on subsistence level or even below, is very similar and leads to similar results chief among them a debt-servitude which may be lifelong. The remedy, though applied in different ways and through different forms of organisation, is fundamentally the same, a financial discipline which encourages and assists thrift, while making unregulated and unsecured credit difficult or impossible. People who consciously suffered under a burden of debt could be roused to make the effort involved in changing their buying habits, if liberation were brought within their reach by cooperative enterprise.

It would be different with a later generation, born and brought up under more comfortable and easy conditions. Higher earnings, greater spending power, greater family possessions in savings and real property, rising standards of comfort, a rise in the social scale, a widening range of goods and services on which money could be spent – all played their part in creating among the public a mentality easily accessible to the suggestion of the salesman to buy now and pay later, dividing the total due into periodic instalments within the customer's earning capacity. Under these conditions cooperative societies, whether consumers' cooperatives extending their assortment of commodities from food to clothing, ironmongery and furniture, or agricultural societies extending their business into, say, machinery, were forced to face the fact that they could not secure or retain their members' custom without providing facilities for payment equal to those offered by their competitors. The traditional rules were breached and the breaches were widened. Even the rule in the agricultural cooperative movement of granting credit for production rather than for consumption was no longer applicable in those newly developing countries in which the cultivator had to receive credit in order to subsist and work until his crops were harvested and marketed. The private merchants and producers made him advances on the security of his growing crop; unless a cooperative could do the same it was hardly in business at all.

The crux of the question is how far, if at all, the grant of credit should be combined with the purchase or sale of commodities. Credit is a service which entails costs like any other. Members of a cooperative society purchasing on credit receive a service which, unless a special charge is made, they obtain at the expense of the cash-paying member. This is inequitable, and the costs may also be difficult to calculate when they are incurred in innumerable tiny transactions. The general practice of consumers' cooperatives is,

therefore, to require purchases of food and small household articles to be made for cash, all the more because the commodities are, for all practical purposes, consumed immediately. For larger and more durable articles it is possible and usual to make special arrangements, including the payment of an appropriate interest to cover extra costs and risks.

Here again, the question of combining credit with trade arises in another form. Are members of the sales staff competent to judge credit-worthiness and allow credit? The answer must be: not by any means always, unless they undergo special training. The alternative is to set up a special credit union or credit department, operating alongside of the selling departments, to take the responsibility of extending credit, and so enabling the trading departments to work to all intents and purposes on a cash basis. It would seem that unless special care is taken to separate credit from trade, societies are liable to incur costs of which they may be for a long time unaware. Societies are naturally anxious to increase their volume of trade, but an increase obtained by extending credit at too high a cost cannot be regarded as sound business. A further factor is the heavy drain credit, when it is extended for six or eight months, may make on the capital resources of an agricultural trading society. The capital employed for members' credit is not available to the society for its development. It is inevitable therefore that, where no cooperative credit organisation already exists, cooperators think of creating one especially in order to relieve the burden on the trading societies.

When the problem of credit is considered from the standpoint of the members, the outstanding fact is that they are exposed all the time to the blandishments of sales people of all types, offering all kinds of commodities on what are called "easy terms" which may turn out to be impossibly hard. The evil results of yielding to the temptation to overspend and the usurious practices of many credit-selling enterprises are notorious and have been the subject of preventive and restrictive legislation in a number of countries. The problem of Cooperatives which desire to avoid placing themselves and their members at a disadvantage by not providing credit facilities is to provide credit on fair terms for them without joining in the competition to induce them to spend more than prudent household or farm management would permit at any given time. It may be plausibly argued that, with managed economies less liable to booms and slumps, and with full employment, the practice of splitting large items of expenditure, such as furnishing a home, into monthly instalments related to the buyer's present and prospective income, is a much less risky practice than it was, both for the consumer and a cooperative society. It is even argued that such a practice is justified in order that consumers may enjoy the rapid rise in the standard of comfort which modern technical and economic progress has made possible. Nevertheless the fact remains that the system of cash payments has its economic merits and advantages for both cooperators and their societies and that, at times, it is a mistake to forfeit them for the sake of the convenience of credit buying. Cooperatives have a responsibility towards themselves and their members to decide carefully when, and in what manner, it would be permissible to rely on credit, especially in regard to articles of consumption.

The important thing is to hold the balance fairly and, for cooperative societies especially, to look at the question of cash or credit policy, not only from the standpoint of their own business advantage, but also from the standpoint of the true economic and moral interests, short-term and long-term, of their members. Moreover, societies will be failing in their educational duty if they do not take pains to instruct their members in the issues involved, so that they make intelligent decisions which will later justify themselves by their consequences, in terms of both cooperation and good household or farm management.

The reasons why the Rochdale Pioneers found it necessary to emphasise their determination to sell goods which really were what they professed to be and not to cheat in weighing and measuring are well-enough known to economic and social historians. They were adulteration of food and other malpractices common in distributive business in the first half of the 19th century in Europe, and by no means unknown in our own time. But the idea underlying the Rochdale rule has to be expressed in a much broader context today and in the future. It is that cooperative institutions, in all their activities and

especially where they have to deal with the general public, should be characterised by a high sense of moral and social rectitude. When there is scarcely any branch of commercial activity in which cooperatives of one type or another may not now be found, cooperative institutions should be able to justify their existence, not only by the advantages they yield to their members, but also by their sense of responsibility and their high standards of probity in all that they undertake. The temptation to copy the doubtful practices of competitors should be resisted, even when societies appear to suffer financially because of them. Adulteration, said one 19th century publicist, was an aspect of competition. It is to the honour of the Rochdale Pioneers that they began to shift the area of competition from fraud and adulteration to purity and good quality, some years before the state intervened to set minimum standards and to punish those who failed to observe them. More than one cooperator, versed in the economic and social problems of the newly-developing regions, has emphasised that a similar role could be played by the Cooperative Movement in countries where the government has not yet been able to deal effectively with adulteration. Just as consumer cooperatives can set standards of purity in foodstuffs, so it is possible for agricultural societies to counteract dishonest trading by supplying farmers with goods and chemical fertilisers of good quality.

The conferences on the protection and enlightenment of consumers, convened during the past eight years by the International Co-operative Alliance, have given plenty of evidence that governments cannot be relied upon always to give adequate protection to consumers or even effectively to enforce their own legislation. The rise of consumers' protection associations in several countries and their establishment of an international secretariat is proof of consumers' suspicion of and discontent with the manner in which they are sometimes treated by the manufacturers and sellers of new products or old products, made or preserved by new processes, which do not justify in use the claims made on their packages or by those who advertise or sell them. The relatively slow processes of protective legislation mean that it nearly always lags considerably behind the inventiveness of manufacturers and technical innovators in making new marketable products. There is therefore still need of an organisation like the Cooperative Movement which can, not only agitate and protest, but supply economically practicable alternative products which are genuine and reliable. No less than the Rochdale Pioneers, the Movement today is capable of shifting the ground of the competitive struggle and of leading trade into new and socially reputable paths. But if it is to do so, the ethics of co-operative business must be invariably high, higher and never lower than the law requires, and publicly known to be so.

7. Education

It is no mere coincidence that so many eminent pioneers and leaders of Cooperation have been also great popular educators. The effort to reshape the economic system on the basis of Cooperative principles requires a different discipline from those of either individual or governmental enterprises. Cooperation as a form of mutual aid appeals to other motives than man's selfish or self-regarding impulses or obedience to duly-constituted authority. Collective self-discipline is not a wild or self-propagating but a cultivated growth. Cooperation requires of those who would practise it effectively the acceptance of new ideas, new standards of conduct, new habits of thought and behaviour, based on the superior values of cooperative association. No cooperative institution, therefore, can be indifferent, in its own interest and for its own survival, to the need for educating its members in appropriate ways.

For the purposes of Cooperation, however, education needs to be defined in a very broad sense which includes academic education of more than one kind but much besides. It includes both what people learn and how they learn it. Every phase of experience, which adds to people's knowledge, develops their faculties and skill, widens their outlook, trains them to work harmoniously and effectively with their fellows and inspires them to fulfil their responsibilities as men or women and citizens, can have educational significance for Cooperation. Less and less in the contemporary world can education be

limited to what is learnt in schools and colleges at special periods of people's lives. The Cooperative concept is of education as a life-long process.

All persons engaged in Cooperation need to participate in this process of education and re-education. For the present discussion they can be divided into three groups. There are, first, the members, those in whose interests cooperatives are established and who, because of their democratic constitution, collectively exercise supreme authority over them. There are, in the second place, the office-holders, whether they are the members' elected representatives or professionals employed by the cooperatives. The education which both these groups require consists mainly of knowledge, the acquisition of technical skill, and a training in cooperative conduct and behaviour. The knowledge must be as accurate, as systematic and as up to date as they have time and capacity to absorb. It will include not only knowledge of the special forms of cooperation in which they are engaged but also knowledge of the economic and social environment in which their societies operate.

In respect of the elected officers it will include a great deal of business knowledge; in respect of the professional employees it will include all that will make them at least as competent as those engaged on the corresponding levels of the private and public sectors of economy. The employees will also need the best available training in the appropriate techniques, that is obvious. It is not so obvious and therefore needs emphasis, that the democratic processes of cooperation need technical skill quite as much as the economic, and that the members and their representatives need to be trained to use these processes skilfully and effectively to their society's advantage. Without drawing hard and fast lines, it may be said that the education of the members forms part of adult education and is carried on today in a decentralised manner by methods of discussion and various kinds of group work, whereas the education of employees and officials for careers in the Cooperative Movement is carried on in technical training institutions and universities. The establishment by national cooperative organisations of central cooperative colleges and training schools is today, it is gratifying to note, becoming normal. The number of universities with special institutes or departments for cooperative studies and research is also on the increase.

The third group consist of people who are potentially, rather than actually co-operators – the greater public still outside the Movement's membership. More and more, with the passage of time, the Cooperative Movement will be obliged, if it is to make headway, to keep the public better informed than in the past about its aims, its organisation and methods, its achievements and its plans for the future. Further, when it has a point of view justified by its own experience, which needs to be put in the interests of the whole body of consumers or producers on an issue of public policy, it should speak out with clarity and force. The battle for the acceptance of cooperative ideas has to be fought in the intellectual, as well as the economic field.

In the view of the Commission, education of appropriate kinds for the different groups of persons who make up all but the very simplest of cooperative societies is a necessary responsibility of cooperative institutions. It by no means follows that they all have to provide every kind of education they require. The expansion of national systems of public instruction can and will take some of co-operators' educational burdens off their shoulders. Nevertheless, it will not relieve the Cooperative Movement of the educational responsibility it alone can discharge of educating people in the ideals of cooperation and the proper methods of applying its principles in given circumstances. It cannot devolve this function on any other institution. Of course, the many thousands of small cooperative societies in remote neighbourhoods have few resources for educational work. It is therefore the duty of the secondary organisations, more particularly the unions and federations which undertake promotional and supervisory functions, to provide all kinds of assistance – publications and audio-visual aids as well as technical guidance – which will ensure that there is in every locality a nucleus of alert, reasonably well-informed co-operators with an outlook extending beyond the area of their primary society.

The Commission would emphasise the fact, of which cooperative educationists have

become increasingly aware in recent years, that the movement's educational standards must be constantly rising if they are to match those of the outside world. The structural changes which the Movement in many countries is now being obliged to make, with all the concentration and construction of larger-scale operating units they entail, demand at the highest level personnel with experience in and training for management and administration equal to the best employed elsewhere. This problem of education is plainly insoluble apart from problems of recruitment, remuneration and promotion, but its emergence is evidence that the time has come, if it is not overdue, when the Cooperative Movement has to regard its educational activity much more seriously than it has often done in the past. It should define its educational problems in much broader and more comprehensive terms and provide in its budget sufficient funds for a well-planned educational programme.

As one example, the Commission would refer to the idea of the co-operation of co-operative organisations discussed in a later passage of this report. More and more this co-operation will have to be organised and carried on across national frontiers and from continent to continent. It is a fundamental task of the International Co-operative Alliance to promote and assist its extension, while serving itself as an instrument of collaboration for an increasing number of purposes. It should be self-evident that training for this kind of international cooperation is something which will inevitably outrun the capacity of the national cooperative schools to provide. Training for international cooperation must be established on an international basis. The Commission would therefore point out that the idea of setting up, under the auspices of the International Co-operative Alliance and in close association with its Secretariat, a cooperative education centre and training institute, is already an old project of which the Authorities of the Alliance have more than once signified their approval. Such an institute, with an international staff recruited from the most eminent cooperative educators of the world, is needed to produce leaders capable of spearheading the accelerated development of cooperation on the international level now within the Movement's reach. The time has gone by for small beginnings. The Alliance's resources are too small to permit it to undertake this task alone. The national institutions, especially those powerful organisations now operating in the field of trade and finance, should join together and come to its assistance, not least in the interests of their own future development.

The Commission has no hesitation in accepting education as a principle of Cooperation – as the principle, in fact, which makes possible the effective observance and application of the rest. For the principles of Cooperation are more than verbal formulae, more than articles in a rule book, to be literally interpreted. In the last analysis the principles embody the spirit of Cooperation, which has to be awakened and renewed in every fresh generation that takes over the work of the Movement from its predecessors. That awakening and renewal depend, more than anything, upon the care and assiduity with which each generation keeps the torch of education aflame.

Part III. Recommendations and Conclusions

Summing up the Commission's examination in Part II of this report of the seven Principles enumerated in the Report of 1937, it may be said that the following should continue to be considered as essential to genuine and effective cooperative practice both at the present time and in the future as far as that can be foreseen: –

1. Membership of a cooperative society should be voluntary and available without artificial restriction or any social, political or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.
2. Cooperative 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. In other than primary societies the administration should be conducted on a democratic basis in a suitable form.

3. Share capital should only receive a strictly limited rate of interest, if any.
4. Surplus or savings, if any, arising out of the operations of a society belong to the members of that society and should be distributed in such manner as would avoid one member gaining at the expense of others.

This may be done by decision of the members as follows:

- (a) By provision for development of the business of the Cooperative;
- (b) By provision of common services; or,
- (c) By distribution among the members in proportion to their transactions with the Society.

5. All cooperative societies should make provision for the education of their members, officers, and employees and of the general public, in the principles and techniques of Cooperation, both economic and democratic.

To these we have thought it important to add a principle of growth by mutual cooperation among cooperatives: -

6. All cooperative organisations, in order to best serve the interests of their members and their communities, should actively cooperate in every practical way with other cooperatives at local, national and international levels.

In submitting the above formulation the Commission would add certain remarks. The first is that these principles are not associated arbitrarily or by chance. They form a system and are inseparable. They support and reinforce one another. They can and should be observed in their entirety by all cooperatives, whatever their objects and area of operations, if they claim to belong to the Cooperative Movement. The second remark is that, although the principles originated as rules governing the relations of the individual members of cooperatives with one another and with their societies, their application is not confined to primary societies. They should be loyally observed by secondary organisations also, with such modifications as are necessary or desirable for institutions which represent the cooperation of cooperative societies rather than of individual persons. The third remark is that those principles, accepted in 1937 but not retained by the present Commission, are not lightly to be disregarded or thrown aside. The fact that they are not of universal application in our time does not mean that they are no longer appropriate, particularly for cooperative societies which, by reason of their youth and inexperience, cannot afford to risk strains on either their finances or the unity of their membership.

Returning to the cooperation of cooperative societies in associations variously termed unions, federations, central organisations or, more broadly, secondary organisations, serving all kinds of economic, technical and educational purposes, the Commission would point out that this cooperation of the second degree is playing in the Cooperative Movement today, and is destined to play in the future, a much more important role than hitherto. It represents, of course, no more than a natural and beneficial extension of the fundamental cooperative idea of association for mutual benefit. It is often the method by which Cooperation advances from one stage of the productive process into the next, as for example, from retailing into wholesaling and production, or from selling on a home market into exportation. Secondary organisations, if they operate at first on a district or regional basis eventually grow or coalesce into national organisations. There is no reason why this form of cooperation should halt at national frontiers. On the contrary, there is every reason of principle and practical advantage why the Cooperative Movement should break through the material and mental barriers of conventional nationalism into a new era of international cooperation. This implies, logically and practically, cooperative organisations of the third degree, like the Scandinavian Wholesale Society, the International Cooperative Petroleum Association and the International Co-operative Alliance itself.

The idea of greater unity and cohesion within the Cooperative Movement under various names - coordination, consolidation, concentration, integration - is gaining ground among Cooperators, for the most part as they come to realise that their most

redoubtable competitors today are large-scale capitalistic concerns, vertically and horizontally integrated. There are no grounds for thinking that this competition will diminish in severity. Rather must we expect that, served by modern technical devices, capitalist enterprise will tend to continue its evolution towards oligopoly and monopoly, not in national markets only, but on the international plane in new multi-national economic units called free-trade areas or economic communities. The competition which survives will be not the competition of the greater against the smaller, but the competition of the greater amongst themselves. The Cooperative Movement is potentially among the greatest. It needs only to concentrate its power in larger units by applying consistently without restriction, from the local to the international plane, the principle of cooperation among cooperatives, to make its greatness manifest and to act successfully against the monopolies.

In order that it shall do so, Cooperators must from time to time re-examine their practices and their institutions in the light of their ultimate aims and the principles which subserve these aims. It will be necessary to discard glosses and one-sided interpretations based on expediency in order to make clear the common ground on which Cooperators can come together and work together for the ideal of a better and more fully human society than mankind in the mass has yet achieved. Such working together implies not merely the loyal collaboration, within their unions and federations, of cooperatives of any given type, but also closer and more helpful relations between cooperatives of different types on every level where this is practicable. The idea of a cooperative sector in the economy is too often an intellectual concept without a corresponding material reality, simply because of the lack of unity and cohesion between the different branches of the Movement.

The Commission is fully aware that, in thus advocating more intimate and comprehensive inter-cooperative relations, it is echoing the thoughts and language of those who first brought these questions into the foreground of discussion a generation ago. What disturbs the Commission is the lapse of time between the enunciation of sound cooperative ideas and their realisation in action and it cannot forbear to point out that the failure of many cooperative organisations to provide enough of the right type of education for their members and leaders contributes in a large measure to this deficiency. But it would also point out that accelerated rate of progress in contemporary economic evolution has reduced, and is reducing still further, the time allowed to the Cooperative Movement to demonstrate the value of its principles and methods. The world will judge the success of Cooperation by its contribution to raising the level of human well-being as quickly as possible. Humanity at large is seeking, however blindly, for a major transformation from a system dominated by capital to one based on human dignity and equality. The Cooperative Movement, when true to its principles and armed with the courage of its convictions, can prove by practical demonstration that a world society is possible in which man is no longer the slave but the master of economic forces. Its mission is to reach the common people by demonstrating how the principles which express their neighbourly and brotherly relations in their Cooperative can also inspire the mutual relations of the nations.

If the cooperative movement is to rise to its full stature, either within each country, or internationally, the several cooperative institutions must unreservedly support one another. They must act as members of a common united effort to realise the objectives and ideals of the movement as a whole. These are no less than the attainment of a stage at which conflict, monopoly and unearned profit cease to exist. The ideal of a workers' community such as the one envisaged by Rochdale pioneers, or a cooperative commonwealth desired by several other cooperators, can hardly be realised in practice except by the unstinted and united efforts of all cooperators and cooperative institutions, large and small, national and international.

Cooperators the world over should profoundly appreciate that the most important aim of the cooperative movement is the promotion of the social and economic rights of the people and that the pursuit and achievement of this high aim requires active and concerted efforts towards the realisation of world peace.

1962 I.C.A. Congress
Cooperative Principles
Resolution

The 23rd Congress of the I.C.A. welcomes the report of the Commission on Cooperative Principles as meeting the specification required by resolution at the 22nd Congress.

Congress accepts that, while there can be differences of opinion as to emphasis or degree, the report is a significant statement of cooperative principles in a modern setting.

Congress approves the Recommendations and Conclusions made by the Principles Commission as follows:

1. Membership of a cooperative society should be voluntary and available without artificial restriction or any social, political or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership.
2. Cooperative 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. In other than primary societies the administration should be conducted on a democratic basis in a suitable form.
3. Share capital should only receive a strictly limited rate of interest, if any.
4. Surplus or savings, if any, arising out of the operations of a society belong to the members of that society and should be distributed in such manner as would avoid one member gaining at the expense of others.
This may be done by decision of the members as follows:
 - a. By provision for development of the business of the Cooperative;
 - b. By provision of common services; or
 - c. By distribution among the members in proportion to their transactions with the Society.
5. All cooperative societies should make provision for the education of their members, officers, and employees and of the general public, in the principles and techniques of Cooperation, both economic and democratic.
6. All cooperative organisations, in order to best serve the interests of their members and their communities should actively cooperate in every practical way with other cooperatives at local, national and international levels.

Congress authorises the Central Committee and its Executive to take note of the decisions of the Congress on the report of the I.C.A. Commission on Cooperative Principles at the 23rd Congress in Vienna and arising therefrom to make such recommendations for changes in the rules of the I.C.A. as may be considered necessary for the next Congress.

Amendment by: KK and YOL, Finland

Delete entire Central Committee proposal and substitute:

The 23rd Congress of the I.C.A.,

Considers that the Report of the Commission on Cooperative Principles gives a good survey of the practices in different countries and different economic systems, and offers a very good basis for discussions;

Requests the Central Committee to empower the Executive to enquire into the opinion of the national member Organisations of the I.C.A. on the Report and Proposals of the Commission;

Asks the Central Committee to consider the proposals of the national cooperative Organisations and those of the Commission at a meeting preceding the 24th Congress and to submit its opinion to the Congress;

Requests the Central Committee to include in the Agenda of the 24th Congress of the I.C.A. consideration of principles for the activity of the Cooperative Movement.

Amendment by: S.G.C., Belgium

The 23rd International Congress, having considered the conclusions of the Commission on Principles created in accordance with the resolution adopted by the Bournemouth Congress, asserts that the Rochdale practices and principles stated below should continue to be considered as essential to genuine and effective cooperative practice both at the present time and in the future as far as that can be foreseen.

1. Membership of a cooperative society should be voluntary and available without artificial restriction or any social, political or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership. *However, any cooperative society is free to assert its preference for a political or religious ideal, or to associate itself temporarily or permanently with a political party; in such cases, it is for the candidate to membership to decide if this stands in the way of its effective affiliation.*

2. Cooperative societies are democratic organisations. Their affairs should be administered *only* 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. *When a cooperative is made up of associations which themselves are necessarily democratic (cooperatives, trade unions, public institutions), the distribution of votes may take into consideration the numerical importance of each association and the interest shown by each of them in the acitivity of the cooperative.*

3. Share capital should only receive a strictly limited rate of interest, if any.

4. *Surplus, if any, should be distributed in such manner as would avoid one member gaining at the expense of others.*

This may be done by decision of the members as follows:

- a. By provision for development of the business of the Cooperative;
- b. By provision of common services; or,
- c. By distribution among the members in proportion to their transactions with the Society.

5. All cooperative societies should make provision for the education of their members, officers, and employees and of the general public, in the principles and techniques of Cooperation, both economic and democratic.

6. All cooperative organisations, in order to best serve the interests of their members and their communities should actively cooperate in every practical way with other cooperatives at local, national and international levels.

7. *Cooperators and cooperatives have also a duty:—*

- a. *To facilitate the participation of members in democratic management, through wide information and possibilities of exchanging views;*
- b. *To aim at the dual function of membership and participation in the activities of the cooperative;*
- c. *To abstain from distributing the reserves during the existence of the society; and,*
- d. *In case of dissolution of a society, to transfer the net assets to another cooperative or a non-profitable institution.*

Congress authorises the Central Committee and its Executive to take note of the decisions of the Congress on the Report of the I.C.A. Commission on Cooperative Principles at the 23rd Congress in Vienna and arising therefrom to make such recommendations for changes in the Rules of the I.C.A. as may be considered necessary for the next Congress.

Amendment by: Lega Nazionale delle Cooperative, Italy.

At the end of sub-paragraph 3 add the following:

“The reserves shall not be subject to distribution. In the event of a society being dissolved, its assets shall be handed to another society or to some disinterested organisation working for the common good.”

Discussion on the Report and Resolution

The President: We will now deal with the Report of the I.C.A. Commission on Cooperative Principles and the Recommendations arising from it. I have pleasure in calling upon the Vice-President, Mr. Southern, who will move the Resolution proposed by the Central Committee and the Executive on this subject. After which Professor Karve, Chairman of the Commission, will give a survey of its work.

Mr. R. Southern, Great Britain, Vice-President: The first word to be said on this subject of our Principles is one of deep appreciation to the members of the Commission for the diligence and speed with which they have accomplished their formidable task. We express our thanks to the late Mr. Bonner, to Mr. Cowden, to Professor Henzler, to Professor Kistanov, who was succeeded by Professor Blank, and in particular to Professor Karve, who was Chairman of the Commission. We were indeed fortunate that such men could devote their talents to the task before them. In this they were most ably helped by Mr. Watkins, our former Director, who acted as rapporteur to the Commission. Our Commission members are known to us as men of profound intellectual capacity; men who have dedicated their lives to the cooperative movement; men who have a sense of our cooperative history and a very wide knowledge of our cooperative forms and practices. To all of them I express, on behalf of Congress, our immense gratitude for the work they have done.

We know, too, that Mr. Watkins and the members of the Commission are men of the highest integrity, so that their Report and Recommendations are wholly constructive. We should, therefore, accept their Report and Recommendations in that conception. Indeed, we should accord to the work of the Commission our wholehearted respect. I make that point, it is important for our proceedings, because there is always danger in a matter of this sort that, having received the benefit of the labours of the Commission, we may be tempted as a Congress to transform ourselves into a new commission of 500 people.

In this brief introduction I think I should occupy my time by drawing the attention of Congress to the conclusions of the Commission and their Recommendations as to the revised statement of Rochdale Principles, because these are matters on which we should be obliged to make up our minds. They have been adopted by the Central Committee without alteration and come before you in their original form.

The Recommendations of the Commission and the Central Committee set out six Cooperative Principles relevant to the present time. They propose: voluntary membership; democratic constitution; limited interest on share capital; the equitable use of surplus; provision for education; and active cooperation between cooperatives.

We are asked to accept this revised statement of our Principles, but we should be clear in our understanding of what we are doing, in that we are not at this stage dealing with any question of amending the rules of the Alliance with reference to the admission of members or the behaviour of members. That question of amending the rules of the Alliance will have to be dealt with at our next Congress and not at this one.

By comparison our existing Principles, formulated in 1937, provided us with a group of four major Principles and a group of three of what may be called "secondary" Principles. In the first group we have: open membership; democratic control; dividend; limited interest on capital. The remaining three, whilst not being regarded as of paramount importance, were none the less included in the Principles of Rochdale: political and religious neutrality; cash trading; and promotion of education. There were thus seven operative Principles adopted by the Movement in 1937 as a statement of Rochdale Principles.

Six Principles are now proposed. Those six Principles continue in effect the four basic Principles adopted in 1937: open membership; democratic control; dividend; limited interest on capital.

There are two new Principles recommended, although they do not cover any new aspect of our cooperative affairs. We now have in the list of six Principles – none of which is regarded as being of more importance than the other – the promotion of education and active cooperation between cooperatives.

Of equal importance for our deliberations is the fact that two former Principles have now disappeared from the revised statement presented to us. The Commission and the Central Committee no longer regard cash trading as a basic principle. For different reasons, the principle of political and religious neutrality has disappeared, but the Commission make it very plain that internal and external political aspects are covered by the Principles recommended on democratic control and on membership. So that, whilst political and religious neutrality disappears from the formal statement in the Recommendations, that neutrality or that independence is still of consequence and must be taken into account in the application of our Principles on democracy and membership.

We have before us, then, a revised statement of Principles which we are asked to adopt as a whole, being six in number. We can regard them as an adjusted concept of the Rochdale Principles applicable to the character of the movement in the modern world; and on behalf of the Central Committee I commend the adoption of the statement of Principles to Congress.

✓ **The President:** I thank the Vice-President, Mr. Southern, for this introduction, and I now have the great privilege to call upon Professor Karve. Mr. Southern has already expressed to the Commission our most sincere appreciation for the work they have accomplished. He also expressly mentioned the very valuable service which Professor Karve has rendered to the international cooperative movement by acting as a very eminent Chairman of the Commission.

Professor D. G. Karve, Chairman of the Principles Commission: May I at the outset express to you all my sincere appreciation both for the cordial welcome extended to me on this occasion and also for the kind sentiments expressed about what little the Commission has been able to do to meet the wishes of this august body.

On this occasion I cannot fail to be reminded of one of our departed colleagues, Mr. Bonner. In the course of the work of the Commission we received invaluable assistance from his participation and I very much wish that he were here with us today to see how the Congress deals with his handiwork. I am also sorry to find that another member of this Congress who also was a member of the Commission, Mr. Cowden, has been prevented by ill-health from being present today. I would have very much liked to be strengthened by his presence here with us on this occasion. I am, however, glad to see amongst the delegates our distinguished colleague from the U.S.S.R., Professor Blank, and I am happy that he will be able to throw much fuller light on some of the aspects of this Report than I by myself would be able to do.

Having said this, I would also like to make my position clear. I am not entering the proceedings of this Congress in a debating mood, I do not have that status nor have I that inclination. I am trying to use this courtesy extended to me to present the Congress with the line of approach, the understanding, the evaluation and the suggestions of the Commission as a whole, and I would request members kindly to receive my remarks in that light.

I hope that members of this Congress will not accuse me of indulging in an exaggeration if I state that the Report of the Commission on Cooperative Principles ranks among the most important topics which have ever been presented before them. This is by no means the first time that Congress has been seized by this subject. Nearly 30 years ago, in Paris, the Congress considered and recorded the report of a special committee which had enumerated seven principles as constituting the Rochdale system and had arranged them in two groups, one containing four which were declared to be of greater importance in judging the cooperative character of an association than the other three, which were put into a separate group.

Since then many members of the Congress seem to have felt that this Report, valuable

as it was, did not help them to meet all the new situations and problems which confront cooperative movements, especially movements in developing countries and in countries which have adopted the socio-economic pattern of planning.

As most of you are aware, the subject was widely discussed at the last Congress. A resolution, which was then passed by an overwhelming majority, requested the Central Committee "to constitute an authoritative commission to formulate the fundamental Principles of activity of cooperation under modern conditions." The Resolution went on to suggest that the Commission be empowered to study the Principles of the Rochdale Pioneers and to find out which of them need to be modified or substituted. The Resolution also specifically sought to empower the Commission to formulate new principles of cooperative activity.

The Central Committee of the I.C.A., which a year later constituted the Commission as desired by Congress, defined the Commission's task in more specific terms. Recognising, perhaps, that the Principles of the Rochdale Pioneers, taken as a whole, are a somewhat wide field of study, the Committee pointedly asked the Commission "to ascertain how far the Principles of Rochdale, as defined by the I.C.A. Congress at Paris in 1937, are observed today and the reasons for any non-observance." Obviously, the Central Committee had in view the Principles as stated in the special committee's report which was discussed and recorded at that Congress. The Committee further asked the Commission to consider, in the light of its study, whether the Rochdale Principles, so defined and stated, meet the needs of the cooperative movement, having regard to the present day economic, social and political situation, or whether any of the Principles should be reformulated in order the better to contribute to the fulfilment of the aims and tasks of the cooperative movement in its different branches.

This clearer formulation of its task helped the Commission very considerably. Without in any way restricting the scope of its work as outlined in the resolution of the Congress, the formulation of the Central Committee brought into relief the presentation of the Rochdale Principles in the Report discussed by the Congress in 1937, and the need to examine their relevance and adequacy towards the fulfilment of the aims and tasks of the cooperative movement, having regard to the present-day economic, social and political situation.

Between the Paris Congress of 1937 and the one at Bournemouth in 1963, many winds had blown through the countries of the world and across its skies. The Second World War had given rise to a "One World" consciousness and to a world system from which cooperators could not keep aloof, even if they wanted to do so. In fact, cooperation was making rapid progress in new fields and in new lands. When cooperators from all these backgrounds of experience, facing a host of new problems, gathered in ever-increasing numbers in the international Congress, they were bound to feel impressed by the challenging character of the changing scene, and by the urgent need to study the whole subject of the philosophy, theory and practice of cooperation in retrospect and prospect.

In all humility, may I assure you that the Commission spared no pains to benefit to the full both by the freedom and the guidance given to it. It put itself into touch with all the national cooperative movements, some of which are not even members of the I.C.A., at present, and with a number of individuals having special experience of cooperation under varying conditions. It may interest members of this Congress to know that from the mass of material, written and oral, received by the Commission, three things emerged very clearly. Firstly, all cooperators, everywhere, concurred in the basic philosophy or aims of cooperation as formulated by the Rochdale Pioneers, namely, the creation of a cooperative working community in which all men have an equal status and in which no one benefits at the cost of another. Secondly, they all entertained the highest regard for the rules and methods of Rochdale, which they try to follow to the greatest possible extent. Thirdly, all of them have found it necessary, in some respect or other, to recast one or more of these rules and practices so as to enable them to realise more fully the aims of the cooperative movement in their own peculiar circumstances. In fact, the Commission found that those cooperative bodies who were unwilling or slow to adapt them-

selves to the requirements of the new situation have suffered avoidable set-backs.

The significance of such unanimous and universal experience could not be lost on any objective student of cooperation. All cooperators follow the same ideal of a free and equitable society; all of them subscribe to some features of their organisation as almost axiomatic; and all of them feel called upon, and normally consider themselves free, to regulate the methods of their activity by the requirements of efficient and successful operation.

Probing back to the very establishment of the Rochdale Pioneers, one can clearly discern that, whereas the aims and ideals of the Pioneers were revolutionary, namely, the creation of a harmonious in place of a trafficking human community, many of the rules and methods of their functioning were clearly evolutionary. Certain features of their organisation and methods were inherent in the ideals which they followed, and in that sense they were fundamental truths, more popularly called principles. But some features of organisation and practice were evolutionary, changeful. They were true or valid in one context but not in another; they were truths but relative, not absolute truths, that is, not truths independent of time and place.

The circumstances in which principles are to be practised are variable, and this affects the correct formulation of even those principles which are generally accepted as fundamental truths by cooperators. In other words, judgements and expressions which in their very nature are conditioned by changeful environments do not lend themselves to what may be termed the making or coining of a formula. Having been asked to reformulate cooperative principles, if it felt called upon to do so, the Commission came to the conclusion that its formulations could not be formulas. They must be attempts at an exact, and at the same time comprehensive and adequate, statement of the nature and extent of the truth underlying each formulation. True cooperative principles must be true in both senses: firstly, they must be appropriate ways leading to the common goal of cooperators; secondly, they must explain, as fully as is necessary and possible, all the implications of their justification and results. This means a substitution of formulas by exact and adequate statements. The Commission, both in the body of its report and in the summary of its findings which figures as a resolution before you today, has presented carefully phrased formulations which are no more verbose than necessary but which, we hope, do not leave out any of the essential implications of each statement.

To take the several enumerated principles one after another, we may begin with membership. While, like other organisations, cooperatives strive for material success, their special claim on the support of their fellowmen is much wider than that. They claim to achieve the material wellbeing of their members by a morally and socially superior method. It is obvious that there can be no moral virtue in any behaviour which is not voluntary. It is, therefore, almost axiomatic that membership of a cooperative must be voluntary. On the other hand, as cooperatives are formed for the purpose of mutual aid, any artificial restrictions on the admission of members would amount to an oligarchic discrimination which would not be in keeping with cooperative principle. It need hardly be added that restrictions arising out of the natural and obvious needs of efficient and economical management would not be treated as artificial.

While, therefore, it is obvious, in the case of a primary society, that its membership should be voluntary, and available to all eligible persons without any artificial restrictions, some special cases both of primary and secondary, or intermediate, societies would deserve notice. As mutual aid, and not trafficking for profit, is the basic characteristic of cooperation, it should be clear that persons or associations who desire to join or to form a cooperative for dealing in commodities and services other than those needed or produced by themselves or by their members cannot be said to act as constituents of the cooperative movement. It is not intended to say that there is anything wrong in their doing so, but those who are not basically wedded to the doctrine of non-profiteering economic activity cannot by an act of cooperating among themselves for a specific immediate purpose be said to promote the aims of the cooperative movement. The same would be true of any cooperative formed by governmental bodies. They are basically tax-gathering and authority-wielding bodies. They may legitimately use the cooperative method for some

of their purposes but they cannot thereby be said to promote the aims or ideals of the cooperative movement. We might also take note of the fact that in the highly dynamic world in which we are living, cooperative bodies may be required in the interest of their members, and for specific purposes which they cannot achieve by their independent effort, to join some other than cooperative associations. However natural, or advantageous, these mixed bodies may be, there should be no attempt made to describe or accept them as constituents of the cooperative movement.

As regards organisation as democratic bodies, the affairs of cooperatives should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Having said this, it is unnecessary to go on to say that no other system would conform to cooperative principle. The equality of status among members of a cooperative is naturally represented by the arrangement of conferring one vote on each member in a primary society. In the interest of efficient and economical management of secondary organisations it may be natural to adapt this arrangement suitably in a variety of ways, such as treating each member institution as entitled to an equal vote, or treating each individual member of a member institution as entitled to an equal vote, or giving more votes to larger societies up to some extent, or by drawing upon the business contributed by a member institution as a balancing factor. These and similar variations in the organisation of secondary bodies must be treated as variable features involving no conflict with the basic principles of equality and democratic management. Similar adaptations in the form of management through elected bodies and professional staff are as inevitable in cooperative democracy as in other democratic bodies. The maximum amount of decentralisation, member participation and member education ought, however, to characterise cooperative democracy in a much more pronounced manner than is, perhaps, possible or necessary in other democratic bodies.

Cooperatives are users' organisations for mutual service. Hence any capital owned or employed by them is only an instrument of production, and has to be hired at its market value, i.e., the current rate of interest. Different types of borrowing have appropriate rates of interest. Share capital, in so far as it is used in the business of a cooperative, would be entitled to its appropriate rate of interest, though this would not preclude any society from keeping its share capital at a low figure or paying no interest on it. The only cooperative value involved is that capital in any form used by a cooperative should not have a remuneration higher than an appropriate rate of interest, and that where unequal shares are held by members the right of participation in the control of the cooperative should not be weighted in favour of those who hold more shares.

Once it is made clear that capital is not entitled to anything more than interest, any surplus or saving which would emerge after due provision is made for all cost items, and for business reserves which are parts of the balance sheet, should be turned over to members in proportion to the contribution which they have made towards its creation by the business which they have brought the society. A cooperative obviously cannot make a net "profit" at the cost of its members, nor can it adopt an arrangement which enables any one of its members to benefit at the cost of another. But as members of a democratic body it should be open to the members themselves to decide how the surplus or saving which belongs to them should be distributed, either by the traditional method of distribution, namely, in proportion to transactions, or by utilisation for development of the business of the cooperative, or by providing common services. Choice among these different ways made by the free decision of members would be perfectly compatible with the aims of the cooperative movement.

I would like to take this opportunity to refer to a matter which has occasionally exercised the minds of some cooperators when they refer to the undistributed savings or reserves of a cooperative enterprise. If it is clearly understood that undistributed reserves are the result of a deliberate and voluntary act of immediate self-denial on the part of members, there should be no moral or legal inhibition against the distribution of these reserves among members at any later date. Cooperative business is becoming so complicated and massive that both for financial and tax reasons all kinds of earmarked, general and contingent funds and reserves have to be created. There is no general principle

involved in debarring members for all time from having a share of these reserves. Even in the exceptional event of a dissolution, it would hardly be tenable to urge that the reserves do not belong to the corporate body of members past and present. It is not beyond the ingenuity of managers and accountants to find a way by which in any scheme of distribution, either of whole or of part of the residuary surplus, no member, past or present, benefits at the cost of another. On the other hand, it would also be natural in many cases for members to feel that the best use of the undistributed reserves after dissolution would be to aid in the strengthening of the cooperative movement as a whole. Making a choice from among these several ways is a matter which must be left to the decision of the members themselves, subject, of course, to their own rules and to the general law of the land.

On one subject, that of education, the Commission has felt compelled to emphasise that all cooperative societies should make provision for the education of their members, officers and employees and of the general public in the principles and techniques of cooperation, both economic and democratic. I have noticed that the use of the word "provision" has created some misunderstanding in the course of translation into some languages. By "provision" in this context is meant no more than making suitable arrangements, and not necessarily or exclusively a financial allotment. It should be observed that what manner or size of provision could or should be made by each cooperative, considering its own resources, has been left to the decision of the cooperatives themselves. But if it is realised that what cooperators are trying to build is not only a business but a faith and a way of living which has to justify and establish itself in competition with other ways, such as the purely capitalist or the purely authoritarian, the temptation to look upon education as a secondary matter, dependent on surplus finances or on actual business need, will, I hope, vanish. In fact, it is becoming increasingly clear in the opulent societies that there is not much of an economic, or even associative, benefit which a cooperative gives that cannot be matched by other even more aggressive and attractive ways of doing business. If cooperation is to survive and progress, as a business and as a way of life, every cooperative, in the measure and in the manner in which it would be appropriate and possible for it to do so, must make provision for the cooperative education of its members, of its staff and of the general public. Even the professional need of education of all concerned with cooperatives continues to be a compelling one both in developed and in developing countries.

The Special Committee of 1937 held that observance of cooperative principles does not depend on the adoption of the following three principles of the Rochdale system: promotion of education; cash trading; political and religious neutrality. For reasons already mentioned, the Commission felt that cooperative education must be treated as a necessary concern of cooperatives. As regards cash trading, while it is obvious that in its crude form it has lost much of its relevance, the positive value of adopting, at all times, only such trade practices as are both economically and socially sound, remains unchanged. So also, while it can be easily agreed that cooperatives cannot, in fact, they ought not to, remain indifferent, in all circumstances, to matters of political, religious or similar far-reaching importance, the general lines along which cooperative action in these spheres should be guided must be clearly understood. Choice of action in both these respects, that is, sound business practices and appropriate public policy, must be left to the free decision of each cooperative institution. The Commission has discussed the underlying issues in some detail in Part II, sections 5 and 6 of its report, and a careful perusal of these sections may help cooperators to ensure that any course of action or of inaction adopted by them does not offend against any of the ideals and principles of cooperation.

In one very important respect the Commission felt called upon to act on the freedom given to it and to suggest the formulation of a new principle. The rallying call of the cooperative movement, "Each for all and all for each", was not intended to be confined to the members of a single cooperative. It is a call to which cooperators in all institutions and in all countries must spontaneously and unreservedly respond. The process of concentration and common action is gathering momentum in other forms of organisation. The need and the opportunity for whole-hearted, progressive and joint action among

cooperatives was never so great as at this present moment. A new industrial revolution of unprecedented magnitude and potentiality is sweeping over the world. National, regional and world bodies are being set up by private business as well as by governments, and if the cooperatives do not act without loss of time in support of their cause, singly and in combination, they may soon be swamped by the new forces of giant units in the public and private sectors. Cooperation among cooperatives, almost as an instinctive and compelling action, must henceforward be treated as an essential and indispensable course of action on the part of each cooperative.

I do not think I shall be justified in taking up any more of your time. As Article I of the I.C.A. Rules mentions: "The I.C.A., in continuation of the work of the Rochdale Pioneers . . . seeks . . . to substitute for the profit-making regime a cooperative system organised in the interests of the whole community and based upon mutual self-help." Like the Rochdale Pioneers, all of us have to be pioneers in our own day, trying to re-create and spread our faith in the ideals of cooperation and devising appropriate methods to enable us to overcome all obstacles in our way, so that we may successfully face the competition of alternative faiths which are trying to build gigantic international combines in support of their own interests. Nothing short of an immediate world-wide movement among cooperators in support of the Rochdale ideals, repeated in the I.C.A. covenant, is the need of the hour. The reformulation and rearrangement of cooperative principles suggested by the Commission constitute an invitation and an aid to the cooperators of all nations to achieve this supreme task which now devolves on them as heirs to the great Rochdale tradition.

The President: Professor Karve, Congress by its applause has given the most convincing and appropriate expression of its sincere gratitude to you not only for serving as Chairman of this exceedingly important Commission on Cooperative Principles but also for the masterly way in which you have introduced the subject for the consideration of Congress. We thank you most sincerely.

This is a most important subject and I am glad to announce that we have very many speakers. I think the right way to start would be to call upon the present President of the Rochdale Equitable Pioneers' Society, Mr. F. Applegate.

Mr. F. Applegate, Great Britain: May I first of all extend to all delegates the kindest regards of the Rochdale Pioneers' Society and our best wishes for your future.

It is perhaps only appropriate to the occasion that we should give our views on the Report of the Commission responsible for the suggested new look at the Rochdale Principles. We do not look upon the original phraseology of the Rochdale Principles as being basically unchangeable, nor as being applicable only to an age and a social situation long ago. Nevertheless, we still feel that these simple precepts contain certain fundamental truths that men in striving for an improved status in society will observe throughout. These include voluntary membership without restriction, that is, that membership of a cooperative society should not be subject to social, political or religious discrimination or pressure. With regard to the vexed question of politics, it is true, of course, that the early Pioneers advocated neutrality or non-interference, and this principle is still very relevant in a number of respects today.

However, no matter how idealistic one would like to be, modern economy is more and more subject to political influence, and today in the cooperative movement it is not a question of the movement interfering in politics but rather that politics interfere with the movement. This great movement of ours is often described as a state within a state but we would be hiding our heads in the sand if we did not realise that this state is all too often subjected to unfair legislation, and if our future welfare is to be safeguarded then limited participation in the political sphere is unavoidable. We also believe that cooperative societies should remain democratic institutions and that their affairs should be administered by persons imbued with the spirit of cooperation.

Interest on share capital must still be limited and the surplus or profit returned to the members in proportion to the transactions they have made with their society. The question of surplus or profit could be interpreted in various ways in cooperative societies

throughout the world. We believe that, provided the members benefit equally as a result of their trading with a society, then the payment of benefit should not be subject or bound to traditional methods. Provision will still be made for education but on a greater scale than ever before in order that the movement's purposes can be more speedily realised.

Principles are not only a question of conscience but also of priority, and of all major principles of cooperation today it is the one of mutuality that is specially important, because it is only by cooperative organisations throughout the world actively working together for their common interests that the true purpose of the cooperative movement can be achieved, and the suggested addition to the principles of mutual cooperation is not only necessary but long overdue.

Just over 100 years ago one of the greatest cooperative pioneers of all time, and a man most responsible for the birth of the I.C.A., Edward Vansittart Neale, was visiting the Rochdale Society and he was asked what interpretation he could place on the Principles of the Rochdale Pioneers. Vansittart Neale was a most quiet, thoughtful person and before replying he hesitated for a while, and then he said: "I would describe the Rochdale Principles as I would the principles of any cooperative society in just one word, and that word is 'freedom', freedom of speech, freedom from want and persecution, whether this persecution be social or political; the right of every man, woman and child to share in the benefits of societies and the acceptance that the blessings of God's good earth should not be conditional on the birth or position of the individual."

Some thirty years later, at the Rochdale Congress of 1892, Vansittart Neale proposed the resolution that approved the principle of the International Co-operative Alliance. This resolution led to the first I.C.A. Congress of 1895. Unfortunately, Vansittart Neale did not live to see the culmination of his efforts. He died on the 16th September, 1892, six months after the Rochdale Congress, and I could not help mentioning this for one other reason. Attention has already been drawn to the sad loss of one of our modern cooperators, who, as a member of the I.C.A. Commission, has established a new landmark in cooperative thinking. I refer, of course, to the late Arnold Bonner, who devoted the whole of his life to cooperative education and the Principles of Rochdale, only to die when his beliefs were reaching fruition. We at Rochdale believe that Arnold Bonner, together with other members of the Commission, has written a new page in cooperative history which will not only strengthen the links which bind our movements together but will also do away with some of the misunderstandings of the past. I am sure that the Commission's contribution to the fulfilment of this task will live on as long as the cooperative movement exists.

Finally, if I may be allowed to go back again into history, I would conclude by following the example of Dr. Lorimer of the United States, who at the first Congress of the I.C.A. in 1895, finished his address with the following words: "We shall stand together as brothers and then we shall be able to realise the dream of the Scottish poet, Rabbie Burns, when he wrote:

"For all that and all that –
It's coming yet for all that,
That man to man the world o'er
Shall brothers be for all that!"

The President: I thank Mr. Applegate, President of the Rochdale Pioneers' Society, for this appropriate opening to our debate.

I now call on Mr. Jalava of Finland to move the amendment to the resolution from the Finnish movement.

Mr. J. Jalava, Finland: I would first like to express my very warm admiration and congratulations to the Commission and its officers for their work. It was a great performance to make this study in such a short time.

I have to try to motivate the amendment suggested by YOL and KK, and I am a little sorry to be some kind of "leader of the opposition" in this matter. Depending on the basis on which the cooperative principles are considered, they can be regarded as

characteristics of cooperative enterprises, partly as mere directions of actions, provisions for membership of the I.C.A., or as objectives which should be aimed at by different cooperatives.

It may be considered indisputable that these Principles form the constitutional law on which cooperation is based and which must not be altered unless it is absolutely necessary. Being so, they express, besides the special characteristics of cooperation, also the rules of action to be observed by cooperatives in their activities. On the other hand, the cooperative principles must be interpreted as objectives to be achieved and not only as descriptions of practices possibly applied in various countries and in different economic systems. But they should not be combined closely and without distinction of degree of validity with eligibility for membership of the I.C.A., because in defining eligibility we are often, for practical reasons, compelled to consider also facts which cannot be connected with definitions of the nature of cooperation.

The Commission on Cooperative Principles has started from the fact that the substance of the cooperative principles is more important than their verbal or semantic formulae. Further, the Commission is of the opinion that no distinction or degree of validity can be drawn between the essential principles but that all of them possess equal authority, and that the essential substance of all must be equally observed to the full extent, although in the manner that circumstances permit at any time and place.

As a result of this, the considerations of the Commission have been based, for instance, on the special circumstances prevailing in developing countries; and the principles have been formulated very broadly both in their wording and in their substance. However, the attempt of the Commission to create a structure covering all circumstances leads to the situation that circumstances and situations which are admitted to be exceptional are included in the rules which, on the other hand, ought to form the purpose to be aimed at.

So we have come to the theoretical and practical inconsistency that, in spite of dissimilarities and different degrees of development in the circumstances prevailing, in reality the constitutional law of cooperation would quite simply put all degrees of development on the same level. The Commission has obviously come to this decision for the distinct purpose that it has wanted to reserve for the cooperatives which are in their early stages of development an opportunity to participate in the activities of the I.C.A. on complete equality with the advanced cooperatives.

This aim, which in itself deserves to be supported, can, however, be achieved in the Rules of the I.C.A. without affecting the cooperative principles.

The time allowed for me now, does not, unfortunately, make it possible for me to present our remarks against the Report of the Commission as a whole. I would like only to say that the Principles of neutrality and cash trading are most important for us and should not be excluded.

It can be stated that on giving its Recommendations the Commission has adopted rules based on exceptional conditions, as the Commission admits in its motivations. In order to reach a stable and firm structure, the cooperative movement must state its Principles as unambiguously as possible because they are the foundation of cooperation, and define exceptions separately. On this most important matter regarding cooperation, the national organisations must have the opportunity to deal with it so thoroughly that also the primary organisations and their elected officers can give their opinion on the basis of the Report and proposals of the Commission as well as on other material available. This they have not had any opportunity to do.

It must also be pointed out that in the resolution adopted by the 22nd Congress at Bournemouth the Central Committee was asked "to consider the proposals of the National Cooperative Organisations and those of the Commission at a meeting preceding the 23rd Congress and to submit its opinion to the Congress." However, there has not been any discussion of the substance of the Report and proposals of the Commission by the Central Committee, or by the Executive; and this is against the resolution of the 22nd Congress. It is also impossible to start from the assumption that the Commission's Report, which was prepared in a very short time, and the negotiations which will be

carried out on the basis of it at this Congress, should be sufficient in a fundamental matter like this.

In my opinion we have to give a little more attention and value to the Cooperative Principles. Consequently, it would be inopportune to make final decisions at this stage and to amend the Rules of the I.C.A. accordingly. I do not mean that Congress should discuss the procedure now. That is not appropriate any more, but we have to give our attention to the content of the Report of the Commission.

What happens, and this is the main problem which has obliged us to propose the amendment, if the new Principles are adopted by Congress? They have to be incorporated in the Rules of the I.C.A. We understand the last paragraph in the Resolution suggested by the Central Committee to mean, and the address of Mr. Southern confirmed it, that the member organisations have to accept the new Principles and to take them into their own rules.

The Board of Management and the Administrative Council of KK have dealt with this matter and unanimously decided that we cannot do it, either now or later, and the opinion of YOL is the same.

I am very sorry to have to speak in this way but we must now clear up the situation. If we had had a discussion on the subject at an earlier stage these remarks would perhaps have been unnecessary, but today we in YOL and KK do not know what kind of content and interpretation the new Principles will get. Therefore, it is necessary to have a discussion on the subject now in the Congress, which will be included in the Report of the Congress. Then we may know also in the future what is the interpretation of the new Principles.

In view of the foregoing, the Finnish Central Organisations, Yleinen Osuuskauppojen Liitto and Kulutusosuuskuntien Keskusliitto, submit the amendment to the Resolution proposed by the Central Committee.

The President: I now call on Professor Paul Lambert to move the amendment of the Belgian organisation.

Prof. P. Lambert, Belgium: The Société Générale Coopérative joins wholeheartedly in the thanks and congratulations which have been extended today to the Commission on Principles. The Report it is submitting to us is a document rich in substance, in profound analyses, and inspired throughout by the purest cooperative spirit.

The amendments we are proposing have no other purpose but to clarify a few points, perhaps to improve some and to complete others.

We wish, in the first instance, that a reference to Rochdale should be introduced in the preamble. We have heard Professor Karve's peroration. There is no disagreement on this, but let us be explicit by reaffirming the continuity through the years of cooperative thought and action.

The first paragraph of the Resolution deals with voluntary membership and what remains of the so-called Principle of political or religious neutrality. Here also, we agree on the substance. There can be no question of demanding a political declaration from a would-be member, still less his membership card of a political party, or a profession of religious faith. There can be no question either that a cooperative could ever subordinate itself to a political party. That would be the very negation of the fundamental principle of the autonomy of the Cooperative Movement.

But we also know that it is quite lawful for a cooperative society, as explicitly stated in the Report, to conclude an alliance, temporary or permanent, with a political party or to adhere to a political or religious ideal. We must avoid, by a too short formula, giving the impression that we condemn most of the British and Belgian cooperatives or those in countries with a communist regime.

However, after our contacts with several eminent members of Congress, we renounce any amendment on this point, by requesting the President kindly to confirm, by a declaration to be recorded in the Report of Congress, that the foregoing is the true interpretation and practice of the Alliance.

Paragraph 2 of the Resolution deals together with two Principles which are closely connected: democracy and autonomy. We ask for the autonomy rule to be strengthened by stating that cooperatives are administered *only* by persons elected by the cooperators. We do not overlook the fact that in some exceptional cases, in most public cooperatives and in certain private cooperatives, a government commissaire or a delegate from the central bank sits beside the elected administrators with the right to vote on certain limited questions or decisions that would be contrary to the general interest or decisions that would change the destination of a credit obtained.

When such a right is, in effect, limited and is applied only in extremely rare circumstances, it is not an obstacle to self-government since all positive decisions are taken by the elected administrators.

The third paragraph of the Resolution is impeccable, it is the formula on interest.

Allow me, however, to refer again to the second paragraph, because we think that what is said about cooperatives of the second and third degree is too vague, and that above all we should seize the opportunity to ask Congress to recognise the authenticity of the public cooperatives. As public cooperatives are not very well known outside the French-speaking area, a few words of explanation are perhaps necessary.

Since the great French theoretician of cooperation, Bernard Lavergne, found his examples in Belgium, I will describe very briefly the structure of a Belgian public cooperative: *Le Crédit Communal de Belgique*. This is an association of municipalities whose object is to provide the communes with credit. The *Crédit Communal* launches preference shares on the market, lends this money to the communes and is reimbursed gradually as taxes are paid. The general meeting of the society consists of delegates of the communes who are individuals democratically elected by their local population, and the general meeting elects the administrative council which in turn nominates the Managing Director. Such is democracy as it functions in our cooperatives of the second or third degree.

Every commune is free to join the *Crédit Communal* or not; this is the principle of the open door. The surplus is distributed in proportion to the transaction of each commune with the *Crédit Communal*: this is the practice of the dividend. Finally, the *Crédit Communal de Belgique* carries out a permanent educational task. How can one fail to recognise the cooperative character of an institution that practises our principles so strictly? The question is, however, much more far-reaching. I know very well that we are not unanimous on the question of what is today the exact significance of the old ideal of the Cooperative Republic or of the Cooperative Commonwealth. Nevertheless, if we are here it is because, at least, we hope to instil the cooperative spirit into the general social, economic and even political life. And we shall never succeed if we shut the door of the public sector to cooperation.

Paragraph 4 of the Resolution, relating to distribution of surplus or savings, in my view, wrongly mentions savings. It is either one or the other. Savings either belong to the cooperators who have deposited them with a society, in which case it is obvious that the savings belong to them and need not be mentioned, or they are the savings of the society and are the society's reserves. One cannot say the reserves "should be distributed". Anyway there must be a modification in the text. I will come back, presently, to the problem of reserve funds.

Paragraph 6 enunciates a moral duty, that of collaboration with other cooperatives. We feel there are other moral duties equally imperative. For instance, to take the necessary measures to render effective the participation of the members in the democratic management; to try to make every member an effective participant in the activity of the cooperative; inversely, and finally, to declare that, in principle and contrary to what Professor Karve has just said, the reserves must not be distributed.

Of course, we must draw a line between "provisions" and "reserves". If, for instance, the members were to renounce part of the dividends in order to increase the capital, such sums as would thus be provisionally left with the society would still belong to them. But if it is a question of real reserves with a view to expansion, or to meet some unfavourable events, they are, in principle, the property of the society.

Here again, one can envisage some exceptions. If a number of persons form a

housing cooperative and make a great effort to accumulate reserves and then, five years later, find that it is impossible to carry on the activity of the society, those reserves would belong to them. But, in most cases, reserves are the result of the efforts made by several generations. By what right could the cooperators of today say "These reserves belong to us"? Let us be careful. Let us not break with the tradition of Buchez and of the Rochdale Pioneers themselves in the 1854 version of their rules. In principle, reserves are the property of the society.

Finally, we must not allow ourselves to be influenced by purely momentary preoccupations. We are not legislating for today, but for the years to come. Therefore, let us allow our consciences to speak.

Mr. P. Kuoppala, Finland: On the question of membership, the Commission comes to the conclusion that in the general interest it may be acceptable for an individual to be compelled to join a cooperative, if all the circumstances have been considered. This appears also from the nature of the Commission's Recommendation on membership. To say the least this is questionable, because in practice it will be the government itself which has to decide whether compulsion is justified, and compulsion cannot be regarded as being in conformity with the spirit of liberty and democracy which should prevail in cooperation. It is generally recognised that there is need for the democratic administration of cooperatives, and for that reason cooperatives require complete independence of outside authority.

It is clear that the situation may be different in the developing countries, in which government support for cooperatives may be necessary. This, however, has to be regarded as a temporary phase, and cooperatives must become independent as soon as possible. In the light of the motivation of the Report, and bearing in mind that the Principles enunciated are not only for action but are also objectives, it should be pointed out that recommendations should not be founded on an exceptional situation. If direct government control is accepted among cooperative principles, it is possible in the future that governments may have the power to determine decisions even in the I.C.A. through their respective national cooperative organisations.

The Commission has dealt with political and religious neutrality mainly from two standpoints, that of the cooperative society in relation to its members, which is an internal question, and that of the cooperative in relation to outside bodies, and primarily the society in which it operates. The Commission has accepted the concept of neutrality, but it seems to carry overtones of passivity and indifference. In this connection, however, neutrality can be interpreted, as has often been done, primarily as meaning neutrality in relation to party political beliefs. From the point of view of the cooperative itself, members have the same requirements irrespective of their political or religious convictions. The aims of cooperation are broadly human, and the ability to achieve them should not be endangered by abandoning the demand for political and religious neutrality.

Political neutrality does not prevent a cooperative from having an active cooperative policy of its own.

Finally, I wish to support the proposal made by the Finnish organisations and moved by Mr. Jalava, and to conclude by putting a question to Mr. Southern – Have we any alternative other than to change the Rules of the I.C.A. at the next Congress, if the Resolution under discussion is accepted now?

Mr. M. Denisov, U.S.S.R.: We are discussing a very important question for the development of the cooperative movement, and as members of the Central Committee will be aware, this question was introduced on the proposal of the Soviet delegation at the last Congress. The Soviet delegation recognises the enormous task carried out by the Commission and, like other delegations, wishes to express its deep gratitude to the Commission which has been able within a limited time and in very complex circumstances to overcome many difficulties and to present a Report which has received the approval of the Central Committee. We should like to pay a special tribute to the immense and capable work of the Commission under the leadership of its Chairman, Professor Karve.

The six Principles which have been formulated certainly mark a step forward, and will enable us to solve more easily the problems which stand in the way of the cooperative movement. They contain provisions which should be equally acceptable to all cooperatives, even those with different political and economic ideas. We note that in certain cases the formulation of the Principles has resulted from discussions in which compromise decisions were made on points which had created friction. The Report would perhaps have been even more effective if it had contained recommendations for the cooperation of cooperatives with all progressive forces which are struggling against militarism, colonialism and racism.

We must, however, point out that the individual formulations in the Report do not reflect reality in certain cases. To give an example, there is a statement that humanity seems to be groping in the dark. To those who think as we do, this is quite clear. The objections voiced by the Finnish and Belgian delegations to the Resolution of the Central Committee are, in our view, not convincing, and we consider it would be most useful if these objections were not taken into consideration, so that the Resolution may be accepted unanimously. *Centrosoyus* proposes that the Report and Conclusions of the Principles Commission be accepted unanimously by Congress.

Mr. J. J. A. Charbo, Holland: My delegation is of opinion that the Report and Conclusions submitted by our Commission are a wise document, broad in thinking, copious in wording and providing a good balance. To our way of thinking they can be called liberal, in the best sense of the word, and humane. The Commission's remark that the spirit is more important than the letter is an example of wise words resulting from wise and broad thinking. Not only is there wisdom in them, but common sense as well. For example, if it is said that no compulsory membership should be accepted, an exception is made for emergency cases, so that if the general interest requires some compulsion in regard to membership, it may be accepted. It is true, of course, that such wise words demand wisdom and self-control in implementation. Independence from external control is stated to be an important principle, and this, of course, is true.

It is pointed out that, of course, every cooperative organisation is obliged to accept the general law which applies to every business enterprise in a particular country. It may be in some countries that the general rule imposes so many obligations that both for cooperatives and for others not much independence remains and there is only a formal democracy. Without a considerable degree of autonomy, not, of course, absolute, democracy of a formal kind is valueless. It is stated clearly in the Report that cooperative autonomy is a corollary of cooperative democracy.

We regret that this requirement of autonomy does not find expression in the Conclusions themselves. We had thought of presenting an amendment in this respect, and had we done so we might have presented another amendment to insert the word "racial" where various kinds of discrimination are listed. We have decided, however, not to submit any amendment; we think that we should accept the Conclusions and the Resolution as they stand, because we feel that they are the result of thought and discussion, and are in general, and as a whole, acceptable to all of us.

There is a point of importance to be mentioned here. If we accept the conclusions and the resolution, we do so because these Conclusions are the conclusions of a report. It is stated in the Report that the principles belong together, and they do; but the Report and the Conclusions also belong together. If, therefore, there is some important statement in the Report which is not repeated in the conclusions, we think that we can refrain from submitting an amendment, because the acceptance of the Resolution and the Conclusions covers the whole content of the Report.

My delegation, therefore, thinks that the very best way of acting in Congress would be to accept the proposed Resolution, also the Conclusions and the whole of the Report as they stand, and we hope very much that they will be accepted by a unanimous vote.

Professor G. Blank, U.S.S.R.: It is with great pleasure that I am present here and participate in the work of the Congress, and it is with deep gratitude that I thank you,

Mr. President, for allowing me to speak. I should also like to thank the cooperators of my country, who have entrusted me, together with the other members of our delegation, with the representation of their movement.

We consider that the decision of the 22nd Congress on the revision of the Rochdale Principles, which are the basis of the international cooperative movement, was a timely one. This was shown by the response, and also by the results which are presented to the present Congress. I had the opportunity to join in the work of the Commission in its later stages, due to the fact that one member of the Commission, Professor Kistanov, was taken ill.

I should like to point out that the composition of the Commission, which was approved by the Central Committee, was a sufficient foundation for its successful work, because on it were represented the cooperators of Europe, of Asia, and of America, and thus there was the possibility of taking into account the interests of cooperative organisations from different continents. In the composition of the Commission there was representation of capitalist countries, a socialist country and a developing country. This was an important factor which contributed to the success of its work.

I should also like to point out, particularly as a participant in the work of the Commission, that the results of its strenuous efforts during a whole series of meetings are due very largely to the very capable and well organised leadership which it had from Professor Karve, the Chairman. In the work of the Commission enormous difficulties were encountered, due mainly to the presence of representatives with different orientations in the cooperative movement. The presence of representatives of different philosophies led to rather heated discussions, but we were all permeated by the spirit of cooperation, and this in turn, although we did not understand each other at the beginning, resulted, after an exchange of views in which we expressed openly and frankly and insistently our respective positions, to settling in a number of cases for compromises. We sought these compromises and found them.

As I am speaking after the statement by the Chairman of the Commission, which has stimulated me to address Congress, I do not wish to add to what Professor Karve has said, but I associate myself with the whole of his statement. He has referred to the spirit of cooperation which existed and I think he has very objectively and accurately stated the results of the work. What would give the greatest satisfaction to the members of the Commission, including myself, would be the approval by Congress of the results of our work.

Dr. A. F. Laidlaw, Canada: I am very pleased to make a statement on behalf of the Co-operative Union of Canada with regard to the work of the Commission on Cooperative Principles. I shall make a very general and brief statement, and two of my colleagues, who are both prominent cooperative officers and also practical farmers, will also have brief statements to make.

This is a subject which cooperators in Canada have taken very seriously. We have a very high regard and very deep feelings for cooperative principles and the teachings of Rochdale, and I should like to tell Congress that Canadian cooperators feel so strongly on this subject of principles that we have issued a statement, after two years of study, on social and public issues, which we should like to make available to the I.C.A. for distribution to cooperators anywhere in the world.

I associate myself with previous speakers who have complimented the Commission. Cooperators owe a deep vote of gratitude to the Commission, under the masterful chairmanship of Professor Karve, for the work which it has done on behalf of cooperatives all over the world. We recognise the I.C.A. as the custodian of cooperative principles and teachings and want it to take this as one of its greatest responsibilities, to preserve the teachings of the cooperative movement, seeking to bring together all genuine cooperators around the world under one banner. We should like, however, to say that the I.C.A. should not accommodate itself to any organisation which chooses to call itself a cooperative, and that applies to every country in the world, even my own.

We have some reservations with regard to the Report, and I propose to mention

them very briefly. There are two statements, and perhaps three, in the text which sound very strange to Canadian ears. One is on the question of membership, where it is stated that Governments may intervene with legislation compelling all producers to join a cooperative. To this we in Canada say "Never!" A Government, I think, is sometimes justified in telling a cooperative that it must extend its services to non-members when the Government has made financial grants to a cooperative, and that does not interfere with personal liberty; but for a Government to say to somebody "You must join a cooperative" is real interference with personal liberty, and we say "Never!"

Secondly, it is stated that a credit union may be justified in refusing to admit an applicant known not to be creditworthy. This is contrary to 50 years of experience in credit cooperatives, caisses populaires, and kindred organisations. Thousands of people in my country have been rehabilitated in credit through their credit unions. The time to inquire into creditworthiness is when they apply not for membership but for a loan.

I shall skip the next reservation because of lack of time, and because I want to say in conclusion that we do not consider that the work of the Commission is finished. There is another task to be done. We believe that the Report has to be tidied up, and its language clarified and made more positive, and in many cases decisive and unequivocal. We should like to see the statement of cooperative principles put in succinct, clear and positive language which can be well understood by cooperators all over the world, and which will thereby meet the needs of cooperators in all parts of the world.

Mr. G. Onagoruwwa, Nigeria: I bring greetings from Nigeria, and in particular from the Co-operative Union of Western Nigeria. Owing to unavoidable circumstances, Pastor Latunde, the President of our Union, is unable to be present but he especially asked me to convey to Congress his best wishes for successful and fruitful deliberations, and to assure the delegates that he is with the Central Committee and Congress in spirit.

Turning to the excellent work of the Commission on Cooperative Principles, I have no doubt that the findings and recommendations will influence cooperative thinking for many years to come. It is for this reason only that I call the attention of Congress to the following facts. On the question of control, the Commission accepts that Governments who give assistance either directly, or by way of guarantee, have a right to advise and supervise. The case is very well put, and I have no doubt in my mind about the need for Government supervision and advice; but it would appear that too much emphasis has been placed on the good side of Government supervision, and it is my duty in the interests of my country and of cooperators in the developing countries to emphasise the other side of the question, so that the I.C.A. may address itself to the responsibility of seeing that this side is looked into. Government supervision implies that the officials who supervise cooperatives have a sense of mission. Some Governments in the name of supervision have attempted, however, to enforce particular political beliefs, and there are instances where the whole cooperative movement has been disrupted, in some cases destroyed, in an attempt by a Government to impose particular political beliefs in the guise of supervision. Moreover, some administrative officials concerned with supervision have lacked the human touch, and others are concerned more about their careers than about the cooperative movement. It may happen that there will be in some countries a large body of cooperative administrative officers with their deputies and senior officials on whom the Governments spend more money than they do on the cooperative movement. It is because of these facts that I want Congress to view this question of Government supervision of cooperatives in the developing countries of the world with some caution.

It may be said that in the developing countries it is not possible for cooperatives to function without Government supervision, but can it be said that they so lack intelligence that they cannot do now what the Rochdale Pioneers did many years ago? Certainly not. In some territories where cooperative movements have existed for more than thirty years the organisation remains rudimentary, while the Government department responsible for supervision expands daily. I suggest, therefore, that Congress should appoint a committee

to inquire into the impediments to cooperative movements in developing countries which prevent them attaining self-rule.

Mr. N. Verlinsky, Israel: I begin by joining with previous speakers in expressing great appreciation of the Report of the Principles Commission. The importance of its work is evidenced by the fact that it has succeeded in retaining the Principles of the Rochdale Pioneers as an enduring asset of high ideological value, while at the same time adapting their ideas to the vast social and economic changes which have taken place in the world and, especially today, to the extraordinary changes in all fields of life which have taken place in the years following the Second World War.

It is obvious that the Commission's observations on economic limitations which can affect the admission of members to various cooperative organisations, such as the fixing of relatively high entrance fees or a heavy loading of participation in share capital, will be borne in mind by the national cooperative societies and organisations and will guide them to a moderation of their claims on those applying for admission. I am certain that the privilege of the ability freely to leave a cooperative must be accompanied by a clear decision regarding the obligatory redemption of shares, apart from a certain minimum, decided beforehand, which cannot be redeemed. The knowledge of this may facilitate and encourage new members to join the society.

In the topics discussed in the section on politics and religion there should be included more definitely the question of race. The whole of the topics do not lie on the fringe of the cooperative movement's proper concerns, as is suggested in the Report, but must constitute one of the main principles of the movement in our divided world.

I doubt whether the suggestion that Government representatives should sit on boards of management when financial help is being given, to which the Commission refers, is compatible with the independence and democratic administration of a society, because the authority of the Government representative, or representatives, will always outweigh that of the other members of boards of management.

Cooperation is facing the need to adapt itself to the changes taking place in all sectors of life, and first and foremost in all sectors of society and technology. It must preserve its democratic and voluntary character. During the early days of the movement the sense of the value of the work being done had a great influence, and it is essential to renew and strengthen this sense. A sense of the social content of the cooperative movement is of the first importance. What is needed is a harmonious and connecting link between the present age of technology and the bygone days when cooperation was an idea illuminating the way ahead. Cooperation remains a means of social progress. I hope that the Report of the Commission will encourage the renewal of the ideological content of the cooperative movement and its principles and activities.

Mr. S. Miana, Italy: The Lega Nazionale delegation came to this Congress with a mandate to support the recommendations in this Report and, therefore, we are interested in the general lines of the Report being accepted as the guiding lines of the cooperative movement. We have been able to study the Report in recent months in order today to express a final opinion.

The ideological content of the Report seems to us excellent and we feel that the principles of the cooperative movement are fully reflected. An historical survey has been made, and the changes which it is suggested should be introduced in the principles seem to us to be valid.

We feel that the adoption of the principles outlined in the Report, and cooperation between cooperators, may be important factors in eliminating capitalistic and managerial pressures.

We feel, however, that a paragraph should be inserted in the Recommendations to ensure that reserves shall not be distributed and that on the dissolution of a cooperative society the reserves should be given to another cooperative society or to a public non-profit-making organisation. We have handed in an amendment to this effect.

Mr. R. L. Marshall, Great Britain: Even under the urgent pressures of time, I think that my first word must be to express to Professor Karve the gratitude of the British delegation for his reference to our friend and colleague, Mr. Bonner. We are grateful for what he has said and wish to share in this tribute. As I was sitting in this hall of marble splendour, thinking of the loss which we have suffered through the death of Arnold Bonner, there came into my mind another great building in London, the architect of which is commemorated by a small tablet inside the building, St. Paul's Cathedral, which simply reads "Si monumentum requiris, circumspice", "If you seek his monument, look around you." Do we seek a monument to our colleague Arnold Bonner? In this marble hall if we seek his monument we have only to look around us. The power of his cooperative preaching reached many thousands of students from all countries, and these students are represented today in this hall, on the platform and on the floor of the hall and among the delegates and visitors from many countries, from Sweden to Tanzania, from Finland to India, from Cyprus to Ceylon, and from Scotland to England. Equally, when we look around the unique range of scholarship which he brought to cooperative studies, all of us in Britain and in other countries will feel diminished and impoverished by the loss of this friend and colleague.

We believe that this Report should be welcomed for both its aspects. In its first aspect it seeks to collect and codify a great range of practice and principle of the movements of different countries, and it embodies this in a liberal, flexible, extensive and inclusive way. The criticism may be made that it is sometimes too flexible, extensive and inclusive, but that is simply an excess of virtue.

Its second aspect is equally important. It emphasises implicitly and explicitly that our past is the seed of the expression of these principles, and addresses itself particularly to the emerging conditions in which cooperative development has to be carried forward. This is a general condition of history and of society, challenge and response, and any organisation, certainly ours, has constantly to face new challenges in new circumstances surrounding it, and has to seek the new response which is appropriate to that challenge. The main emphasis of this Report is to place that duty on us.

Let us take one example out of many which might be taken. It is taken from the section on education, in the third paragraph of which the Commission seeks to define the categories which should be the areas of cooperative training and education, and it defines the second category in these terms: "There are, in the second place, the office-holders, whether they are the members' elected representatives or professionals employed by the cooperatives." It brings together in one category for attention elected representatives of members and the professional managers.

On a simple level of cooperative organisation it may be possible to group these two categories, but on any advanced or developed level of cooperative organisation it is more important to distinguish these two groups than to bring them together, because the functions of managers are different from the functions of directors and, therefore, equally their training must be different. The function of the elected board of directors is that of scrutiny, of decision, of communication between the central administration and the members. Alongside that is the duty of the manager to formulate proposals for development which can be taken to his board and, given the decision of the board, efficiently to carry out the executive requirements of that decision. These functions are different and require different training, and the danger of a director pretending to be a manager is equalled only by the danger of a manager pretending to be a director. It is necessary for us to make this distinction.

There was over a hundred years ago another Congress of Vienna which may perhaps have met in this hall. It did not make much progress, and a French statesman said, "Congress dances, but it does not move." I think that the Commission is warning us that we first have to speak in order to make our definitions, but having spoken we have to make a movement in translating our definitions into practical action appropriate to our circumstances. In Vienna let us accept its Report and Recommendations.

Mr. J. Voorhis, U.S.A.: I should like first to pay my tribute to the Commission for

what I believe to be an excellent piece of work, and to say that the Cooperative League of the United States will support the Resolution composed by the Central Committee for approval by Congress of the Recommendations and Conclusions, and pass them to the Central Committee and the Executive for consideration in drafting any necessary amendments to the Rules.

In paying my tribute to the Commission, I wish to do so with reference especially to its exceedingly able Chairman, and to point out that when we speak of developing and developed countries we should preface those words with the word "economically." It may well be true, and Professor Karve is a living expression of this fact, that some of the so-called economically developing countries are spiritually and mentally developed beyond the more advanced economically developed nations.

Secondly, it should be made clear that our task is not to decide what we are doing and then say that it is right, but to decide what is right from the point of view of cooperative principles and then lay down a statement of principles to which all true cooperatives will be supposed to adhere.

Having said this, I must, with great respect for his intellectual attainments, disagree with Professor Lambert when he says that it is possible for a cooperative organisation to be married to a political party without one of two dangers taking place, the political party swallowing the cooperative, which will then cease to exist as an independent entity, or the cooperative swallowing the political party, when it will suffer from indigestion and upset stomach, and will regard itself as dependent on decrees and legislation instead of the more difficult task of building a true cooperative.

Among the most significant words in the Recommendations of this Commission are those in paragraph 4 of Part III, where it says: "Surplus or savings, if any, arising out of the operations of a society belong to the members of that society." To my mind, that is fundamental; it is the principle of the patronage refund, which a British Prime Minister, Gladstone, described as the greatest economic mark of progress of the 19th century. We ought not to lose it in the 20th Century. It is to be taken for granted that one of the first charges on surplus or savings is the setting aside of money for an educational fund, but beyond that the Commission states that the surplus may be used for the development of the business of the cooperative, for the provision of common services, and for distribution among the members in proportion to their transactions with the society. In my opinion, and I believe that I reflect the thinking of the delegation which I represent, either of the first two methods of distribution, for the development of the business of the cooperative or the provision of common services, are only another way of talking about what we in America and people in other countries refer to as deferred patronage refund. A deferred patronage refund is like the construction of a power dam across a river; it means that the money can be used twice, just as the water which is stored beyond the power dam is used twice, once for the generation of electricity and again to irrigate the fields. A deferred patronage is the best kind of refund in many cases. It belongs to the members but may not necessarily be paid to them in cash; it may be the means of their owning a sounder cooperative, which owns an oil well or refinery or some other facility which is more important than money for the immediate profit of the members. From this point of view I subscribe heartily to the Report of the Commission and feel that it has made clearer to us than ever before what this great principle means.

In the world today, the great need is for a kind of economic institution in the ownership of which any family, regardless of how little resources it may have, can fully participate, and thus create a kind of social capital of a non-State ownership nature, of a private nature if you like, in which the whole of society, if it has the chance to do so, can participate. This is the genius of cooperation and the kind of institution created by the deferred patronage refund which the Commission has so clearly called for, whichever of the three methods for the distribution of savings may be used.

Mr. M. A. Gilboa, Israel: According to a great Greek philosopher, man is by nature a cooperative being; he is sometimes a social or anti-social being, but every man is essentially a cooperative creature. Cooperation should be universal, without any arbitrary

barriers. That is why we suggest what we regard as an important amendment to the first new cooperative Principle; we suggest the addition of the word "racial" in order to emphasise the fact that the I.C.A. is against racial discrimination, just as it is against any other form of discrimination. Cooperation should not suffer any form of discrimination, political, religious or racial.

The United Nations many years ago voted against racialism, and there has been an honourable record in this respect in some parts of the world; but sometimes racial prejudice is found, perhaps unconsciously, in every one of us. I will say frankly that a year ago within the cooperative movement in Israel there was trouble because amongst the members of one collective settlement were some who hesitated to accept an Arab as a full member. In these collective settlements there is a common dining room and people live and work together, just as they did 2,000 years ago. The Israelis have tried to live according to the Rochdale principles but some found it difficult to live together the whole day with a man of different national culture and mentality. However, he was accepted as a full member, and all the members worked together because we believe that it should be possible for people of any race or religion to be members of cooperatives. We shall be very grateful if the I.C.A. will accept our one-word amendment. I believe that the Rochdale Pioneers found a source of inspiration in the Bible, which teaches us that all human beings are created on the same lines; we are all the children of one Father and we are all brethren.

The President: I have to inform Congress that the amendment to which Mr. Gilboa refers was reported to the Central Committee and has been dealt with by the Congress Committee. It will come before Congress as an amendment and we sincerely hope that there will be no difficulty about accepting it.

Mr. N. Thedin, Sweden: I have pleasure in paying tribute to the Commission, which has done excellent work. It has given us a Report which stimulates thought and action, and it is a pity that we have such a limited time in which to discuss it. There are many parts of the Report on which I should like to dwell at length, such as the chapter on the disposal of surplus, one of the really fundamental Rochdale Principles. In Sweden the implementation of this Principle has recently aroused a lively theoretical and practical discussion. I should also like to refer to other chapters such as neutrality, reserve funds, cash trading and mutual cooperation, but time does not permit, so I shall devote the few minutes at my disposal to a mild and respectful criticism of the chapter headed "Business Practices" which is dealt with in paragraph 5 of the Resolution.

The Commission recognises that the old principle of honest business practices, of purity and good quality is important also today in countries where the government has not yet been able to deal effectively with adulteration. The rise of consumer protection associations in several countries is referred to as a proof of the suspicion by consumers of manufacturers. The Report concludes, therefore, that there is a need for a cooperative movement which can supply reliable products. That, of course, is true, but to reduce this important issue to a problem of adulteration and of the ethics of cooperative business is to shut our eyes to the ever-growing importance of consumer education and information.

In developing countries the problem of adulteration is acute, but even more important is the whole complex of problems connected with malnutrition and under-nourishment, and in this connection consumer education comes to the forefront. The same is true of the industrialised, and in some cases affluent, countries of the West. There is a large and growing awareness of the need for consumer information and guidance, which in turn motivates governments to take special action and causes the establishment of associations for consumer research and information.

What should be the attitude of the cooperative movement to this need? The true purpose of all economic activity is consumption. To safeguard a high standard and quality of consumption, and here I refer to both material and cultural values, is the goal of the cooperative movement. The pursuit of this purpose cannot involve only economic action; but the organisation of production, credit and distribution is also a question of

education and information aiming at the creation of a critical and quality-minded awareness among consumers. But this does not refer only to consumer cooperation.

The Swedish Agricultural Cooperative Association opened its test kitchen recently and the inaugural address was given by one of the best known consumer educators, Esther Pederson, whose theme was the quality of consumption. It seems to me that the obligation that a true cooperative movement has to safeguard quality and to work for consumer enlightenment should be clearly reflected in these principles. This could easily have been done by establishing a link in paragraph 5 of the Resolution between cooperative education and consumer education. The Report would have been even more valuable if that had been done, because this is a problem of great and growing importance and the cooperative movement will lose support and goodwill if it does not recognise this.

I cannot conclude without saying that we all have to congratulate the cooperative movement on the Report of the Principles Commission.

Mr. S. Kiuru, Finland: I ask for your attention for a few minutes in order to underline the importance of one of the Rochdale Principles, that of cash trading, which is not emphasised in the Report or in the Congress Resolution. The Commission considers that the Principle of cash trading has lost so much of its significance that it should be excluded from the Principles. So far as consumer cooperation is concerned, that is not at all self-evident. Although the Commission has treated the Principle of cash trading under the heading of "Business Practices" we must bear in mind that one of the most important tasks of cooperation is to try to educate its members to be citizens, and to run their private households sensibly. That means that cooperation should attempt in its own activity to eliminate every possibility of members spending more money on everyday consumption than they can really afford. If the Principle of cash trading is excluded from cooperative principles, I would point out that there are very few countries in which the standard of living has reached so high a level that a large part of the population have a financial position such as to make the Principle of cash trading unnecessary.

In addition, it must be borne in mind that the starting point of cooperation was originally to protect people of small means not only against outsiders but also against their own ignorance, and the Principle of cash trading cannot be considered only as a business practice. In my opinion, the resolution replaces some of the old important principles of our movement, and amongst them that of cash trading.

We should ask ourselves whether it is essential to come to a final decision on the principles at this Congress. It is naturally a good thing that the Commission has been unanimous in its recommendations; we must, however, have the courage to face our problems openly. I should, therefore, like to second the proposal made by the Finnish cooperative organisations and moved by Mr. Jalava.

Mr. B. Trampczynski, Poland: I wish to present to Congress our observations on some of the Conclusions of the Commission on Cooperative Principles, observations which, amongst others, take into consideration to a great extent the specific character of different types of cooperatives, in particular workers' productive cooperatives and housing cooperatives.

Therefore, whilst approving generally the Report of the Commission, it would be useful, in our opinion, to take these points into consideration in drafting rules and other relevant documents.

Firstly: the wording of the first Principle concerning admittance to a cooperative is generally correct. But one must take into account the fact that, for instance, in cooperatives of production and in housing cooperatives, admittance to membership can be limited under two aspects – the capacity of the person wishing to join a cooperative and the limited possibilities of the cooperative itself. In the first instance, a person desiring to join a cooperative of production must have the ability and skill required to take up a specific trade. In the second instance, what matters is the possibility of obtaining employment or a dwelling. It seems, therefore, opportune to explain clearly that admittance to a

cooperative is possible only within the limit of the actual economic possibilities of the cooperative.

Secondly: the wording of the Cooperative Principles proposed by the Commission is intended to assure to the cooperatives their essential characteristic features. But there is another problem, that of assuring the development of the cooperative. The wording of the Principle concerning the creation of funds and the distribution of the surplus does not fully guarantee this development. Emphasis should be placed on the importance of the indivisibility of the social funds of a cooperative as a decisive factor for its development. It must not be forgotten that the indivisibility of the social funds also provides additional essential links between the members and the cooperative.

Thirdly: as regards the Principle of the distribution of surplus between the members, we think the fact that only one basis of distribution is mentioned is due to the very brief wording. There are, moreover, some cooperatives which have no transactions with their members, as for instance cooperatives of production to which the members bring only their labour. We feel it would be appropriate to give some general indications in this respect, so that the distribution of surplus among the members may be carried out in proportion to transactions with the cooperative, or else according to another method practised in the relations between the members and the cooperative, but always in proportion to the contribution of the members.

If our observations can be taken into consideration, the statements in the Report of the Commission will be better expressed in the Conclusions.

Mr. J. Podlipny, Czechoslovakia: On behalf of the Czech delegation, I would like to express our appreciation of the excellent work achieved by the Commission on Cooperative Principles.

The Cooperative Principles of the Rochdale Pioneers had their origin in the activities of the consumer cooperative movement. Without taking into account that, in the course of a decade, they were in certain directions passed over and have since been obsolete, their application in some types of cooperative, such as agricultural, artisanal, productive and housing, was rigorous and non-organic.

This was the cause of misunderstandings and even of serious contradictions, today as in the past, between the member organisations as well as within the International Co-operative Alliance.

But after having studied and evaluated the new Cooperative Principles submitted by the Commission, we can see a real progress.

We are in full agreement with the accentuation of the democratic and voluntary character of cooperatives, the reaffirmation of the limitation of interest on capital, and the Principle of distribution of surpluses.

We regret, however, that the Commission has not proposed to mention in the introduction of the Principles the definition of the cooperative as an organisation of workers of which the aim is to serve them and to have their interest at heart.

Is it not true that, even in the first article of the Rules of the Alliance the Cooperative Movement is regarded as anti-capitalist? In view of this, it would be useful to underline, in the new formula of Cooperative Principles, that cooperators must participate in the struggle for the elimination of the capitalist regime or, in the terminology of the Rules of the Alliance, of the profit-making regime.

Regardless of these considerations, we will vote in favour of the new formula of Cooperative Principles proposed by the Commission.

Mr. P. Appavoo, Singapore: It gives me great pleasure to stand here among the great cooperative leaders of the world and to speak as a fellow cooperator. I represent a very small island which is situated at the very end of the Malaysian peninsular and has an area of only about 240 square miles. It is only a dot on the map of the world and nothing more, but it has a population of 1.2 millions, equal to that of Vienna, composed of all the nationalities of the world.

Let me assure you that the Cooperative Union of Singapore is doing its best to

further the cooperative movement, keeping within the framework of the Principles of Rochdale. There is great need for cooperative education and mass media, and I feel that the I.C.A. should seek the help of the United Nations in propagating the necessity for Governments in the different countries, and especially in the less-developed countries, to make a contribution to the cooperative movement so that the tasks of cooperative societies, whatever their form, will be rendered easier.

Another important Principle is neutrality in politics and religion. In our country there are diverse nationalities and religions, but we live as one happy family and enjoy equal rights of worship. In my opinion politics should never interfere with the cooperative movement, because only then will the officers of the movement be free to work for its unification and furtherance. It is a pity that the big powers tend to bring their superior might into the cooperative movement. If only they would think in terms of the Principles of Cooperation many problems could be resolved with the minimum of trouble. I appeal to all peoples to uphold an ism, namely cooperativism, so that each and every one of us, irrespective of national, religious or political affiliations, can subscribe to the ideology of cooperation. That would be a happy augury for the deliberations in this Congress and those that will follow.

There is one very important guiding principle to be followed by all nations, if it is followed we shall help one another and avoid all difficulties. It is to do unto others as we would wish others to do unto us.

Mr. M. Ivanovic, Yugoslavia: The Yugoslav delegation believes that the Commission on Cooperative Principles has accomplished a big task in presenting a detailed and well documented Report, as well as having proposed Principles which Congress should accept.

In his inaugural speech, our President, Dr. Bonow, stated that since the Second World War we have had a second industrial, technical, economic and social revolution, and I entirely agree with the ideas he has expressed on this subject. But if we consider the economic and social changes over the last 120 years, that is since the foundation of the Rochdale Principles, we see that in all parts of the world a new approach to the Cooperative Principles is demanded from the I.C.A. Also, in view of the development of the cooperative movement which is expanding and progressing throughout the world, cooperative principles must be adapted to this progress.

During the Congress, a number of speakers have emphasised the main problems of the principles of the cooperative movement. Therefore, I suggest that the general principles now proposed should be accepted and that the movement in each country, within its own limitations, proceeds to formulate concrete principles for the different types of cooperatives.

To clarify the question, I believe there are two fundamental Cooperative Principles, namely voluntary cooperation and democracy. It is the duty of the I.C.A. to insist upon these two Principles in particular, whilst the others may be regarded as directives. In other words, that these other Principles do not constitute doctrines but, rather, a kind of incentive for action.

I also suggest that Congress should decide that the Commission on Cooperative Principles of this important and urgent problem must continue to work toward a solution.

Mr. S. Apelqvist, Sweden: Having been for 20 years a member of the Central Committee and of the Insurance Executive, I want to make a few remarks about the proposed resolution, of which paragraph 6 says: "All cooperative organisations, in order to best serve the interests of their members and their communities, should actively cooperate in every practical way with other cooperatives at local, national and international levels."

I take that to mean that we have to act in such a way as to strengthen our common cooperative forces. Competition between cooperatives may perhaps in some cases be of advantage to the consumer, but generally cooperative enterprises should not compete

with each other. Nevertheless, it is a fact that for some years cooperators in close connection with capitalist firms have operated in open competition with other cooperative undertakings, and this arouses serious critical comment in international cooperative organs.

The formation of the Common Market for Western Europe may compel western cooperative enterprises to work together even more rigorously and intimately than is the case today, in order to become stronger and more efficient in their competition with large internationally-operating private companies. In such a situation we cannot afford to deal with cooperatives affiliated to the I.C.A. as competitors in the market, hand in hand with representatives of capitalist firms. Free competition cannot be accepted as an excuse for disloyalty amongst cooperatives. It is an important task for us within the various fields of the I.C.A. to study and to clarify both the practical methods of how to collaborate in the future and also how to avoid destructive criticism between cooperatives. Cooperation amongst cooperatives must be more than an ideology; it must be a motivating principle and a commercial reality.

I would add something to the Report given to Congress by the Chairman of the Insurance Committee by saying that the principal and practical question of cooperation among cooperatives was on the agenda of the Insurance Conference held last week. I mention this in order to tell you that, in my opinion, it is very important that we who are in the insurance field should try to co-ordinate our work with the general activities of the I.C.A. Personally, I am convinced that the discussion of cooperative principles in this Congress can be of great value for our cooperative progress.

Mr. K. Leu, Switzerland: I am a member of the younger generation of cooperators and am happy that during this Vienna Congress I have been able to partake of the fresh fruits of cooperative thought, fruits that have matured in the sunshine of Africa, no less than in the busy cities of Europe, that have grown on the coasts of North America and the wide plains of Russia. I should like to pay tribute to this wealth of thought.

If I say this, I do so quite consciously of the fact that the enormous work done by the Commission has been supported by all members of the Swiss delegation. If I make a few comments, it is merely because I hope that we shall succeed, by minor changes of wording, in bringing more sharply into relief a number of principles in order better to reflect the thoughts and ideas of the Commission. I shall limit myself to two points, membership and democratic management.

We all know that wherever consumer cooperatives and all other forms of cooperation have succeeded in bringing about good results, there have been two main factors concerned, on the one hand active participation and loyalty on the part of the members, and on the other, ability and an honest attitude on the part of responsible managers and directors. These facts should be expressed in points 1 and 2 of the Recommendations, and I, therefore, suggest that the Commission should make a minor amendment in point 1, where it is said that membership should be open to all persons who are willing to make sufficient use of the services of a cooperative.

I remember the time that I spent with Mr. Barbier in Dahomey, and I recall the words he addressed to the young cooperators of Africa, "You have to keep talking to cooperators and to have a continuous exchange of thought and ideas, but who are the cooperators and what are cooperatives? Whether in a developing or in an industrialised country, cooperators are of necessity persons who are deeply involved in the economic activity of cooperatives, who participate in cooperative activities, and if we do not manage so to organise our membership that we are able to rely on active members, there is a risk that we can talk to cooperators, but we shall be talking in a vacuum." I feel that we should use this wording and say that cooperatives should be managed by persons who have the necessary qualifications and whose cooperative attitudes are adequately proportionate to the task to be fulfilled.

That is the second key to success and the second lesson which we can draw from past experience and I should be very happy indeed if Congress were to contribute to this progress. We should not rest on our laurels and use words of praise for the achievements

of the past, but should endeavour so to direct the future of cooperatives that their efforts will be crowned by success.

Mr. S. Nakabayashi, Japan: I have read the Report of the Commission on Cooperative Principles with great interest, and the studies carried out by the Commission give us valuable indications with regard to the future development of cooperation. Social and economic conditions are now subject to much greater change than in the days when these matters were discussed by the Rochdale pioneers. There has been a great deal of social and economic change and a great many new nations have emerged. Capitalism has developed a great many monopolies, and capitalistic monopolies give rise to many evils. They endeavour to hamper the growth and development of cooperatives, and this gives rise to many of the problems which confront us. In stating cooperative principles we must consider what we can do to develop cooperatives while trying to overcome these difficulties. It is not enough, therefore, for the Report to indicate traditional or conventional Principles.

I agree with that part of the Commission's report which speaks of neutrality in politics and religion, but, of course, neutrality carries overtones of passivity and indifference, whereas the free and active participation of members is essential to the development of cooperatives. Neutrality could refer to the political or religious activity of an individual or of the cooperative movement as a whole. In Japan we have a large number of political parties and a great number of new religious sects. They would like to use cooperatives to expand their own movements and so we must uphold the Principle of neutrality.

We regret that these points have not been mentioned in the Conclusions. We hope that later on there will be an opportunity for us to discuss and to lay down these Principles, one of the most important of which is that of free participation, the Principle that there should be political and religious freedom. This should be laid down once and for all.

Dr. L. Valko, U.S.A.: The American delegation had an earlier opportunity to express the belief of our cooperators about this important subject of the new formulation of cooperative principles, and Mr. Cowden participated, as a representative of the Cooperative League, in the Commission. We are of opinion that the Report submitted by Professor Karve is an excellent and progressive document, the result of very hard work and theoretical study. It will provide a positive basis for further work, because it is the beginning rather than the end of the important task in the cooperative world of accepting a new formulation of the guiding principles of modern cooperation.

Besides expressing the general satisfaction of the American delegation with this Report, and praising in particular the brilliant work of the rapporteur, Mr. Watkins, in putting together in logical form the different opinions expressed, I have also to say in the name of our delegation that we have the same restriction or membership limitation in our credit unions as Dr. Laidlaw has so precisely expressed in dealing with the principles which govern our action in North America.

During the last 16 years I have worked primarily in the field of cooperative theory by teaching cooperative theory and practice in one of the largest universities in the United States. In addition, I have visited most parts of the world to meet cooperators and to study their movements, especially as related to cooperative education and training and cooperative legislation. Last February I finished such a tour, which lasted for seven months, during which I had visited 35 countries in Asia, Africa and Europe. There are many distinguished delegates in this Congress whom I had the pleasure of meeting personally in their countries and with whom I had the advantage of exchanging opinions and ideas on cooperation. Based on the experience of my long work in cooperative education, I take the liberty of adding the following brief personal remarks to the recommendations of the Commission.

First, it is very important to emphasise clearly the voluntary character of cooperative organisations. The old membership formula was somewhat dubious and not generally accepted. Secondly, the omission of the cash trading principle is very practical, in our

opinion, because in modern cooperative management it is not practised at all. It may be important in some countries, and particularly in some developing countries, but this is rather a policy of operation than a principle.

On the negative side I would make the following observations. Political neutrality, one of the most disputed questions in cooperative theory and practice, should be more emphasised, probably again as a separate single principle than in the somewhat ineffective and brief reference included in the first recommended principle. Mr. Voorhis spoke about the alternative systems for the distribution of surplus. I think that not enough emphasis has been placed on the fact that cooperatives are primarily voluntary organisations of individual members. There is no reference in the Report to the basic differences between cooperatives and collective organisations, which is a very important question. From the practical standpoint of education I still believe that, contrary to the recommendation, guiding principles should be crystallised in a very short formula with a few precise words and not long sentences.

I would use this opportunity to inform Congress that a week from today, an international forum of cooperative scientists and technical research workers will discuss in Hamburg the same subject that we are discussing here, the modern formulation of cooperative principles. Professor Henzler, a member of the Principles Commission, will deliver a paper. I hope this meeting in Hamburg will bring up constructive and probably new ideas or suggestions which it might be useful for the Alliance to consider in formulating the final Recommendations for modern Cooperative Principles.

Dr. W. Sommerhof, Chile: I would first mention the great interest this Report has for those associated with cooperative development in Latin America. We intend to have it translated into Spanish for widespread distribution. We wish also to place on record our gratitude to the members of the Commission.

With regard to the Conclusions of the Report, we regret that no principle has been laid down concerning business practices. It will be recalled that the Rochdale Pioneers themselves referred to cash payment, selling at market prices, high quality, exact weight, etc. I think this omission is due to the fact that the strict Rules set down by the Pioneers were considered as a principle, and not in the sense in which they should have been interpreted. I believe that the principle was in fact the establishment of strict rules for good business practice in regard to the prevailing economic situation, and for the benefit of the members. In Spanish there is a saying of not seeing the wood for the trees; what matters of course, is the wood.

The rules for good business practices should not only vary as to the kind of cooperatives, but must also be related to the general economic situation of each country. For this reason they are also subject to revolutionary changes. For instance, in a Scandinavian country, where there are many ways open for consumers' cooperatives to attract savings from members for future expansion, an active price policy may be the best rule in their members' interest. On the other hand, in a developing country, where saving capacity or habits are practically non-existent, a policy of market prices may be recommended in order to obtain savings by means of a higher non-distributed surplus. It is, therefore, clear that each national movement should set up strict rules for better business practices, and this is the principle which should be adopted. In setting up such Rules, the Rochdale Pioneers also showed that not only business advantage has to be considered but also the true economic and social interests of the members.

Furthermore, it is not sufficiently emphasised that the establishment of business rules is a first step towards economic planning, which we know is a must in the world of today. For that reason also, and as cooperatives assume a tremendous responsibility when they start a business on behalf of their members, I think that the Principles should state the duty of formulating such rules. This is specially important for developing countries, where experience in cooperative action is lacking, but at the same time it may be dangerous just to copy rules from other more developed countries because of the different economic background.

For this reason the principle of business practices should be maintained and re-

written on the following lines: "All cooperative branches of a national movement should establish strict rules for long-range planned business practices which provide the best means to secure the development of their cooperative operations and to promote the true economic and social interests of their members." This principle would not mean that the I.C.A. should itself draw up rules for the economic areas but that a technical study should be made for and by each area.

For the success of a cooperative undertaking long-range planned business practices have to exist, and it was their existence which gave success to the Rochdale Cooperative. Perhaps the cooperators of developed organisations are able to achieve this self-understanding, but it was not so in the days of Rochdale, and this was why many cooperative experiments in the early days failed. When it comes to knowledge on economic action, cooperatives in developing countries are very much more in the position of the Rochdale Cooperative in the middle of the last century.

The principle proposed is comparable to that on education. It is not a specific practice as was the rule of cash trading but it is a method of procedure, and just as education is necessary to ensure a better action and more effective participation of individuals, so also long-range planned business practices have to be adopted for the cooperative's operation as a collective body and enterprise in the economic complex.

For that reason I believe it to be of the greatest importance that this principle of long-ranged planned business practices is upheld in the light of the circumstances mentioned. Although the trees may be different, cooperatives all over the world need this wood, these Rules which make their action effective.

Mr. G. Jordanov, Bulgaria: We live in a world of great revolutionary changes and we are now in an entirely new epoch in the development of human society. Cooperation continues to achieve greater success in the countries of monopolistic capitalism; success is also achieved in the socialist countries. In the work of the Commission there was a wide participation of national cooperative organisations from many countries, and as a result a new formulation was possible. We are in agreement with these basic Cooperative Principles.

The Bulgarian movement is guided today as in the past by these Principles. Membership of a cooperative organisation should be free and accessible to all those who wish to use its services and who agree to accept the responsibilities of membership.

We see here also the confirmation of the important Principle of democratic administration, and we thank the Commission for having achieved a better formulation of the Principle concerning the distribution of the surplus arising from the operations of a given cooperative. What is envisaged is the Principle of distribution according to the conditions under which the cooperative works. It may devote part of its surplus to the development of social services for cooperators or it may distribute it to the members according to their economic activity in the cooperative.

We also share the Commission's view in rejecting the out-of-date Principle of neutrality. There are conditions in which cooperatives cannot be neutral or indifferent to the policy of the government and the social structure which does not uphold the Principles of Cooperation. It is only natural that they should wish to struggle actively against conditions which are not favourable to them.

It is with great pleasure that we support the new principle that every cooperative organisation should cooperate with other cooperatives at local, national and international levels. This is vitally important for the practical activity on which depends the success of all those involved in the cooperative movement. It is important to see that this modern principle finds the fullest possible acceptance by means of a specific programme, and steps must be taken to ensure its successful implementation.

We propose the following formulation of point 6 of the Resolution: "Each cooperative organisation should by all means actively cooperate with other cooperatives on the local, national and international levels in the struggle for peace along with all the peace-loving forces and organisations, in the fight against capitalistic monopolies, in expanding

international cooperative trade and cooperative institutions generally, and in fostering and supporting the cooperative movements of the developing countries.”

Mr. J. Jacques, Great Britain: May I, under Standing Order No. 17, formally move “That the question be now put”?

Mr. A. Bo, Denmark: I second the motion.

The President: I have a motion “That the question be now put”, and according to Standing Order No. 17 we have to proceed to take a vote on that motion.

The motion was carried by a show of hands.

Reply to the Discussion

The President: Congress having decided to close this discussion, I will call first upon Mr. Hietanen from Finland, then upon Professor Lambert from Belgian, to reply to the discussion on the amendments. After that I will give the floor to Mr. Southern, before proceeding to a vote.

Mr. L. Hietanen, Finland: It is true that we may be a little old-fashioned and in some ways obstinate, but it has been a little difficult for us to give up some of the old principles which have been in use for more than 100 years in the cooperative movement, and which are still today the foundation of our activity. It is also difficult for me, personally, after working some five decades in the cooperative movement. As Mr. Jalava said when he spoke on behalf of both Finnish organisations, the principles are not only instructions for action but are also objectives.

The situation is a little difficult at this Congress, especially in view of the short time at our disposal and the number of amendments before us. We in the Finnish delegation, therefore, feel we should make a proposal on the following lines: that, instead of the words “Congress approves the Recommendations and Conclusions”, etc., in the third paragraph of the preamble, we should say: “Congress, confirming that the Rochdale Principles as adopted at the 15th Congress in Paris are in full force, approves the Recommendations and Conclusions made by the Principles’ Commission for common practical guidance as follows” – the Resolution would then flow on as set out by the Commission.

We hope Congress will accept this addition to the preamble, thus facilitating the work of the Congress and avoiding the taking of a decision which would not be unanimous. The suggested wording is probably not quite as good as it might be but we should be pleased to discuss it with the Congress Committee.

The President: Professor Lambert will not reply to the discussion as he was given extra time when moving the Belgian amendment, and he has just been informed that the Italian delegation have withdrawn their amendment in favour of the Belgian amendment. I call on Mr. Southern to reply to the discussion.

Mr. R. Southern: As the first speaker, Professor Karve again rendered material help to Congress by presenting to us a most competent summary of the considerations in the mind of the Commission, and of its Conclusions, showing the obvious advantage of having a trained mind brought to bear on our fundamental affairs. To Professor Karve and his colleagues on the Commission, and to Mr. Watkins, I would say this: that their names will for ever be linked with this historical masterpiece which now comes within the documentation of the I.C.A.

I shall not comment on the many excellent speeches of commendation, nor on the declarations of faith which have been made, nor on the more inspirational passages in the discussion. It would be superfluous and presumptuous on my part to do so. I will, there-

fore, deal only with the points which have a bearing on the decisions we shall shortly be making.

The first point of interest came from Mr. Applegate of Rochdale and it concerns, I think, an unintentional omission on the part of either the Commission or the compilers of our Agenda. We do not describe the proposed set of Principles as the Rochdale Principles. I think we should continue to do so. Rochdale means something throughout the civilised world and we shall do well, I think, if we continue to identify our Principles with Rochdale. We should, therefore, continue to use this description.

The views of our Finnish friends are well understood and there may be considerable sympathy for them. It is often said that nothing important should ever be done in a hurry, and our Finnish friends are virtually asking for another three years for debate on the Report and on the Principles. But at some time we must come to the issue and make up our minds, and because the time cycle of the International Co-operative Alliance is a triennial one, it seemed to the Central Committee that this should be the Congress at which decisions should be made and that we should not defer them for another three years. Furthermore, the concept of our Finnish friends would virtually constitute the Central Committee as a new and larger Commission to evaluate the Recommendations of the Commission and any submissions to be made by the national organisations. That is not thought to be a proper task for the Central Committee.

We were then asked to say if the new Principles for adoption would be incorporated in the Rules of the Alliance. The process will not be automatic but it will now be for the Central Committee to study the present statement of Principles and decide, in the light thereof, as to any amendment which may, or may not, be necessary to the Rules of the Alliance.

Out of its turn I would now like to take the submission made by Mr. Hietanen, who wanted Congress to say that the decisions of the 1937 Congress in Paris continue in full force, and that the decisions reached today should be for common guidance. That seems again to be aiming at delay in reaching firm decisions on the Central Committee proposals. The Central Committee does not wish for delay and desires me to ask Congress to vote against this amendment.

Various points were raised by Professor Lambert, and in passing one must pay tribute to him for the diligent way in which he has studied this question of Principles and the manner in which his thoughts have been presented in Belgium and expressed to other countries.

Professor Lambert was concerned about the loss of the description "Rochdale" to our Principles, I have dealt with that point and I think we should put it right by usage.

A further point in his submissions was that under the heading of membership something should be said about political and religious affinities. I think it would be unwise to do so, for there would need to be so many qualifications to take care of so many different situations in so many countries that the statement would become impossibly long, and I think that here we should draw a sharp line between statements of principle and statements of doctrine. They are rather different things and the Central Committee would prefer that our statement of Principles be confined to Principles only.

Professor Lambert also had a word to say about voting in secondary societies. The Commission makes it plain that "one member, one vote" is the universal principle applicable to primary societies; but it does go on to say, taking account in general terms of the very point Professor Lambert raised, that apart from primary societies the constitutions should be expressed in a suitable form. Those words are very broad and general and will, I hope, take care of the point which Professor Lambert raised.

The information given to Congress by Professor Lambert about the Association of Public Bodies in Belgium was extremely interesting, in that this federation of local authorities is, in fact, a cooperative organisation by reference to the application of our own principles. I do not know, however, if this type of cooperative organisation would wish to be identified with the cooperative movement as we know it, organised within the I.C.A.

The last point he raised was as to surplus and reserves, I think surplus or savings were words used deliberately by the Commission, as members can benefit not only out

of surpluses but by non-profitable services, and again no one should benefit under cooperative auspices to the disadvantage of someone else. The savings in this context, I think, are operational savings and are not in the nature of reserves.

Our Belgian friends are also concerned to see that there should be provision in the principles that reserves should not be drawn upon. That, I think, is a sound business practice, but so far as the statement of principles makes provision for development out of surpluses, there is, I think, the inference that reserves should not be used for any other purpose.

On the point raised by Mr. Kuoppala of Finland, I think I have said enough. It will not be for this Congress but for the next Congress to deal with any consequential changes of rule which may arise on the decision taken here.

We must thank Mr. Denisov and the Centrosoyus delegation for their very full collaboration. Believe me, that makes life a great deal easier! I thought in the course of his speech that he was going to press for the incorporation of some statement on ideologies. There would have been conflict over the settlement of any such statement. But in any case I think our friends in Centrosoyus are wise in deciding that principles should not be used as a vehicle for ideological controversies.

Dr. Laidlaw of Canada made three points, referring to a concept of compulsory membership dealt with in the course of the Commission's Report, but that point does not emerge in the membership principle, which is based entirely on voluntary action. He had a word to say about creditworthiness. In my view, it does not matter when creditworthiness is assessed as long as it is soon enough to avoid any loss.

He also pressed for a more condensed expression of our principles. The present statement is comparatively short. It is difficult to see how it could intelligibly be reduced still further, but I am quite sure that in our future popular usage of reference to the principles we shall not refer to them in their full text but as membership, distribution, democratic control, and so on. In that way we can achieve what Dr. Laidlaw wants in a practical sense without trying to condense the statement before us.

Mr. Onagoruwwa of Nigeria presented to us information which was quite distressing for anyone who has concern for cooperative development. He referred to the overloading of the bureaucracy in certain countries where the movements are still weak and developing. Surely, when there is this situation of more harness than horse, public money is being wasted, and it could be used to much better advantage if it were applied in the training of cooperative members and cooperative administrators. That, I think, is the view which we should express on this situation, which apparently is not confined to Nigeria.

Mr. Gilboa of Israel introduced an amendment which covered a point raised previously by Mr. Charbo and Mr. Verlinsky. That was to insert in the membership principle the word "racial". Surely we must all agree that in our affairs there must be no discrimination on racial grounds as well as on political, social and religious grounds. This amendment is readily accepted by the Central Committee.

To Mr. Thedin of Sweden I would say this. He and so many more in the cooperative movement are rightly concerned with our role in the province of consumer education and enlightenment, and it was his point that we should say something of this in our statement of principles. On balance, I think not, for the statement of principles is couched in sufficiently broad terms as to be able to take care of consumer education, employee education, member education and the education of the general public.

Mr. Kiuru of Finland had something to say about cash trading. This partly has to do with changing practices, and also with education. People should have knowledge that credit is a costly commodity which has to be paid for, but I think we can quite rightly assume that cooperative organisations, because of their very nature, will never put themselves in the position of exploiting the credit needs of their members or of the general public.

Mr. Trampczynski of Poland pointed out the physical limitations which are sometimes necessary on membership. Such limitations were clearly in the mind of the Commission and are referred to in its statement. But in the statement of Principles the Com-

mission makes it clear that what we must object to is the imposition of artificial restrictions. We are not concerned with the operation of natural restrictions but only with those which are artificial in nature.

Mr. Trampczynski raised also a rather tricky point about labour participation in cooperative work. In this context I think there should be no difficulty. Labour is surely as valuable a commodity as anything else and the word "transactions" used in the statement of principles is broad enough to cover not only cash transactions or the exchange of goods but also the supply of labour and its proper reward.

Mr. Podlipny of Czechoslovakia invited us to include in the statement a point dealing with the struggle for the elimination of the capitalist regime. The cooperative movement is doing this every minute of every day. That is our cooperative struggle. But if by these terms there is meant a continuing political struggle, we shall be landing ourselves in very deep water indeed if we ever attempt to incorporate this particular outlook within the Principles of the International Co-operative Alliance.

Mr. Apelqvist of Sweden emphasised the necessity for cooperation amongst co-operatives. It seemed to me that he had in mind something which was not in the knowledge of Congress. Nevertheless, we must regret that in his experience it has been necessary for him to refer to this question.

Mr. Jordanov of Bulgaria raised a similar point to that of Mr. Podlipny of Czechoslovakia. We cannot on any and every occasion believe that the struggle for peace or the fight against monopolies is always relevant. These arguments and ideologies have their place but they seem to crop up on every topic which comes before Congress, and I would with due respect advise a little restraint in the application of this particular outlook.

With those observations I commend to Congress the Principles enunciated by the Commission and adopted by the Central Committee of the Alliance. Congress is asked to vote in favour thereof, and, consequentially, to vote against the amendments which have been submitted.

The President: I will outline the procedure I am going to adopt as regards voting. We will first take a vote for or against the amendment presented by the Finnish organisations, because this is the one which is at the greatest distance from the Resolution.

Mr. P. Kuoppala, Finland: In view of the seriousness of this question and of the decision that is to be made here, I suggest that a card vote be taken.

The President: Under Standing Orders a request for a card vote must be supported by one-fifth of the Congress.

Having asked for a show of hands on the question,

The President declared: I think it is clearly indicated that a card vote is desired.

We will take a card vote first on the Finnish amendment which was moved by Mr. Jalava and is in the printed document. A further amendment was suggested by Mr. Hietanen in his closing speech but that was not accepted by Mr. Southern, as spokesman for the Central Committee.

After the count, **the President** announced: There are 149 votes **For** the amendment and 600 votes **Against**. I therefore declare the Finnish amendment **not carried**.

We will now proceed to the amendment proposed by the Société Générale Coopérative, Belgium. This amendment consists of several paragraphs enumerated 1 to 7. At the meeting of the Congress Committee this morning we were informed by Professor Lambert that paragraph No. 1 is withdrawn.

Lega Nazionale, Italy, had an amendment dealing with the reserves and their non-distribution, but the Congress Committee has been informed that this amendment is withdrawn in favour of the Belgian amendment.

We will now take a vote by show of hands on the Belgian amendment.

(Show of hands)

The President continued: There is an overwhelming majority **Against** and I, therefore, declare the Belgian amendment **not carried**.

We now come to the Central Committee's Resolution, with the addition, already agreed upon by the Committee, of the word "racial" as suggested by Mr. Charbo and Mr. Verlinsky, as well as Mr. Gilboa.

(Show of hands)

The President announced: There is an overwhelming majority **For** the Resolution. I accordingly declare the Central Committee resolution **carried**.

Mr. Barbier wishes to make a personal explanation under Standing Order 25.

Mr. Ch.-H. Barbier, Switzerland: The Swiss delegation have supported the Central Committee's Resolution although not without many reservations and remarks which we had expected to be able to express. A motion under Standing Orders, that the discussion be closed, having been accepted, we were not able to speak.

In view of the importance of the subject for the future of our cooperative movement, we would not like anyone, in the future, to think that we were present but had not spoken.

For this reason, I have to ask the President that the names of delegates who were on his list to take part in the discussion but had not been able to speak be included in the Report of the Congress.

Delegates who had asked to speak in the discussion on the Report of the Commission on Cooperative Principles but had not been able to do so in view of the closure motion were: -

Mr. P. Di Corpo, Italy; Mr. R. H. Boyes, Canada; Msgr. G. Ligutti, USA; Mr. T. Taylor, Great Britain; Mr. R. Ahmed, Pakistan; Mr. Ch.-H. Barbier, Switzerland; Dr. L. Malfettani, Italy; Dr. A. Vukovich, Austria; Mr. J. Inglot, Poland; Mr. A. Mayr, Italy; Mr. M. Jeyve, Canada.

Mr. M. Brot, France, also made a personal statement under Standing Order No. 25: We have just voted on the Belgian amendment which, I must say, made the great mistake of dealing with several points.

In my opinion, the vote of Congress which was opposed to the amendment cannot be said to mean that the majority of delegates accept the distribution of the reserves in the case of the liquidation of societies. I believe the majority vote was due to a tactical error.

**Cooperative
Technical Assistance**

Report

on

Cooperative Technical Assistance

Introduction

At the Bournemouth Congress of the I.C.A. in 1963, it was agreed that the Central Committee should be given a comprehensive picture of the technical assistance rendered by cooperatives in developed countries to cooperatives in developing countries. Accordingly, on February 17th 1965, a questionnaire was sent out to all affiliated organisations with the object of obtaining further detailed information on the aid given by each, and to bring the I.C.A. records up-to-date to the 31st December 1964.

Of the 53 countries affiliated to the I.C.A., 26 may be described as developing or recipient countries, i.e., countries which are themselves in need of help and therefore are not so often in a position to give help to others.

The report which follows is based on the information received to 31st December 1965. It is only a brief summary of what has been done; a full report would occupy volumes. The Report would have been more complete if all to whom the questionnaire had been sent had replied, and on the other hand some excellent and detailed replies cannot be reproduced adequately in such a short summary record.

Only a brief mention is made of the splendid work done in the field of cooperation by the International Labour Organisation and the FAO. Other international bodies have also rendered valuable services, and their reports will be included in our records as and when they come to hand. Most of the specialists employed by these organisations for cooperative technical assistance are recruited from national cooperative movements.

This report is merely a summary of cooperative aid rendered. It is an indication of the material available for a card index which would refer to the full reports. The information continues to arrive and the record becomes, weekly, more complete.

Part I. Cooperative Technical Assistance rendered by National Cooperative Movements and Nationally Based Bodies which render Assistance to other countries.

Austria

Konsumverband reports that in 1964 it sent Austrian Schillings 26,000 (£ 361) direct to developing countries and Austrian Schillings 500,000 (£ 6,944) to the International Development Fund of the I.C.A. The Society distributes books and general literature, and is supporting the Consumers' Cooperative SYN-KA in Greece with Austrian Schillings 18,000 (about £ 250) yearly to pay the salary of an official. It also helps support a Tyrolese village in Peru, and cooperates with other bodies in Africa and elsewhere. In recent years financial support has been given to the Cooperative Movement in Dahomey.

The Raiffeisenverband reported that it donated Austrian Schillings 1,000 (£ 14) towards technical aid in 1964.

Konsumverband and the G.ö.C. Wholesale Society, and also the Bank für Arbeit und Wirtschaft in Vienna, are members of the Institute for Development Aid and Technical Co-operation with Developing Countries which is conducted jointly with the trade unions and the Union of Austrian Industrialists. The Institute distributes cooperative

literature and technical books, and provides facilities for cooperators from developing countries to visit Austrian cooperatives.

Cooperative development funds are raised through a campaign, based on contributions and sales of badges and bookmarks, which is conducted jointly by Austrian cooperative organisations and which is known as "Ohne Grenze" (Without Boundaries).

Belgium

Replies to the questionnaire received from L'Economie Populaire state that the various cooperative organisations in Belgium some years ago established a non-profit making association of an international character for the purpose of assisting developing countries to promote cooperation in all spheres. Members make a voluntary contribution to this Association as decided by general meetings. The activities of the Association so far have extended to the Belgian Congo, Burundi and Latin America to which areas several experts have been sent. The Association also publishes and distributes literature with the object of stimulating recruitment of young volunteers for economic, social and cooperative work in developing countries.

Previous information sent to the I.C.A. indicates that by a decision of the Congress of the Société Générale Coopérative in 1958, a campaign "Opération Solidarité" was launched in March 1959 with a national press conference, a television programme and a radio talk. Appeals for support were made to individual cooperators, Friendly Societies, trade unions, and to the youth.

Canada

The Co-operative Union of Canada reported that in 1964 the Union raised \$ 15,380 in a special campaign for technical assistance, \$ 716 of which was sent to the Development Fund of the I.C.A. The Union provides literature and films for distribution in developing countries, and facilities for personnel from these countries. It also serves in an advisory capacity to the External Aid Office of the Canadian Government in its programme of cooperative training in Canada for students from other countries.

Aid to the developing countries is channelled mainly through "CO-EVER" formed in 1962 as a result of a resolution passed by the Canadian Cooperative Congress earlier that year. The two principal aims of CO-EVER are to bring the benefits of cooperation to Indians and Eskimos in Canada, and to assist the development of the cooperatives in the West Indies and Latin America. Whilst welcoming Governmental financial assistance, CO-EVER is dependent on voluntary contributions from cooperatives.

At the request of the Eskimo people two experienced men were sent to the North in July 1963, and another in 1964 in which year the Union appointed two full-time field workers in the North.

The Union is planning to send a representative to work in the West Indies as soon as possible.

Czechoslovakia

Details of technical assistance given by the Czechoslovak Cooperative Movement to developing countries, as given at the Central Committee meeting of the I.C.A. at Helsinki in September 1965, included the following:

The Central Cooperative Council has recently increased its number of scholarships to students from developing countries to 15 per year. These students attend courses lasting one year or more.

There were in 1965, 36 scholarship-holders from developing countries at Czechoslovak universities, all with grants of varying amounts from the Central Cooperative Council. In addition to long courses, cooperative personnel are accepted from developing countries for shorter practical courses lasting from three to six months. In recent years, about 250 people have passed through such training courses.

An international cooperative seminar is organised each year lasting approximately one month and recruiting between 30 to 50 persons from the developing countries. In

1965, there were 34 participants from 22 countries. The seminar was on the educational role of cooperation and the training of cooperative staff.

Literature about the organisation and activities of the Czechoslovak Cooperative Movement is available to cooperative organisations in developing countries. Instructional films have been made and these are also made available to those interested.

Specialists have been trained and a number are working as cooperative experts in developing countries, including those attached to the missions of United Nations' organisations.

Denmark

Faellesforeningen for Danmarks Brugsforeninger replied that it is participating in the Scandinavian Tanzania Project, and makes regular appropriations from normal revenue for technical assistance. Since 1953, the organisation has participated in Cooperative Seminars arranged yearly by the Danish Government in collaboration with the ILO and FAO. One of its experts visited Pakistan and another the Philippines under the direction of the ILO.

Occasionally, facilities are provided for receiving personnel from developing countries for training.

Det Kooperative Faellesforbund reported that in collaboration with the Danish Trade Unions it is discussing possibilities of promoting projects for the Danish Committee for Technical Aid with a view to assisting the cooperative movement in certain developing countries. In addition, it has participated in lectures at cooperative seminars held in Denmark and has received students from some developing countries.

In September 1965, the Danish Government, in association with the Danish Cooperative Movement, called a conference to discuss cooperative technical assistance to developing countries. Invitations were sent to governments and cooperative movements of a number of countries actively engaged in technical assistance, and one Government representative and one representative of the national cooperative movement attended. In addition the I.C.A. was represented as well as OECD, ILO and FAO. The Conference reviewed the procedure for giving cooperative aid and a useful exchange of information took place. It was agreed that the I.C.A. should try to issue a Calendar of Cooperative Technical Assistance seminars and projects.

Federal Republic of Germany

Information supplied by the Central Union of Consumer Cooperatives (ZdK) shows that in 1960 DM. 1,099,000 (about £ 100,000) was raised in a Fund to help the people of the developing countries. Most of the money was used to help the cooperative movement in India. Towards the end of 1963 ZdK provided DM. 30,000 (£ 2,700) for the promotion of the Pindorama Agricultural Cooperative Settlement in Alagoas, Brazil.

In collaboration with the German Federal Government and the Cooperative Department of the Government of Madagascar, experts from ZdK and from the German Raiffeisenverband were sent to Madagascar and spent three weeks there investigating the possibilities of rendering aid to cooperatives. The experts submitted a comprehensive report to the Federal Government. Two Mercedes-Benz diesel lorries were sent to the Cooperative Union of Groundnut Producers in Madagascar. Further, ZdK is working on a programme of establishing cooperatives among small dairy farmers in the District of Bhor, near Poona in Maharashtra, India. A sum of DM. 233,000 (about £ 21,000) has been invested in the project and it is planned to send an expert to help with the work. A study programme was drawn up for personnel from developing countries and under this scheme students have come from a number of countries including India, Tunisia and Indonesia. There is a regular distribution of literature to the developing countries.

In the winter of 1964/65 ZdK together with the Friedrich Ebert Foundation arranged a training programme for 13 practical cooperators from Algeria and Tunisia.

The reply from the Gesamtverband Gemeinnütziger Wohnungsunternehmen (Cologne) states that for some time it has been operating a technical assistance programme in cooperation with the responsible Ministry, and with organisations specifically created

for this purpose, for example, the Friedrich Ebert Foundation and also the Voluntary committee formed by leading cooperatives of the Federal Republic, the Freier Ausschuss der Deutschen Genossenschaftsverbände. Technical aid covers (1) the training of assistants who will later go to various developing countries to work in the field of Cooperation and (2) the organisation of seminars and practical work for cooperators, both individuals and groups, from developing countries.

A number of German cooperative organisations are members of "Worldwide Partnership" (see under U.S.A.). These include the Grosseinkaufs-Gesellschaft (GEG) which raised DM. 15,000 (£ 1,350) in 1964, and the Deutsche Sachversicherung Eigenhilfe which pays an annual subscription of DM. 5,000 (£ 450) to Worldwide Partnership.

In collaboration with the Federal Government four central cooperative bodies of the Federal Republic organised a two year training programme with 16 participants who started work in 1964, in Asia, Africa and Latin America. A further programme is being prepared.

"Alte Volksfürsorge" in their reply stated that they channel their technical aid through the Insurance Committee of the I.C.A. In addition the society is a member of Worldwide Partnership to which it pays annually DM. 15,000 (about £ 1,350). Delegations from developing countries have been received by the head office of the society.

The Friedrich Ebert Foundation, Bonn, in cooperation with the German Cooperatives, provides training programmes for managers and heads of departments from the cooperative movements of Asia, Africa and Latin America. The courses last 10 months, four months to learn the German language, two seminars of one month each, and four months practical work.

In 1963/64 the Foundation trained 15 cooperators; and in 1964/65 100 persons, 20 from North Africa, 20 from East Africa, 20 from French-speaking Africa, 10 from Congo and 28 from Latin America. The plan for 1965/66 is to train 50 persons; and it may be extended.

Finland

All three Finnish organisations (Kulutusosuuskuntien Keskusliito, "Pellervo-Seura" and Suomen Osuuskappojen Keskuskunta) cooperate in the technical assistance programme; in 1964 they raised FmK 4,500 (£ 500) for this purpose. In addition, advertising material was sent for display in new cooperative shops in Tanzania. The technical assistance programme involves extensive educational work including the use of films and publications.

Since July 1964 the cooperative movement of Finland has participated in an Inter-Nordic programme of cooperative development in Tanzania; this includes training in cooperation generally as well as in management. (See below under Sweden.) The Finnish cooperatives have promised to contribute FmK 13,000 annually for this purpose. In addition, the KK has a representative of its own in Tanzania to establish supermarkets there.

In 1959, a representative from KK visited Nigeria and spent four months there helping organise the bookkeeping system of the cooperative organisations. Between 1958 and 1963 cooperators from India, Pakistan, Philippines, Saudi Arabia and Nigeria studied the cooperative movement in Finland, and goodwill missions from Dahomey and Egypt visited the country.

France

Replies to the Questionnaire have been received from the Collège Coopératif, Confédération Générale des Sociétés Coopératives Ouvrières de Production, Fédération Nationale des Sociétés Coopératives d'Habitation à Loyer Modéré and Fédération Nationale des Coopératives de Consommation. Technical assistance to developing countries is channelled through l'Institut Français d'Action Coopérative (IFAC). The Institute has sent a comprehensive reply to the questionnaire.

The French Agricultural Cooperative Movement was the first to interest itself in the problems of the people of the developing countries, who are themselves almost exclusively

engaged in agriculture and with whom the French movement had close contacts before they acquired independence. There was already in existence the Centre Nationale de la Coopération Agricole (CNCA), a technical cultural institution which could render immediate effective help. The task soon became too big for the Centre and, as other cooperative bodies were also anxious to help, the IFAC came into being.

About a decade ago IFAC established l'Ecole Supérieure de la Coopération to train officials. The Collège Coopératif in Paris disseminates literature and provides training facilities for personnel from developing countries. The Collège has made a survey of thirteen African States and a comparative survey of cooperative development in Tropical Africa and Madagascar. It is setting up a cooperative college in Dakar and a school in Tunisia. The establishment of a cooperative college in Dahomey is under consideration. IFAC receives foreign missions interested in French cooperative problems; it also gives support to the Ecole Supérieure for its correspondence course.

The French Cooperative Movement has in one form or another assisted 61 developing countries, trained people for all branches of the Cooperative Movement at courses lasting from five to nine months, sent experts, received visitors from and sent delegations to developing countries. Further it has set up Rural Cooperative Schools to help the development programme of the countries concerned and to train managers for Cooperatives (insurance, credit, etc.). Cooperators may receive training through a system of correspondence courses and with the collaboration of local authorities. Teams are often sent to developing countries to examine cooperative efforts and investigate problems.

The Movement cooperates with national and international bodies in initiating and developing cooperatives; it also collaborates with the World Freedom from Hunger Campaign and similar bodies on a national level.

Great Britain

The Co-operative Union has an extensive educational programme for developing countries. About 30 places at the Co-operative College course on Cooperation Overseas are allocated annually to students from developing countries. The College has had 454 students from abroad since 1946, the great majority of them from developing countries. Fees to overseas students are kept at a low level by virtue of a subsidy from the Union of about £ 100 per student. Courses are conducted by a full-time staff and by specialist visiting tutors with overseas experience. In addition the College provides correspondence courses for students in developing countries, and members of the staff frequently visit these countries. Developing countries have been helped to establish libraries.

The Union has helped to secure the services of personnel to work in developing countries. Many British students from the College have taken employment with Cooperatives in developing countries. Also a number of the co-operative staff have served or are serving in developing countries.

Over the last five years 173 visitors from Asia, Africa, South America and other developing areas have been received by the Co-operative Union.

The Cooperative Commonwealth Bulletin established in 1953 and published twice yearly provides a link between the Cooperative Movements in some Commonwealth countries and Great Britain.

The Cooperative Union has contributed over £ 2,000 to the Development Fund of the I.C.A. It also organised two "Friends in Need" campaigns to equip an education and training centre for the Jamaican Co-operative Union (£ 350) and to provide a training course for West Indian Cooperators organised by the Caribbean Commission in Puerto Rico (£ 486) and paid towards the cost of training the secretary of the British Guiana Co-operative Union. Further, it financed a team of British cooperators to conduct a one-month course in retail store management, and publish a training manual for Africa generally at a cost of £ 2,000.

The Co-operative Wholesale Society over the last ten years has trained 41 students from 12 different countries: these trainees receive a subsistence allowance of £ 8 a week. Students are trained in many fields, e.g. soap manufacturing, laboratory research work,

accounting, banking, personnel management; courses last from a few weeks to 12 months. The Society also provides information to people from developing countries.

The Scottish Co-operative Wholesale Society grants facilities for students from developing countries to study cooperative organisation and processes in Scotland. The Society has also made donations to the funds of the I.C.A. The English and Scottish Joint Co-operative Wholesale Society Ltd. has rendered many services to the Cooperative Movement in India, Ceylon, West Africa and East Africa.

The Co-operative Permanent Building Society has helped to develop saving and mortgage lending institutions in many of the developing countries, and sent staff to assist in the formation of building societies in Ghana and Nigeria. Study courses in Britain ranging from several days to six months and over have been organised.

The Co-operative Insurance Society Ltd., promoted cooperative insurance in developing countries by giving advice and providing training and reinsurance facilities. Some officials of the Society have been trained at the Head Office and then sent abroad as managers of new insurance projects, and trainees from abroad have been accommodated by the Society in Britain.

The London Co-operative Society Ltd. has raised £ 1,600 which has been utilised to provide stationery and equipment to the TANGA Consumers' Society and to pay the fares of 5 students from Tanzania to Britain to receive training in accountancy, administration and engineering. The Society has also received attachments for training, and sent its employees to developing countries. The Royal Arsenal Co-operative Society Ltd. has accommodated several students and visitors from abroad.

Oxford Committee for Famine Relief

The following grants have been made by Oxfam during the period October 1963 to September 1964 to further cooperative development.

Basutoland

A sum of £ 2,700 has been allocated for a Government Filmobile van for Cooperative Education, in the Cooperative Movement, at village level. An African Education Officer has been appointed, who will operate with the vehicle.

Colombia

Codesarrolle (Corporacion Social de Desarrollo y Bienestar). Project to launch a cooperative farming experiment in Antioquia with 15 families. A central farm unit will be set up and chickens and tomatoes will be chief cash earners together with extensive vegetable production. This scheme will be expanded gradually to include more farmers.

(i) Loans to families to be repaid over 5 years into a revolving fund for chickens, equipment, fertilisers, etc. - £ 5,800.

(ii) Costs of setting up central farm unit and irrigation scheme, plus transport and administrative costs for 5 years, - £ 2,600.

Ghana

Equipment for the Cooperative Farm School at Yendi - £ 260.

Greece

(i) Continuation of Oxfam's programme of self-help in the mountain villages by provision of pipelines to 20 villages to supply drinking water - £ 10,000.

(ii) Cooperative cheese factory for the villages of Vlasti and Livaderon - £ 2,400.

India

To provide a well, pumps, and storage tank and a community centre at Veerapalle Cooperative Farming Society, Cuddapah, Andhra Pradesh - £ 1,850.

To provide 8 pairs of bullocks and ploughs to be used in 3 hill villages by smallholders on a cooperative basis.

To Lillte Flower Garo Cooperative, Assam, to assist the establishment of girls'

weaving school and boys' carpentry which provide vocational training for villagers - £ 2,505.

Kenya

Ministry of Agriculture, to provide six bursaries in 1963/4 (nine in 1964/5 and nine in 1965/6) at £ 115 each to enable Cooperative Societies' Secretaries to attend the institute of Administration for three-month courses (plus £ 1,035 in 1964/5, £ 1,035 in 1965/6).

Nicaragua

Village starch factory, which is being set up on a cooperative basis - £ 1,120.

Peru

National Evangelical Council of Peru. Grant to provide tractor with attachments (plough, disk-harrow, cultivator) to be used on a cooperative basis by 35 families of indigenous smallholders in the Calca region - £ 641.

Scholarships for ten trainees for a period of one year at the Institute of Rural Education, Cajamane. Trainees will, on completion, return to their own villages to act as social promoters in the fields of basic literacy, cooperative methods and new agricultural techniques.

Swaziland

To Government of Swaziland for further payment for the development of cooperative societies which will help towards solving the problems of agricultural credit and marketing of produce - £ 4,300.

To extend an existing handicraft scheme, started by a V.S.O. volunteer (financed by Oxfam), who wishes to return to Swaziland to develop the new industry and form a cooperative.

India

The National Co-operative Union of India through its Committee for Co-operative Training collaborates with the Indian Government in the training of cooperators from other countries. A training course of 36 weeks' duration is provided in specialised subjects, e.g. Cooperative Marketing, Land Development Banks, Cooperative Banking, Cooperative Accounts and Audit, Industrial Cooperation, and also shorter courses ranging from 14 to 18 weeks. In 1964, a special course lasting 28 weeks was conducted for 18 trainees from Malawi and Tanzania; courses were also provided in the same year for 20 students from Nepal, Philippines, Afghanistan and Ethiopia.

The Government of India has been providing training facilities to a number of countries in S.E. Asia and Africa under the Technical Cooperation Assistance Programme of the Colombo Plan and Special Commonwealth African Assistance Plan (SCAAP). The financial assistance given includes travel grants, a suitable living allowance, tuition fees in India, travel for practical study in India, books and clothing allowance and costs of medical expenditure.

The Committee for Co-operative Training of the NCUI has also taken a decision to award some scholarships to trainees from Afro-Asian countries, not covered by the Colombo Plan or SCAAP. The Committee further collaborates with international agencies, e.g. FAO, ILO, etc. in promoting the cooperative movement in developing countries.

Israel

"Hevrat Ovdim", General Co-operative Association of Jewish Labour, reports that technical assistance given to developing countries is of the following types, but does not include financial aid.

(1) Scholarships in Israel

- (a) Study missions, organised generally for short periods and high level participation; cooperative leaders and officials have come from Uganda, Madagascar,

- Basutoland, Congo, Tanzania, Liberia, Gabon, Ceylon, India, Nepal, Philippines, Thailand, Turkey, Cyprus, Mexico, Chile, Colombia and Trinidad;
- (b) Special courses on specific subjects;
 - (c) Scholarships for regular courses in three major study centres:
 - (i) The Workers' College for training local trade union and co-operative leaders and for some international courses;
 - (ii) The Afro-Asian Institute for Labour and Cooperative Studies established in 1960, which holds two regular sessions annually of 4 to 5 months each. In intervals between the regular courses, the Institute organises special seminars, e.g., on Agricultural Cooperation, on Rural Development, etc.
 - (iii) The Latin American Centre for Labour and Co-operative Studies run jointly by Histadrut and the Ministry of Foreign Affairs.
- (2) Experts and field advisers acting in cooperation with international bodies like ILO, ICFTU, or on the basis of bilateral agreements.
In 1964 experts from Israel visited Colombia, Venezuela, Cameroon, East Africa, Peru, Turkey. In former years lectures and instructors for seminars on labour and cooperative subjects were sent to Turkey, the Ivory Coast and Nigeria.
 - (3) Joint Projects
"Solel Boneti", Histadrut's building company, conducts joint projects in eleven different countries. "Hamashbir Hamerkazi", the Cooperative Wholesale Company, has helped to set up consumer cooperatives in Kenya and continues to assist them.

Japan

The Central Union of Agricultural Cooperatives reports that in 1964 a technical aid mission, consisting of experts from the National Purchasing Federation, the National Marketing Federation, the Central Union, all three Agricultural Cooperatives, the Central Cooperative Bank for Agriculture and Forestry and UNICOOP, was sent to Thailand. A similar mission of ten experts was sent to the National Agricultural Co-operative Federation of the Republic of Korea.

The Institute for the Development of Agricultural Co-operation in Asia (IDACA), established by the Japanese Agricultural Cooperatives, organises six months' training courses for overseas students on agricultural cooperation and other short-term courses under the Colombo Plan and various Japanese Government technical assistance schemes. The following countries have participated: Turkey, Iran, India, Pakistan, Ceylon, Malaysia, Thailand, Indonesia, Taiwan, Korea and Brazil.

A bi-national Committee with Thailand attempts to promote cooperative trade and to establish cooperatives in Thailand. In consequence of a discussion on the expansion of cooperative trade between Thailand and Japan, at the second Asian Agricultural Co-operative Conference, April 1964, a joint meeting was held in Bangkok in March 1965 between representatives of "Zenkoren" (National Purchasing Federation of Agricultural Co-operatives, Japan) and representatives of the Government and Cooperatives of Thailand to consider training of cooperative instructors, establishment of model cooperatives and a plan for increasing maize collection. On March 23rd an agreement was signed providing for the following:

- (1) From September to December 1965, two cooperative officials or employees from Thailand will undergo training in cooperation, under the Colombo Plan at IDACA, which is managed by the Central Union of Agricultural Cooperatives and in 1966 a certain number of personnel from the cooperatives of Thailand, not less than five, will be trained as cooperative instructors at IDACA for two or three months commencing April 1966. Expenses will be shared by the two countries.
- (2) A Japanese expert on farm and cooperative management will be made available to the Thai Cooperatives through the Colombo Plan for about two years.

- (3) Two cooperatives will be established in Thailand, to serve as models for expansion of activities on a multi-purpose basis.
- (4) The Bangkok Farm Product Marketing Co-operative Limited (COPRODUCT) has set itself a target for 1965/66 of M/T 30,000 to be delivered to ZENKOREN through UNICOOP, Japan.
- (5) At the beginning of July 1965 COPRODUCT will borrow (Baht) 10 million (about £ 172,000) from the Department of Credit and Marketing Co-operatives to finance the purchase of maize. Any short fall will be made good by advances from UNICOOP. Additional farm product marketing cooperatives will be established in the main maize producing districts. There will also be mutual cooperation on prices, transportation, storage, etc.
- (6) To assist the Thai farmers, UNICOOP is willing to supply at reasonable prices the Co-operative Wholesale Society of Thailand (CWST) with farm machinery, insecticides, fertilisers and other requirements.
- (7) In 1965/66, more marketing cooperatives will be organised in the maize areas and by 1967 it is expected to create a national federation of marketing cooperatives to serve more fully local cooperatives and to strengthen cooperation with UNICOOP and ZENKOREN.

Norway

The Cooperative Union and Wholesale Society, NKL, has for some years collaborated with other organisations in technical assistance projects.

In 1953, it participated in a project "Aid to India" sponsored by the Norwegian Committee for Foreign Affairs to teach fishermen of Travancore, Cochin, up-to-date fishing methods as well as the transport and preservation of fish.

In 1962, following a five-year agreement between the Governments of Denmark, Finland, Norway and Sweden, on the one part, and of Tanganyika on the other for the establishment of an Education Centre comprising an Agricultural Institute, a Secondary School and a Health Centre in Tanganyika, the Cooperative Unions of these countries agreed to undertake a special cooperative project in Tanganyika in collaboration with the Governments.

In the same year, the Norwegian Cooperative Women's Guild supported by NKL, launched a campaign to raise money for a van for India's Family Planning Programme, by the sale of silver rings, especially made for the purpose, most of which were sold in the local Women's Guilds. The proceeds of the campaign, Nkr. 50,000 (£ 2,500) were handed over to the Indian Authorities.

In February 1962, the Norwegian Parliament established the Norwegian Agency for International Development to plan and direct the projects carried out with state assistance to recruit experts, to submit proposals for new projects and to collaborate with non-governmental organisations operating assistance projects in developing countries. Mr. Peder Soiland, President of NKL, is a member of the Council of this Agency.

In January 1964 NKL launched a campaign to raise funds to provide basic equipment for a Supply Cooperative for Fishing Gear in Dahomey. In spite of numerous difficulties, sufficient funds were raised to enable the Norwegian cooperators to hand over the first part of the fishing gear to the Dahomey Government on the 15th January 1965. In the same month a convention was signed between the NKL and the Government of Dahomey to run for five years under which the NKL undertook, in addition to giving practical support, to spread knowledge and understanding of Dahomey among Norwegian cooperators. Support in carrying out this project has been given by VSK, Switzerland, and by an FAO fishing expert.

Philippines

The Central Co-operative Exchange Inc. (National Federation of Agricultural Cooperatives, Manila) in reply to the questionnaire advised that the CCE has contributed substantially to the formulation of workable procedures for implementing a marketing

programme to enable agricultural producers to achieve an effective bargaining position for their produce.

The CCE has been selected by the National Economic Council (NEC), the economic planning body of the Philippine Government, and by the U.S. Agency for International Development (USAID) as sole agency for mixing and distributing complete livestock feed rations out of surplus feedgrains sent by the U.S. Government to the Philippines under US.PL 480. Title II. Sec. 202. Only livestock cooperative associations are recipients of the benefits of the programme.

Poland

The General Director of the Central Agricultural Union of "Peasant Self-Aid" Cooperatives, Warsaw, reported that the Union for some years now has maintained friendly relations with cooperative organisations of developing countries. Its efforts have been primarily educational. Scholarships are awarded to candidates from cooperatives to study in Polish universities; at present 4 students from Ghana and 4 from Nigeria are studying in Poland. Short-term courses of about 6 months are organised to enable students from developing countries to study the economics and organisation of cooperation. The courses include both practical and theoretical training and prepare students for independent work in the field of organisation and management of cooperatives. Expenses, including the cost of travel to and from Poland, are borne by the Union. To date 16 co-operators, 1 from India, 5 from Kenya, 5 from Morocco, 4 from Ghana and 1 from Indonesia have been trained in Poland.

The Polish cooperative movement also organises international seminars for representatives from the cooperative movements in developing countries. The aim of these seminars is to acquaint the participants with the structure, organisation and activities of the Polish cooperatives and to exchange information. In the last seminar held in Warsaw representatives of Brazil, Ceylon, Cyprus, Indonesia, Kenya, Mali, Morocco, Eastern Nigeria, Northern Nigeria, Senegal, Tanzania, Tunis, Uruguay and Zanzibar participated.

In May 1965, there was a conference in Warsaw of delegates of countries represented in the U.N. European Social Welfare Programme and also of some developing countries, organised by the Polish Cooperative Movement in collaboration with the U.N. Office of Social Affairs. The main subject for discussion was "The Social Aspects of Land Reform and Co-operatives". The ILO and FAO were invited.

Roumania

In 1957 "Centrocoop" (Bucharest) donated £ 500 to the I.C.A. Development Fund. In 1964 Centrocoop was visited for four days by three co-operators from India.

Centrocoop has offered bursaries for study in the Institute for Higher Education of Roumania for personnel of certain cooperative organisations, namely, in 1961 one each from Ceylon, Ghana, Indonesia, and Algeria; in 1962, two from India, one from Mali and one from Tunisia. So far only one student from Ceylon and two from India have accepted.

Seventy-seven copies of the review "Co-operation in Roumania" published in English, French and Spanish were sent to 51 addresses in 27 countries. In 1964 Centrocoop supplied information to cooperative and governmental organisations in Algeria, Ghana, Mali and Syria.

Sweden

Kooperativa Förbundet reported the following technical assistance in 1964:

I.C.A. Education Centre, New Delhi	S.Kr. 876,637,52 (£ 62,000)
Establishing Consumer Coop. in Greece	S.Kr. 41,517,44 (£ 2,800)
Seminar organised jointly by KF and SL	S.Kr. 245,926,48 (£ 17,500)
Tanzania Inter-Scandinavian Project	S.Kr. 50,000,00 (£ 3,500)
Miscellaneous	S.Kr. 22,038,09 (£ 1,500)

The first **KF/SL Seminar** was organised in 1962. Lectures and seminars are held chiefly at the KF and SL Colleges and at the Agricultural University College at Uppsala. Theoretical tuition is combined with practical work within cooperative organisations. The participation of Swedish students in the seminars qualifies them for expert missions to developing countries. In 1964, the second international cooperative seminar, organised jointly by KF and SL through the Swedish Co-operative Centre, was attended by 15 students from 10 countries in Asia, Africa and Europe. In addition, there were 214 individual visitors to KF from 42 countries for purpose of study. Special tuition for longer periods has been arranged for cooperators from India, Tunisia and Senegal.

On May 20th 1964, the **Nordic Tanzania Consortium** was constituted in Copenhagen. The Consortium is a confederation of the national organisations of consumer and agricultural cooperatives in Denmark, Finland, Norway and Sweden. Its purpose is to supply technical assistance to the cooperative movement in Tanzania, by way of advice to existing consumer cooperatives (Cosata) and the establishment of a cooperative education centre in Moshi for local cooperative employees and committee members. The centre has a correspondence course in English and Swahili and hopes to publish short discussion manuals for group work among committee members. There is a close cooperation between the education centre and the National Tanzanian Cooperative Movement, the Co-operative Union of Tanzania and the Co-operative College. The cost of drawing up plans for the College has been defrayed out of the "Without Boundaries" fund, and the cost of the building is being financed from long-term credit advanced by the Swedish government to the Tanzanian government.

A number of items are included under the heading of "Miscellaneous". KF has sent an expert to Greece, and three to the Consumers' Management Institute, Bombay, in collaboration with the I.C.A. and the Swedish NIB. KF architects and engineers drew up a plan for a department store for the Indian Cooperative Movement. A grant of about S.Kr. 100,000 was given to FAO to investigate possibilities of improving food supplies in developing countries through cooperative credit, supply and marketing organisations. Advice on techniques of distribution was given to the Portuguese Cooperative Movement. The Swedish Co-operative Centre in Stockholm is planning a seminar this year for students from East Africa and Sweden, and two next year (1967), one for students from South-East Asia, and one for students from Latin America. On various occasions experts have been placed at the disposal of the ILO, e.g., in Iran, Syria, Egypt and Tunisia.

There is close collaboration in technical assistance with the Confederation of the Swedish Farmers' Cooperative Associations (Sveriges Lantbruksförbund SL), with farmer and housing cooperatives, and with the Swedish trade union movement. There is also friendly collaboration with the Governmental Board for Technical Assistance (NIB), which has granted considerable sums to the KF/SL seminars, and with the cooperative Inter-Nordic body and Inter-Nordic Governmental Technical Assistance.

In 1958 a campaign "Without Boundaries" was launched by KF, part of the proceeds to be given to the I.C.A. Development Fund, but the greater part for the promotion of cooperative education in South-East Asia. All the cooperative bodies made initial contributions, and each affiliated society was asked to contribute each year one-tenth of the dividend returned to members. Individual members were asked to donate each year one Kronor from their dividends, and employees to agree to deductions from their wages. By the end of 1964 over S.Kr. 8,700,000 (£ 604,000) had been contributed to the Fund.

Folksam reported that it raised around \$20,000 (£7,144) in 1964. It has sent two representatives to Greece, and actively participates in the work of the Insurance Development Bureau of the International Cooperative Insurance Committee of the I.C.A.; it also helps to cover part of the administrative cost of the Bureau.

The Confederation of Swedish Farmers' Cooperative Associations collaborates with KF and with the NIB Swedish Centre of Cooperation to further technical aid for developing countries. It provides bursaries, disseminates literature, receives personnel from developing countries, recruits experts and contributes to food deliveries under the World Food Programme.

Switzerland

Verband schweiz. Konsumvereine (VSK) reports:

The total amount raised for Technical Aid by the end of 1964 was Sw.frs. 2,191,986,39 (£ 182,000). Of this Sw.frs. 60,412,84 (£ 5,000) was spent on training experts in Switzerland and Sw.frs. 849,531,48 (£ 73,000) was invested in promoting cooperative work in Dahomey. A Swiss Technical Mission to Dahomey included the Director of VSK, Mr. Charles-Henri Barbier. A sum of Sw.frs. 220,595,10 (£ 18,300) was donated to the Development Fund of the I.C.A. Books and newspapers are regularly sent to developing countries and help is given to the training of personnel, the accent being on persons from developing countries. VSK has borne the entire expenditure amounting to Sw.frs. 459,257 (£ 38,000) involved in launching and developing the campaign for funds for technical assistance. Over one million pamphlets dealing with the "Dahomey Action" have been distributed, 1,400 films shows organised, and 757 meetings, attended by over 130,000 people, arranged. To date VSK has established 9 cooperatives in Dahomey and with the friendly assistance of the Norwegian cooperatives helped to establish a central fishing cooperative. In May 1964 a small delegation was sent to Dahomey and observed much progress in the cooperative field.

VSK cooperates with the Swiss Federal Government Technical Aid Department in the training of leaders and experts in cooperation and the sending of young Swiss volunteers to developing countries.

As a token of gratitude for the work done by the Swiss cooperatives, the Dahomey Government has appointed Mr. Ch.-H. Barbier, Vice-President of VSK, as Honorary Consul-General in Switzerland.

United States

The Cooperative League conducts an annual fund-raising campaign, WORLDWIDE CO-OP PARTNERS, amongst its membership for the purpose of sending cooperative specialists overseas, or supporting worthwhile programmes in response to urgent requests from the developing nations. The second annual campaign in 1964 raised \$38,000 (£13,600) in voluntary contributions. This does not, however, take into consideration funds received from the Fund for International Cooperative Development, some of which have been allocated to the Cooperative League for its work. The Cooperative League does not provide Technical Assistance Funds directly to other countries, but does provide \$2,000 (£715) each year to the I.C.A. Development Fund.

The major part of the Cooperative League's assistance to the developing nations is by providing full-time cooperative specialists on two-year assignments and, in some few cases, short-term advisers or specialists. In 1964 the Cooperative League and its "sister" organisations had 28 full-time and 9 part-time cooperative specialists working on 25 programmes in 17 countries.

Scholarships for students, coop employees, managers, board members and government officials from the developing nations are provided, in very limited number, by the Cooperative League of the U.S.A., for training at the International Cooperative Training Center, Madison, Wisconsin. A small amount of funds is set aside from the Worldwide Co-op Partners' Campaign receipts for scholarships at the Training Center. The Agency for International Development supplies the majority of scholarships for students to the International Cooperative Training Center, on recommendation of their various country missions.

Cooperative books and general literature are supplied to students attending the International Co-op Training Center by the Cooperative League on request. Also each student approved by AID is given a book allowance for purchase of texts on cooperatives and related subjects, and these are furnished through the Cooperative League. The League is currently working on a standard "Co-op Library Kit" of approximately 30 of the best selections of texts and booklets to make available (free if possible) to such students as above, plus Peace Corps Volunteers, CLUSA'S own overseas representatives, and other responsible cooperative officials requesting them.

The League attempts to act as a clearing house to assist leaders from the developing

nations in contacting various cooperative specialists within the U.S. cooperative movement; has established a revolving loan fund in Panama from Worldwide Co-op Partners to assist new cooperatives organised by Peace Corps Volunteers; established a second revolving loan fund in Honduras to assist the new fishermen's cooperative; attempts wherever possible to work closely with various voluntary, church and labour organisations involved in international programmes; and considerable backstopping is given to Peace Corps Volunteer groups throughout the world in response to requests for material on cooperatives.

Four major international programmes will be of a continuing nature likely to last for an extended period of time.

(1) Agricultural Programme in India

The League has been working in close co-operation with the Indian Co-operative Union and the National Co-operative Union for India for 12 years to help to develop agricultural cooperatives.

(2) Educational and Organisational Programme with the Campesinos in North-East Brazil

In response to urgent requests, the League sent in 1962 an adviser who has helped to develop educational materials and training aid, teaching classes for leaders, coop staff and personnel. The adviser has given much valuable assistance to Church and Labour Organisations, rural and urban cooperatives have been organised, booklets distributed and a number of potential leaders trained.

(3) Cooperative Activity in Lima, Peru

At the request of the "Frente Unico De Barriadas", the League sent a representative in 1962 who in the first two years worked with the 800,000 people living in the 180 Barriadas surrounding Lima. Results were slow at first, but progress is being made now, and an ever widening sphere of cooperative influence throughout Peru has been established.

(4) Organization of the Cooperatives of America (OCA)

OCA is an international confederation of democratic cooperative associations and enterprises of all kinds in South, Central and North America. Its 11-member Board of Directors situated in Puerto Rico consists of cooperative leaders from South and Central America, Canada and the U.S.A. At the Constitutional Assembly held in Montevideo, Uruguay, February 4th to 10th 1963, delegates from cooperatives in 16 countries and observers from some others attended. A total of 300 participated.

Its principal objects are to spread and defend the principles and methods of cooperation, to promote the formation and development of cooperative organisations and federations and to promote all aspects of cooperative education.

OCA has training centres in Camplenas, Brazil, Santiago de Chile, University de los Andes, Venezuela, and the International Cooperative Training Centre at Madison, Wisconsin. Assistance is given by the organisation in many fields. The Cooperative League is a member of OCA and provides a substantial share of its finances. The League succeeded in getting a grant from AID for OCA.

In 1964 the Cooperative League sponsored the organisation of the International Cooperative Development Association, which is a non-profit cooperative designed to assist in the development of cooperatives throughout the world by offering personnel, technical material and financial services. In addition on-the-job training of potential managers and supervisory personnel will be directed by ICDA staff members. Management service on a fee basis to cooperatives in developing nations will be offered, and actual assistance in organising cooperatives to carry out specific projects will be an important facet of its work.

Cooperative Contracts with the Agency for International Development

AID has concluded a number of basic overall agreements – known as “worldwide contracts” – with more than a dozen non-governmental organisations, mostly cooperative, as the framework within which AID’s regions and technical offices and country missions can undertake individual cooperative projects. These basic agreements are approved and supervised by the International Cooperative Development Service within AID’s Office of Material Resources and each has a central coordinating projects director. When an AID region (more than one country) or mission (one country) wants the help of a U.S. cooperative organisation, it attaches a request or “task order” (previously approved by ICDA) to the worldwide agreement with that organisation. This is the device by which the technical assistance provided by cooperators is linked with the funds provided by AID (supplemented in some cases by the participating organisation).

The International Cooperative Development Service, which enjoys the support of both Congress and the White House, is staffed with experienced cooperators. It functions as a secretariat for the Cooperative Advisory Committee. It provides liaison with programmes and staff officers of AID, and also with such international agencies as OAS, ILO, FAO and IDB. It services the regional bureaux of AID with technical advice, liaison, recommendations on opportunities for cooperative projects, evaluation of regional and mission proposals, and assistance in contracting. And it maintains a directory of qualified specialists in cooperatives, credit unions and savings and loan associations.

By linking the cooperative contribution to the evaluation of requirements provided by the AID region mission “on the spot”, an effort is made to ensure that the aid meshes in with the development planning of the recipient country. And coordination as between cooperative donors is stimulated in a number of ways; by the uniform operating procedures achieved through use of worldwide contracts; by careful central planning within ICDS designed to ensure that individual projects are directed towards a common goal rather than each being an end in itself; and by encouragement of “package” efforts, i.e., pooling of the efforts of various cooperatives in order to offer a recipient country a whole range of services including education, credit, savings, marketing, supply, food, fuel and electric power.

At the same time the contract system provides a continuing guarantee of the independence, initiative and flexibility resulting from direct aid by cooperators to cooperators.

For the fiscal year 1964 the cooperative projects under AID contract can be summarised as follows:

Name of Contractor	Number of Contracts	Number of Country Projects	Full-time and Short-term Technicians hired by Contractors	Total AID obligations through fiscal year 1964	Estimated expenditures in fiscal year 1964
American Institute for Free Labour Development (AIFLD)	3	20		\$1,558,000	\$1,050,000
Cooperative League of the U.S.A. (CLUSA)	11	51	28	\$1,376,315	\$ 403,000
Credit Union National Association (CUNA)	8	30	23	\$1,145,865	\$ 430,000
Farmers Educational and Cooperative Union of America (NFU)	8	16	18	\$ 962,000	\$ 348,000
Foundation for Cooperative Housing (FCH)	21	55	58	\$1,005,000	\$ 276,000
Fund for International Cooperative Development (FICD)	2	21	5	\$ 332,000	\$ 10,000
International Cooperative Development Association (ICDA)	2	2	1	\$ 112,000	\$ 5,000
International Cooperative Training Center (ICTC)	2	1	23	\$ 358,500	\$ 132,000
National League of Insured Savings Associations (NLISA)	7	25	19	\$ 175,149	\$ 65,000
National Rural Electric Cooperative Association (NRECA)	23	38	32	\$ 679,307	\$ 181,425
Joint Commission on Rural Reconstruction in China (Vietnam)	1	1		\$ 300,000	\$ 300,000
Fellman Associates	2	10		\$ 31,000	\$ 31,000
Goldberg, Milton, Associates	2	8		\$ 50,000	\$ 50,000
TOTAL	94	278	207	\$8,085,136	\$3,281,425

U.S.S.R.

Centrosoyus reports that in 1965 cooperative delegations were received from Argentina, Burma, Burundi, Cuba, India, Indonesia, Kenya, Mali, Morocco, and Sudan.

Model programmes of intermediate and higher educational courses at establishments of Soviet Consumer Cooperation have been made and are available for developing countries to assist and improve educational methods in their own cooperative educational establishments.

During 1965, 50 students from Asian and African countries were enrolled in cooperative educational establishments of Centrosoyus. Within the Moscow Cooperative Institute a special faculty has been started for overseas cooperators and admission is open to those with secondary education employed in overseas cooperative education. Age limit is 35 years and students are expected to know English or French as these are the working languages of the Institute. The courses last one or two years. The one-year course trains students in cooperative accounts, bookkeeping, commodities, and gives them practice and tuition in organising these subjects in their own countries. The two-year course trains them as instructors in economics, bookkeeping, commodities, etc. Centrosoyus meets the cost of training at the Institute.

Part II. Cooperative Technical Assistance rendered by the United Nations and its Agencies, by Inter-Governmental Organisations, and by International Non-Governmental Organisations other than the International Co-operative Alliance

(a) International Labour Organisation

For over a decade the ILO, at the request of the governments concerned, has sent experts in various aspects of cooperation to many developing countries. Since 1950, approximately one hundred such missions have visited countries of Africa, Asia and Latin America, for periods ranging from a few days to several years, and reports have been issued at the conclusion of every mission.

In addition to undertaking technical assistance projects, the ILO also organises seminars, workshops, technical meetings and regional conferences on cooperative questions in different parts of the world.

In 1965 the General Conference of the ILO included on its agenda for discussion the item "**The Role of Cooperatives in the Economic and Social Development of Developing Countries**". This is again to be on the agenda at the Conference in 1966 with a view to the adoption of an international recommendation on this subject.

(b) Food and Agriculture Organisation

Since its foundation in 1945, the FAO has concerned itself with cooperative topics and especially assistance to cooperative movements in developing countries.

In the period 1950-64, 70 cooperative experts under the auspices of the FAO were attached to 27 countries in cooperative projects.

In addition to projects in developing countries, the FAO, like the ILO, is also concerned with organising seminars in various regions of the world on topics relevant to cooperative development.

(c) United Nations Educational, Scientific and Cultural Organisation

Since its formation, UNESCO has included in its programme certain projects which touch on cooperative developing countries. Its Department of Adult Education and its Department of International Exchanges have both made provision for aiding cooperatives in developing countries. This provision has usually taken the form of giving awards for cooperators in influential positions in the cooperative educational world to visit other countries to study teaching techniques etc. so that they can be better equipped for teaching on their return to their own countries.

(d) Organisation for Economic Cooperation and Development

The Division for Technical Action in Agriculture and Food in the OECD has not specifically aided cooperative movements in developing countries, as it is primarily concerned with countries in Europe and in this connection it has only given cooperative technical assistance in the agricultural field.

(e) International Confederation of Free Trade Unions

The ICFTU has constituted a Working Group on Cooperatives and Vocational Training. The I.C.A. was represented at the first meeting of this Working Group in November, 1965, when certain suggestions about the organisation and working arrangements of the Group were made. They will be considered by the Executive Board of the ICFTU.

It is anticipated that projects dealing with cooperative technical assistance submitted by affiliates of the ICFTU will be closely coordinated by the Working Group. The I.C.A. and the ICFTU will collaborate on projects in which both are concerned.

(f) International Federation of Agricultural Producers

The IFAP has a Cooperative Committee which advises its authorities on cooperative matters and is concerned to some extent with developing countries and technical assistance. The liaison between the IFAP Cooperative Committee and the I.C.A. Agricultural Committee is provided by the secretaries who are invited to attend the meetings of each other's Committee as well as keeping in touch on business planning and watching for opportunities for possible collaboration.

Part III. The International Co-operative Alliance

A long-term programme of Cooperative Technical Assistance for the International Co-operative Alliance was approved by the Lausanne Congress of 1960 and supplemented by a Resolution of the Bournemouth Congress of 1963 following a discussion on Promotion of Cooperation in Developing Countries.

The keynote of this programme might be said to be the acceptance for practical purposes of a major development of bilateral direct assistance from one cooperative organisation to another with the International Co-operative Alliance playing a central, supporting, promoting, sponsoring and coordinating role. The ultimate ideal might well be a decrease in bilateral and an increase in multilateral aid, but the I.C.A. has accepted for good practical reasons that for the foreseeable future even its long-term programme should be based on a mainly bilateral flow of activities.

The principal features of the programme, taking both its original design and its fulfilment to date are: -

- (a) Preparation and provision of information and advice about the cooperative situation throughout the world and especially in the developing regions, including information about past, present and future Cooperative Technical Assistance of all kinds;
- (b) Promoting, sponsoring, assisting to establish and coordinating bilateral Cooperative Technical Assistance;
- (c) Providing or supporting assistance whenever bilateral help cannot find an adequate answer to an urgent and feasible requirement;
- (d) Promotion of cooperative activities, including education at all levels, programming of studies, and expansion of inter-cooperative trading and financial relations;
- (e) Provision or coordination of necessary cooperative development research;
- (f) Collaboration with the United Nations, its Agencies, and other international bodies.

The resources available to the I.C.A. for implementing this programme and fulfilling this role in the sphere of cooperative technical assistance are: -

- (i) its affiliated organisations;
- (ii) The I.C.A. Headquarters Staff in London;
- (iii) The I.C.A. Regional Office and Education Centre for S.E. Asia in New Delhi; and,
- (iv) The I.C.A. Development Fund.

The present application of these resources (i) to (iv) to the tasks outlined at (a) to (f) may be briefly reviewed as follows, as regards: -

(a) Information and Advice

Information has been readily forthcoming from all sources and is being recorded by I.C.A. in London. It is also reproduced in various forms for special occasions. For the purposes of the 23rd I.C.A. Congress, this paper includes brief reference to the cooperative technical assistance activities of affiliated organisations and the I.C.A. itself, but omits a tabulated record of 66 ILO Cooperative Missions and cooperative projects of the FAO in 27 different countries because space would not permit their inclusion. An International Conference on Cooperative Assistance to Developing Countries held in Denmark in September 1965 on the initiative of the Danish Board for Technical Cooperation with Developing Countries and of the Danish cooperative organisations brought together representatives of the FAO, I.C.A., ILO, OECD and Government and cooperative representatives of eleven countries, all active as donors of cooperative assistance, and this Conference expressed its appreciation of the work already done by the I.C.A. in creating an International Centre of Information as indicated from the background paper presented to the Conference and asked that I.C.A. might also publish a calendar of cooperative seminars and other events in the cooperative technical assistance field for 1966. It was felt that even an incomplete and provisional calendar of this type would be extremely useful. The I.C.A. Central Committee approved this project later in the same month and the work was undertaken at once. If this information is to be properly recorded, reproduced whenever necessary, and intelligently interpreted to the many persons now enquiring in writing and by visits to the I.C.A. London office, it will be necessary to employ a qualified Technical Assistance Secretary and clerk for this work. The demand for this service has greatly increased and it becomes obvious that it is needed not only by cooperators and cooperative specialists but also by other specialists who need cooperative information and contacts for the proper pursuit of their own work in developing countries. There is no doubt that this service reduces overlapping and wastage, assists in better planning and use of resources, and contributes to greater effectiveness of cooperative aid of all kinds. If all cooperatives would contribute to the I.C.A. Technical Assistance Fund on the basis of not less than 10 per cent of the value of their own aid to other cooperatives each year, the international work could be carried out in a more rational way and thus guarantee an increased effectiveness of the remaining 90 per cent which would more than replace the 10 per cent gifted to the Technical Assistance Fund. It is further believed that in some countries the National Government would be willing to add to the national cooperative contribution because there is already understanding of the value of this service and representatives of the ILO, FAO, and OECD, at the Danish Conference observed that the I.C.A. is the most suitable organisation to provide it.

(b) Promotion and Coordination of Bilateral Assistance

The record of Part I of this Paper indicates the growth of bilateral cooperative aid. Some of this aid is very closely related to the I.C.A. as for instance the support of the members of the Swedish Cooperatives and of the Swedish Government, through K.F., for the I.C.A. Education Centre for S.E. Asia, in New Delhi and the setting-up in Tokyo by the Japanese cooperatives of an Institute for foreign students in collaboration with the I.C.A. Advisory Council for S.E. Asia and coordinated with I.C.A. activities. Some projects are carried out under the auspices of the I.C.A.; some at the specific request of the I.C.A.; some are organised and sponsored by I.C.A.; and very many are carried out

after consultation with and advice from the I.C.A. In recent years more rapid development has been made possible by closer collaboration of cooperatives with their National Governments in both donor and receiver countries. This has led to Government to Government applications and grants of finance to pay for specialists to be provided from cooperatives for cooperatives, has assisted in planning and feasibility surveys, ensures that cooperative projects fit into Development Plans and helps to avoid projects being affected unduly by political changes. Priority has been given to projects with a spreading effect and some specialists are now being made available to help in preparing projects and in making constructive feasibility surveys, a service insufficiently available to date, with the resultant bias of aid flowing mainly to those who know how best to ask for it. Co-operative organisations are also collaborating with nationally based funds, foundations and institutes which are interested in aid to cooperatives outside their own countries. Although foreign aid of a general character is on the defensive in some countries for a variety of reasons, it is clear that cooperative aid is growing in volume and effectiveness and there is great scope for further development given conditions of law and order and peace throughout the world. Members of the public are especially and understandably despondent when they hear of war and destruction in countries which have received their aid.

(c) Multilateral and Supporting Assistance

There are many examples of I.C.A. action in this category. Scholarships for students to attend courses when travelling expenses have been provided from another source; provision of printing presses, mobile cinemas, tape-recorders, special equipment, special studies, etc. Fact-finding surveys such as that of Mr. Rafael Vicens in Latin America in 1961, or the present one of Mr. W. Eisenberg in S.E. Asia where he is enquiring into and reporting on the possibilities for development of cooperative import and export trade. The English CWS has kindly provided Mr. Eisenberg and 25 per cent of the total cost of the project and the I.C.A. Development Fund is providing the remaining 75 per cent.

(d) Promotion of Education, Trade and Finance

The I.C.A. is constantly assisting in the planning and programming of studies of students and groups of students who wish to study outside their own countries. The I.C.A. Auxiliary Committees assist in the development of inter-cooperative trading and financial relations; as for example in the holding of commodity conferences for buyer and seller cooperatives for dairy products, wines, tea, coffee, cocoa, fruit, and vegetables, which have resulted in some increased inter-cooperative trade between cooperatives of different types; or the commodity conferences of the Cooperative Wholesale Committee to stimulate joint purchasing by cooperatives of the same type; or the interest of the Banking Committee in the development of the International Cooperative Bank or the Agricultural Committee in the provision of international finance for agricultural development through cooperatives.

Other activity under this head is the publication, translation, and provision of suitable cooperative literature to meet requirements. A recent good example of this would be the 5,000 copies in Arabic of Mr. Cheeseman's Handbook for cooperative workers in the field.

(e) Development Research

The I.C.A. has a very small research section, but the tabulation of T.A. data and preparation of original background material has been undertaken by them. Research on structural changes in cooperative movements is also vital to development, and this and other projects, such as one assisting the Cooperative Principles Commission, have been undertaken by the I.C.A. Research Section. A small group of consumer research officers from national movements in Western Europe already meets, and the future of this group is under consideration. The Agricultural Committee is considering possibilities of coordinating cooperative research in agricultural cooperatives.

(f) Collaboration with International Organisations

Close contact is maintained with the ILO and the FAO who have specialist cooperative staff and conduct field projects. These agencies have provided resource persons for I.C.A. seminars and I.C.A. has provided material to support their seminars. At the I.C.A. Conference for Cooperative Ministers, Senior Government Officials of Cooperative Ministries and Departments, and Presidents and Secretaries of National Cooperative Organisations in S.E. Asia held in Tokyo in April 1964 the ILO, FAO and the ECAFE were all represented by senior officials who were able to contribute much to the Conference. Collaboration takes place also with the Fisheries Division of the FAO, with the Freedom from Hunger Campaign and World Food Programme. Contact has been established with the U.N. Technical Assistance in New York, and with various interested Departments of the OECD. Advice has been given on cooperative projects of OECD in Greece. A close collaboration is developing between I.C.A. and UNESCO and cooperators are benefiting to an increasing extent under their various educational schemes. The IFAP has a Cooperative Committee with which the I.C.A. Agricultural Committee has established a close liaison, and the new ICFTU Working Group on Cooperatives, Vocational Training and Other Forms of Economic and Social Action has requested and received I.C.A. advice. The I.C.A. Insurance Committee has its own Development Bureau for assistance purposes and the I.C.A. Housing Committee both acts directly to assist others and collaborates with U.N. bodies, stimulating further international action on vital housing problems. The I.C.A. Committee for Artisans and Producers has published important Papers and helped to arrange for students to be suitably received and assisted by its member organisations.

Concluding Remarks

This background paper consists of three parts with a short introduction and concludes with a resolution which follows from the facts and points the way for the future.

Bilateral and multilateral technical assistance and aid enjoy varying degrees of support from the public in both donor and receiving countries, but in the case of co-operative technical assistance more specifically there has been a steady and growing demand which is meeting with an increasing understanding and response. The background paper, and considerable information coming into the International Co-operative Alliance, indicate that a useful start has now been made by national cooperative organisations, national governments, and international organisations including the International Co-operative Alliance. As yet, however, there are many organisations and people unconvinced that they should be involved. Increasing success must inevitably depend for all of us on -

- (i) the degree of commitment to the task;
- (ii) improvement in the quality of our effort; and
- (iii) more effective organisation of our resources, including coordination and planning.

Resolution

The 23rd Congress of the International Co-operative Alliance,

In reviewing its long-term programme of cooperative technical assistance outlined at the 21st Congress in Lausanne in 1960;

Notes that in answer to demands from developing countries cooperative assistance has to an increasing extent been provided in the forms of courses of instruction, study tours, technical meetings, training attachments, pilot and demonstration projects, feasibility surveys, literature, equipment and specialists for planning and for taking up key posts and training counterparts; but in spite of the considerable progress made since the appeals contained in the Resolution on Promotion of Cooperation in Developing Countries of the 22nd Congress at Bournemouth in 1963, the assistance so far rendered is grossly inadequate to meet the immense and urgent needs manifested in the present world situation; therefore

Requests affiliated Organisations to do their utmost to develop and increase their

projects and programmes for rendering aid and promoting trade across national boundaries; and

Urges renewed financial support from all movements for the Development Fund of the I.C.A. and where appropriate to a minimum extent of 10 per cent of the value of national cooperative technical aid rendered by cooperatives each year to other countries, so that the I.C.A. may carry its vital work as an International Centre for Cooperative Technical Assistance, equipped to provide all information about past and current programmes, to provide a calendar of forward events, to help with the briefing of experts, to provide occasional items of multi-lateral assistance in order to supplement bilateral operations, and generally to fulfil a central promotional, supporting and coordinating role in close collaboration with the U.N. Agencies and other international bodies, with consequent increase in the effectiveness of the total aid rendered.

Amendment by: Ustredni Rada Druzstev, Czechoslovakia

In the paragraph starting with "Urges" *delete* - at line 2 - the words "and where appropriate to a minimum extent of 10 per cent of the value of national cooperative technical aid rendered by cooperatives each year to other countries".

Discussion on the Report and Resolution

The Director: The background paper printed in the Agenda, to aid Congress in the further consideration of technical assistance for cooperatives, summarises in Part I the various forms of aid from one cooperative to another which have been operating bilaterally since the last Congress. Some organisations have still not reported fully and others will wish to bring us up-to-date on new projects. Part II refers very briefly to the activities of international bodies other than the I.C.A. itself but excludes details of experts and projects which have been reported to us and have partly appeared in a previous report to the Central Committee. We are most appreciative of the work being done by these international bodies and of their willingness to keep the I.C.A. informed about it. It would not, however, have been possible to do justice to such a large volume of work by attempting to include details within the scope of the short background paper. Part III identifies the role of the I.C.A., and the paper concludes with some very brief remarks.

For these next few minutes it is my intention to enlarge upon the last three lines of the paper and, at the same time, to speak in support of the resolution on Cooperative Technical Assistance proposed by the Central Committee.

I refer now to what we have termed "the degree of commitment". How far do we, and all our members with us, really understand this vast problem? How far do we earnestly believe in the giving and receiving of help? How far do we accept that there is a vital problem here for all cooperators in all countries? How far do we see or feel the need to be personally involved in this? To all these questions we must surely answer, in all honesty, "Not far enough." Certainly there are some members in industrialised countries who cannot see in their cooperative anything more than just another trade or service organisation, and there are some members in developing countries who either do not want responsibility or are content to regard the government as responsible for their cooperatives. Such persons obviously cannot be counted on for more than passive support, at the best, unless or until their attitudes can be changed.

But what about you and I who count ourselves amongst those who believe strongly in the cooperative idea and its application to human beings anywhere to help them to solve their economic, social and cultural problems? Do we feel that we are and should be committed to it personally? We have inherited what is probably the greatest self-help idea of all time and we understand what this means in terms of cooperative principles, cooperative failures and cooperative achievements. Are we backing it right up to the limit of our capacities? Are some of us perhaps prepared to use our own problems, and these may be many and great and urgent, as an excuse to turn our eyes inwards and to

fail to answer the challenge of also concerning ourselves with the problems of others? Certainly our own problems must come first in order of priority, and we shall be of little use to others if we do not attend to them. But may it not sometimes be true that in helping others we may also find that we have somehow helped ourselves? The point emerges clearly that we all have to strive for better understanding of the technical assistance development programmes in order to establish an attitude to them which will lead to practical commitment in some form.

I will not dwell on the point which we have termed "improvement in the quality of our effort". Most of the facts under this heading are too detailed to take the time of Congress, but it needs to be said, and repeated as often as possible, that experience always shows that nothing but the best will suffice when it comes to field work and technical assistance in countries other than one's own.

The first part of our resolution includes a summary of some of the types of assistance already reported, and in all cases practical and efficient results depend upon quality and careful preparation. If we cannot spare what is needed or give of our best then we should start planning from now to adjust our position until we can, for anything less will not do the vital work satisfactorily. We may have to devise a means of creating a pool of trained men for this work.

Let us examine some of our resources. First and foremost of these must surely be the goodwill of our individual members. Some countries are finding that a considerable financial contribution can be forthcoming from members if they can be convinced, firstly, that worthwhile practical results can be achieved by them in this vast and apparently limitless field of need. Secondly, they are finding that there is an appropriate and necessary function for them, apart from the function attributed to government, which taxes them having this and other needs in mind. There is sometimes a feeling of hopelessness that efforts to date have borne little result and that the whole conception of aiding cooperative endeavours is vague and complicated compared with, for example, food for a starving child. One has in mind persons trained for cooperatives who have later turned to other careers; aid given to cooperatives which have later been nationalised; hostilities and factions which have destroyed successful efforts; and above all there is the difficulty of defining exactly how help should best be given in order to achieve valuable and lasting results. Doubts have to be dispelled and satisfactory guidance provided if this main resource of our members' goodwill is to be fully harnessed. Can we succeed while technical assistance and development are part-time interests for extremely busy officials in many of our national cooperative movements and in the I.C.A.? In practical terms what priority can we give to this work?

Secondly, we might mention the technical know-how which exists in our cooperative societies of all types and at all levels. I do not think that societies should normally be expected to provide finance for these purposes from their own funds. They are competing in their own fields of business and should not, unless they wish to do so, be called upon to contribute very large sums to causes unconnected with their service to their own members, especially if those individual members have not themselves been approached for help. They may be able to accept students without great cost or inconvenience, and they may be able to release experienced men whose services elsewhere would not normally be a charge on that society but who would be accepted back after gaining valuable experience.

Thirdly, the experience, techniques, publications and training materials of our educational and training establishments will not only be needed to provide courses for students from other countries but will also be needed to assist with follow-up courses in the home countries of the students.

Fourthly, there is the increasing willingness of national governments, both in donor and recipient countries, to provide finance to meet the costs of bilateral technical assistance to cooperatives and to assist in planning and in feasibility surveys. We must take full advantage of this pronounced trend and learn to join up our know-how with the governments' financial strength. Our own mutual help is the essential element required to prime this pump and build up a really massive effort by progressive partnership.

Fifthly, we should consider the resources of governments at the international level through the U.N. and its agencies, ILO, FAO and the World Bank, also of inter-governmental organisations. We can now see examples of cooperative projects under the Freedom from Hunger Campaign and the World Food Programme. The U.N. agencies obtain finance from the U.N. Technical Assistance Fund for their cooperative projects. The recent loan of 5 million dollars from the International Development Association of the World Bank to the Government of Tanzania for the use of the cooperative movement of that country, which is entering a unique phase of development following on the report of its Presidential inquiry commission, is the first loan of international finance for general cooperative development in various fields, and holds out great possibilities for the future if it is successfully employed.

Sixthly, at all levels and at both donor and recipient ends, there are funds, foundations, groups, organisations and enterprises of all kinds which are willing, or trying, to assist, provided we can find the way to use them or to enable them to use us. Their present disconnected and sometimes ill-advised efforts are often wasteful.

Lastly, there is the I.C.A., whose potential is being developed slowly along the lines indicated in Part III of the paper. An International Technical Assistance Centre for Cooperatives is gradually developing at I.C.A. Headquarters simply because it is needed and not as an unnecessary overhead charge. The Regional Office for South-East Asia also finds itself under pressure to provide a service in support of technical assistance to cooperatives in its Region.

I have suggested to the United Nations officials in 1964, and I will continue to pursue this point on my next visit to New York next month, that the U.N. Technical Assistance Fund should accept a change of policy to convey technical assistance to cooperatives by means of contracts between the I.C.A. and either the Fund or the U.N. agencies, ILO and FAO, just as the national governments have now come to accept contracting with their own national cooperative movements to undertake projects for them.

In conclusion, training of all kinds at all levels, and using the most modern techniques, is still the greatest need. Planning, preparation of demands for assistance and surveys for pilot projects to ascertain or test feasibility are essential.

The I.C.A. must fulfil its co-ordinating role for bilateral assistance and prepare itself for any possible multilateral role.

I commend to Congress the resolution of the Central Committee, which follows quite naturally from the contents of the background paper and the resolution on Mr. Watkins' paper at the 1963 Congress, and accords with the long-term programme of technical assistance of the I.C.A.

I would like to say, finally, that the governments of developing countries, which well know the difficulties of making cooperatives work successfully in their countries, are largely convinced that the development of cooperatives is the only hope of a rapid economic development for their peoples which can steer between the extremes of allowing a small number of persons to advance rapidly, leaving all the others behind, and a totally government action in which the people become insufficiently interested and insufficiently involved. In England there is a saying that where the rainbow ends there is a crock of gold because one never sees the end of the rainbow. In fifteen years of cooperative work in three small developing countries, despite meeting with dishonesty, frustration and some failures, I was privileged to see some wonderful examples of the crock of gold which can be found at the end of the rainbow colours, and the economic and social uplift which results from successful cooperative action. We must put more emphasis on the successes, try to emulate them, and give heart to everyone to increase their efforts to the full.

I commend to you the Resolution of the Central Committee.

Mr. S. Matejka, Czechoslovakia: The Central Cooperative Council has submitted an amendment to the final paragraph of the resolution on the subject of contributions

to the Development Fund of the I.C.A. which proposes that the provision fixing the amount of contributions at a minimum of 10 per cent of the value of national cooperative technical aid each year should be deleted.

In support of our proposal we wish to state the following reasons. Firstly, the extent of cooperative technical assistance given by individual national cooperative organisations varies and does not always correspond to the financial strength and possibilities of the organisation or movement concerned. As can be clearly seen from the survey of cooperative technical assistance submitted to Congress, there are several advanced and wealthy cooperative movements whose technical assistance projects, in comparison with the possibilities of other national cooperative organisations, could be much greater than has been the case so far. It is true that Congress may appeal to them to increase the scope of their assistance schemes, but the actual decisions can only be made by the organisations themselves. Therefore, it would not be logical to require from all a virtually egalitarian contribution to the I.C.A. Development Fund, irrespective of whether an organisation has already exhausted its possibilities for granting cooperative technical assistance or not.

Secondly, it must continue to be left to the discretion of national cooperative organisations themselves whether they choose to give their cooperative technical assistance directly or in collaboration with other organisations, or through international organisations, including the I.C.A.

Finally, in several countries there is the foreign exchange convertibility problem connected with the currency regulations in force in individual states.

In view of these facts we recommend that the appeal for support of the Development Fund of the Alliance should remain incorporated in the technical assistance resolution, but the provision requiring this contribution to amount to at least 10 per cent of the national cooperative technical aid should be omitted and the principle of voluntary contributions should be retained.

Mr. A. Bo, Denmark: I have with great interest read and listened to what has been said about cooperative technical assistance, and should like to elaborate a little on the critical remarks I made on the same subject three years ago at Bournemouth, in the hope that I may support some of the Director's points.

I appreciate that the I.C.A. report this time is much more comprehensive and realistic than that presented at Bournemouth on cooperative technical assistance, but I still maintain that the report does not give a fully realistic picture of what is being done and what could be done in this field.

With all due respect to the excellent work of the I.C.A. Office in New Delhi, it is not realistic to expect, as the proposed resolution seems to imply, that the I.C.A. will be the centre for cooperative technical assistance. Neither the technical agencies of the different donor countries nor the U.N. agencies would subscribe to that. What the I.C.A. can do, and ought to do, is to become the information centre on cooperative technical assistance, a limited but extremely important role within the whole picture of cooperative technical assistance, as was so clearly stated at the Conference in Denmark in 1965 referred to in the report. But to fulfil this limited but important duty the I.C.A. needs the support of its member organisations in supplying both information and the necessary finance.

Whereas, in my opinion, what the I.C.A. as such can do within the overall promotion of cooperative technical assistance is relatively limited, I agree with the Director that there are abundant opportunities for many member organisations to influence their respective governments and the inter-governmental agencies to promote cooperative projects within their over-all technical assistance programmes. I think this point should be stressed here to the responsible cooperative leaders present. A lot more could be done in most of our countries if we really were to press this point upon our governments.

There is, however, a serious limitation, and one for which the cooperative organisations are themselves to a great extent responsible, namely, the limitation set by the number of qualified people who are able and willing to take on a job within cooperative technical assistance at the proper time and for a suitable length of time. You may be able

to get the necessary funds from your governments or your cooperative organisations but to get qualified people released to take up a job within the cooperative technical assistance field has proved in many cases to be extremely difficult, if not impossible, however much the respective organisations in principle may go in for expanded technical assistance in the cooperative field.

This is a problem that members of this Congress have the possibility to solve if we are really sincere in our support of the resolution on cooperative technical assistance. It can be done, as is shown by a recent example not from my own country but from Finland. As you may perhaps know, the Nordic countries of Denmark, Finland, Norway and Sweden, at the request of the Kenyan Government, are embarking upon the largest technical assistance scheme within the cooperative field yet undertaken, I believe, with the sending of more than 50 experts in the next two years from Scandinavia to Kenya. Before we interviewed some of the Finnish applicants for jobs of field advisers we were told by the Finnish Government Agency for technical assistance that they had beforehand secured, through contacts with the respective employers, that any candidate we might select would have the necessary leave of absence, in one instance supplemented by a promise that the candidate in question would be sent to England for two months in order that he might improve his English a little.

Such an attitude may be found also in other countries, but it is not very common. The recruiting of the right people, in my opinion, is the most serious problem within cooperative technical assistance today, but it is up to the cooperative organisations themselves to solve it, because it is only there that we have what Mr. Orizet has described as the reservoir of cooperative know-how. We can solve this problem if we want to, provided we are really sincere in our support of the resolution of the I.C.A. on cooperative technical assistance.

Mr. V. N. Puri, India: I speak to you on behalf of more than 450 million people of India, of whom 80 per cent are farmers, and I am here as a representative of the farmers' organisations. India is a typical example of all under-developed or less-developed countries, which are all agriculturally dominated countries. Our whole economy is based on agriculture, and for ages past we have depended upon agriculture as the mainstay of the majority of the population. In my country, a little more than 20 years ago we received our independence. Since then the farmer has taken up modern techniques, but he is essentially a slow-moving person in his way of thinking and adapting himself to new technology. To this must be added the fact that previously, for more than 100 years, we were under a civil government and there was a traditional hostility to anything introduced by that government; but, thanks to the efforts of our national government, we have taken to new technology and this has led to a critical shortage of agricultural inputs. To quote one example, in one state the fertiliser input has increased tenfold in the last few years, leading to an acute shortage.

This brings me to a very vital point. We from India strongly support the resolution moved here and we strongly request all delegates to contribute as much as possible to the Technical Assistance Fund of the I.C.A. The idea of a Fund being created at I.C.A. level is, I think, most appropriate and the developing countries attach great importance to this activity of the I.C.A.

I do not understand the objections raised by our Czech friends. The words mentioned in the resolution are "wherever appropriate". There is no obligation attached to the contribution to be made by the various national movements, so I do not see that there can be any exception taken to the resolution as such, or need for any amendment.

We are a country which is a recipient as well as a donor in the matter of technical aid. It has been pointed out in the Report, and earlier by my colleague, the Secretary of the National Co-operative Union of India, that we are trying to give assistance in our own way to countries less developed than India herself, and we have had much assistance from countries under the Socialist system of government as well as from the Western countries. So far what we have gained is related to educational facilities for training people, but there is something more radical required by way of physical help to enable

us to get past the take-off stage. We now require more technical help in the form of assistance for the manufacture of fertilisers, insecticides, and all technical inputs. In the state sector we have put up many factories but we have to import most of our fertilisers and the increased production is offset by the increasing prices of inputs. We require much help, and what applies to India applies to all the countries in the region, because the pace of development is more or less identical in all countries.

The problems of the developing countries are mostly consumer-based, but here we have to find out how best to sell our produce, and our problem is how to make the agricultural producer produce better looking stuff so that the consumer finds it more attractive. But in India the problem is rather how to preserve the limited stock of food-stuffs; how to produce more and how to distribute it in the best way, and more effectively than by private trade. Here the Government as well as the cooperatives are doing a lot of work. Assistance is needed in the form of paper packaging, deep freezing installation and preservatives. Recently the Ford Foundation in India came forward with a suggestion about rice processing. It presented a proposal by which the cost of a silo was reduced by 30 per cent. Similarly, in the matter of fertiliser production the Foundation has a very good proposal. I would request other countries, either from the Socialist sector or the Western sector, to do their best. Whether the aid comes through the I.C.A., or through any agency, it should be on a cooperative basis, so that we can really compete with the private trade which is strangling the economy of our country.

A centre should be opened, in South-East Asia, where we can have a Technical Assistance Secretary or an equivalent director to deal with this problem.

Mr. Ch.-H. Barbier, Switzerland: We are meeting here in a majestic palace, all lights and marble. You are comfortably seated, you have had your lunch, and if you did not it is only because you did not want any.

But at this very moment, there are hundreds of millions of human beings in the world who enjoy less security than the beasts in the forest, who suffer from exposure to cold or heat, from disease, hunger and the direst misery. There are, in our world, millions of unemployed brains and, at a time when science makes every possible effort to help us, when it puts everything within our reach, we accept the continuance of such a situation.

The present moment is an extremely delicate one for what is called technical assistance, and what we must call cooperative mutual aid, because public opinion, instead of being more and more alert, more and more animated, is becoming passive again practically everywhere. The difficulty of shaking up public opinion is terrible. We are all conscious of a disinclination to exert ourselves, we who are living in comfort and who know nothing of poverty.

I think we have virtually no greater task than to be those who awaken or re-awaken world attention to the very greatest problems of our times, who make other people conscious of the duty we have, today, to make our world humane for all men.

I would like to give you some very brief facts about the work the Swiss cooperative men and women are doing in Dahomey. You know that our action is financed not by our Central Union or our societies, but by the cooperators themselves who willingly give up a very small part of their dividends.

I was in Dahomey only a fortnight ago and I think I can say, for the first time, not that success is in sight, but that we have succeeded.

We started from the idea that health is as contagious as disease and that health centres must be created. We also tried to create cooperatives which would be health units. Today, the programme which we tried to develop in 1961, for agricultural development, has become the programme of the Dahomey Government. Everywhere the emphasis is on seeking to increase agricultural production.

One must realise that the gross national income in Dahomey is only 35 billion CFA francs, that is, per inhabitant, one sixty-fifth of the Swiss gross national income per inhabitant. And the country will not be able to achieve greater prosperity unless it can increase its exports.

Last year, in our cooperatives we had an average of 900 kilos of cotton per hectare (2.47 acres) against a national average of around 400 kilos. And when I say an average of 900 kilos, this takes account of some unfavourable experiences, actually in some of our cooperatives many producers have achieved two tons or even more.

Our real success is that we have now persuaded our peasants, who formerly were earning less than 12,000 francs a year, to invest 15,000 CFA francs per hectare for the treatment of cotton, for labour and for the care of the crops. These 15,000 francs we collect at the marketing stage and we have had some sensational cases as when one peasant received, from a single hectare, the sum of 56,000 francs. Besides this, he has his own hectare for groundnuts, one hectare for other crops, and one hectare of fallow land.

In the coming year we hope to go much farther and considerably to increase the returns.

The Dahomey army, only a few hundred strong, has become an army dedicated to agriculture since five-sixths of the period of military service, that is 15 months out of 18, is devoted to what is called "service civil".

We made ourselves educators of these peasant-soldiers to try to make them future cooperators. Now we are working with the collaboration of the Swiss Confederation which has launched its project for "young volunteers", and in Northern Dahomey, where we have the most important part of our activities, we are privileged to have girls and young men who are engaged in rural enlightenment, in other words, who help the women in child care, health problems, gardening, cookery, etc. . . We shall also work more in the sphere of agricultural cooperatives.

The experiment of which I have spoken is in a fair way to become a great success and a great example.

I very much hope at our next Congress to be able to give further news about our project and I thank you all for the interest you have shown.

Mr. A. R. Glen, U.S.A.: In speaking on the Report of the Director, I would commend to Congress the remarks of our friend from Denmark who pointed out that there appears to be within the international cooperative movement considerable competition in the area of technical assistance to developing cooperative organisations throughout the world. The organisation I represent, of credit societies mainly domiciled in North America, has had for over 10 years a programme of organisation and technical assistance to the developing countries, and we want to pay tribute to the early cooperators of Europe for the fact that the organisation we have developed, and which we are now extending throughout many countries of the world, had its origin in Europe over 150 years ago.

I suggest that, in our desire to establish cooperative organisations throughout the world, we must divide our task into two parts. One is the promotion of the cooperative idea, the other is to provide the technical assistance to carry that idea in its particular application to a successful conclusion. It is for these reasons that the various associations within the I.C.A. are beginning of their own volition to provide specialised technical assistance in their specialised fields.

The organisation with which I am associated now represents over 20 million co-operators on the North American continent, and we have nearly 6 million additional cooperative members coming into our movement in the developing countries, notably in the islands of the Caribbean, in Central and South America, in South-East Asia, in Australia and the islands of the Pacific Archipelago. We have found that the establishment of the credit society as the basic unit of cooperative development has become very successful and has enabled us to plant the seeds of the cooperative idea. Out of this credit we have been able to change the economy of the small farm, to increase its productivity; in the area of technical assistance by working with other organisations which have the technical qualifications we do not possess, we have been able then to introduce into the economy of the small farm the technical assistance which is so badly needed.

My point is that the basic cooperative in this case is a financial cooperative, which on the one hand encourages the mobilisation of local capital, which supplements local

capital from other sources, and then directs that capital into the areas of the local economy where cooperative development can best take place. We are encouraged by our progress in Latin America, and by the results of our experiments. We hope that the information which we have acquired and the experience which we have obtained will be useful not only to the I.C.A. but to those organisations within the Alliance which are also engaged in this area of international development.

I thank Congress for this opportunity to give this information to you, as it was suggested might be done, and I offer to the I.C.A. our sincere assistance in its work. I hope that in the area of technical assistance we may be able to make the contribution which is so badly needed in the developing countries of the world.

Mr. V. Jakovenko, U.S.S.R.: The Soviet delegation supports the amendment of the Czech cooperators to the resolution concerning technical assistance. We feel that Congress must not impose on national cooperatives the obligation to give to the I.C.A. Development Fund 10 per cent of the value of their cooperative technical aid to other countries. Such a payment can be made by cooperatives if it is on a voluntary basis, but the organisation which I represent feels that the means at the disposal of our cooperatives for technical assistance to the developing countries should be put on a bilateral basis, which will be more favourable for the people concerned. We wish to improve our technical assistance and are, therefore, in favour of the amendment.

Mr. S. Andoniades, Greece: I speak simply to give Congress some information about the technical assistance which the cooperative movement in Greece is receiving. Many of you know about Greece from classical history, but I presume that not very many know about the present difficulties in my country. There is one fact to which I would refer in order to give you a picture of the situation. Only 27 per cent of our land is arable and, therefore, with a population of more than 8 million people, our country can be regarded as a country of smallholders, so that the need for cooperation among our people is extremely great.

We started the cooperative movement late, perhaps later than many other countries in Europe, but the beginnings were on a sound cooperative basis of self-help, founded on the Raiffeisen system. We started with credit societies, but, due to historical events, we were unable to apply cooperative principles and methods; therefore, we tried to meet the needs for literacy of our new settlers and to give them the means to make a new life in a new country to which they had come. These conditions developed to some extent, so that after the last world war we had thousands of cooperative societies spread all over the countryside, and many cooperative industries and enterprises were established. They were, however, administered by non-experts, by engineers and administrators, so that we greatly needed the help of other cooperative organisations which had among their people experts who we thought could help us.

We, therefore, made an appeal to the I.C.A. in 1960 for technical assistance. This assistance was readily given to us through member organisations of the I.C.A., especially by the Swedish consumers' cooperative movement, who regularly for several years provided opportunities for young cooperators to be trained in Sweden, to learn the methods of conducting cooperative business and cooperative practice. In addition, we have received from KF substantial help to start a consumers' cooperative movement, which was non-existent in our country. Several attempts had been made to start a consumer movement but they had failed. This time, however, with the material help which we received from the Swedish movement, we have been able to start a consumer cooperative society. We have also received regular scholarships from the Raiffeisen Union at their seminars.

We are very grateful for all this help and feel conscious of our duties to other cooperators. We shall be very ready to receive cooperators from other countries to be trained in our cooperative factories in the processing of agricultural products.

Mr. H. Ballesteros, Colombia: The privilege of representing my organisation at this Congress is a very great one, and I much appreciate the honour. I do not feel, however, that I shall be speaking here only for my own organisation, but for the people of a whole continent, who believe that cooperation is the best instrument for solving the serious problems facing millions of under-privileged people. Latin America is living under the pressure of impatience, and voices are being heard everywhere demanding the improved standards which are long overdue.

As is generally recognised, technical assistance can make an important contribution to these problems, but the method of applying it must be continuously improved and made more effective. I should like to tell Congress of a new initiative in this direction. KF in Sweden, through its General Secretary, Dr. Bonow, assisted by the Organisation of American States and the Organization of the Cooperatives of America, has given support to what we believe is a new form of technical assistance, a working conference of top non-governmental cooperative leaders to study a specific technical subject. On the initiative of Mr. Ames of KF, top cooperative leaders from eight Latin American countries have been brought together in Scandinavia to form a Latin American cooperative working conference on integration. The aim of this conference is to allow these leaders to get together over a period of six weeks to discuss cooperative integration, first of all in an atmosphere of quiet which is not possible for them as responsible cooperative leaders at home, and secondly to base their discussions on "on the spot" field studies of cooperative integration programmes now being carried out in Europe. This integration conference has brought us into contact with the top technical people in the well developed cooperative movements, and in this way we have been able to make a thorough study of cooperative integration. I should here add that integration is considered by Latin American cooperators to be the greatest single cooperative problem on our continent.

This conference has also provided the opportunity for a large delegation from Latin America to visit the I.C.A. Congress after which they will reassemble in Lisbon to study an experimental cooperative integration project which is being conducted there with the help of KF, and will attend a cooperative integration conference organised by KF for Portuguese and Spanish speaking cooperators.

After this second conference, and with the valuable information and contacts which have been gained, the delegates will draw up recommendations to the Organisation of the Cooperatives of America which is intending to provide a basic five-year programme of cooperative integration in Latin America. All the delegates have agreed that the practical and theoretical information obtained through the working conference provides extremely valuable technical assistance, even if modifications may have to be made in adapting this to Latin American conditions.

The delegates have all resolved to spare no effort in working for the practical achievement of cooperative integration, and to take action to guide many organisations in which things had remained stationary due to the absence of well-informed guidance on integration. From the practical point of view, we are hoping to fulfil our purpose by the creation of a Centre for Cooperative Integration somewhere in Latin America, to which, we hope, contributions in the form of technical guidance will be forthcoming from other cooperative organisations. The money provided by KF and the OCA should in no way be regarded as a gift, but rather as an investment, the good results of which will be experienced in the years to come. We hope such conferences will often be repeated.

I should like to conclude by paying posthumous homage to the memory of the great Colombian cooperator Mr. Alberto Rico, for many years the director of the organisation which I represent, who, at Bogota, in April 1965, fell dead just at the moment when he was about to begin a speech calling for cooperative integration.

Dr. W. Sommerhof, Chile: Cooperatives should consider the possibility of participating in, and sharing responsibility for, cooperative operations abroad. If technical development and regional associations could be formed with cooperation from developed

cooperative organisations in other countries it would remove the need for Government intervention and the cooperative organisations from abroad would replace the almost non-existent democratic control. As development took place, new cooperative communities could be set up, which once established could take control of their affairs. Another method would be the establishment of joint economic processing and other industries in conjunction with other countries, which would supply their products to national producers' or agricultural cooperatives. This would allow for the promotion of cooperative know-how in the developing countries, while the cooperatives giving help would have the advantage of such action in increasing knowledge and experience. New strength would be given to cooperative movements of all types in this way.

✓ **Mr. R. Ahmed**, Pakistan: The President has told us earlier that in the next 20 to 25 years the industrialised countries will double their per capita income. We shall also double, but in population; so that even if we can double our income in 20 to 25 years we shall not have gone very much beyond where we stand today. The problem of technical assistance is, therefore, not only important but very urgent.

My friend Mr. Puri, from India, has referred to the difficulties in Asia, and in general I agree with him, but there are some specific points which I should like to make. First, the I.C.A. should encourage cooperative technical assistance more than any other form of help. Government-to-Government technical assistance is influenced often by political considerations and has political strings attached to it, but cooperative-to-cooperative technical assistance is likely to be free from any political considerations. Technical assistance may also take a multilateral character as far as possible, rather than bilateral. For that reason I do not like the word "promotional" in the Central Committee's resolution.

My second point is that the I.C.A. should, in collaboration with the United Nations Agencies, do something more tangible than providing contacts or expert advice. My specific suggestion is that the United Nations organisations such as FAO and ILO should be persuaded to set up training institutions in the developing regions. If these organisations, and perhaps others, would pool their resources and set up good training institutions in the regions where training is to be given, it would have a better effect than the technical assistance programme. When our people go to Europe they learn a good deal, but what they learn is not necessarily applicable to conditions in our part of the world. It is important to give them training in the setting in which they live and work, and if possible these training institutions should have model projects attached to them, in which experts from these countries could work and manage, because advice alone is not sufficient; they should give the results of their own management and give on-the-job training to others. That would save the money spent by the developed countries on paying the passages of people who come from Asia or Africa. Three or four institutions are required, one for English-speaking people in Asia, one for English-speaking people in Africa, a third for French-speaking people in Africa, and a fourth for Spanish-speaking people in Latin America. The I.C.A. should play the role of an agent or contractor to the United Nations Agencies, all the experience and knowledge coming from the I.C.A. but the funds from the U.N. Agencies. If the I.C.A. could work for the United Nations Agencies with its own experts, it would create a greater effect.

My third suggestion is that international business enterprises should be created on a cooperative basis. These business enterprises should mobilise funds and other resources at international level and provide finance and technical know-how to the developing countries, thus strengthening the forces of cooperation on an international basis. The forces of capitalism work on an international basis, and if we are to fight them we must strengthen cooperation on an international basis.

To assume that the Governments of the developing countries will always work in practice for the promotion of cooperation may not be correct, because, although these Governments are sincere, they function in such circumstances that the capitalistic pressure on them may be too great. They may be compelled to follow policies which are not always designed to promote cooperative movements. The problem is urgent; time

is flashing past; but the footsteps of hunger are also flashing past and we must act urgently.

Dr. A. F. Laidlaw, Canada: In the limited time available I want to underline a few points which I hope will be of practical assistance to our consideration of this topic, based on a few years of experience both at home and abroad in the field of cooperative technical assistance.

I would first issue three warnings with regard to technical assistance. The first is that there is a danger in raising expectations unless we are prepared to back them up with practical help of all kinds. We know from our own experience at home that it is one thing to stir people up and to organise cooperatives, but unless this is followed up carefully, with painstaking attention all the work will be wiped out, and one can be hanged on one's own slogans. Every step which we take in this field, therefore, puts on us a responsibility to follow it up with far more know-how and finance and everything else than we have so far been prepared to give.

Secondly, from my observation and experience in this field I believe that we have done too much theoretical work, with insufficient practical action. I believe that some situations have been researched and studied to death. We have too many generals in the field and not enough sergeants. We now need not so many senior statesmen of the cooperative movement giving advice as more practical young men who will go into communities and work with cooperative people and stay with them to set up cooperatives and see them through to success.

Thirdly, and this is based on our experience at home, we are all developing in one way or another and, fully recognising the needs of the so-called under-developed countries of the world, we have to recognise our own needs at home. In Canada we have our under-developed people and our poor, and we believe it would be a mistake for us to go out and offer assistance and technical programmes to the world without doing something for our people at home. So we are doing the two jobs at once, our technical assistance work at home and our work abroad.

There are also two or three recommendations which I should like to make. First, I should like to see each country in membership of the Alliance trying to specialise in the field for which it is best fitted. In Canada we know about agricultural cooperatives, and we would share our knowledge with the world. Our farmers have recently built one of the most modern fertiliser plants in America, and we have one of the most modern milking plants on the American continent. We have one of the few cooperative farm machinery manufacturing plants in the world. These are the things that we should like to share, and that, with our fisheries which are progressing, and the *caisse populaire* movement, form things about which we can supply knowledge.

Secondly, I would assign to the I.C.A. four fields in particular. One is coordination; we must be kept from treading on one another's toes. The second is information; we want more information about what other countries are doing, and the Alliance is the proper organisation to give it. Thirdly, we want a great wealth of basic publications, not descriptive articles on cooperatives, but the how-to-do-it type of publication, which I think can be prepared in conjunction with an organisation such as UNESCO. Fourthly, we want the Alliance to be our link with the international agencies.

I would underline what Mr. Alexander said about using our own Government aid for technical assistance. That is what we are doing on a fairly large scale in Canada. The Government of Canada may not be prepared to promote cooperatives at home, but it likes the idea of cooperatives for export abroad; and so we had to work out a partnership between our Government and the cooperative movement, which is beginning to produce results.

We have certain advantages. We have two languages, French and English, and we have large cooperatives and small ones; we have our under-developed peoples, and we have cooperatives which specialise in food production and processing for the world; we have cooperative institutions in both languages; we have a French cooperative college in Quebec and a college in Saskatoon, and our universities are joining hands

with us now in the whole field of technical assistance for cooperative development.

Finally, we believe in a combination of bilateral and multilateral assistance; we want to work directly with certain countries, but also to work through and with the I.C.A. in the whole field of multilateral assistance. That is why we intend to continue our system of 10 per cent of all contributions which we raise from cooperative people in Canada to go to the I.C.A.

Mr. W. R. Kapinga, Tanzania: It is very pleasant to note the positive response which the subject of technical assistance is receiving from this Congress. We in the developing countries very much appreciate the sacrifice which our fellow cooperators are making in contributing to the development of our people. We have a duty on our side to spend that money in the best possible way, so that the desires of our fellow cooperators are realised within a reasonable time.

My country is one of the recipients of that aid. Up to now we have received quite considerable aid from our friends in Scandinavia, as well as from CUNA. I should like to utter here a word of caution, but not of criticism. Care is necessary in selecting people to help the developing countries. We need practical people, people who are willing to live in remote areas, people who are willing to live uncivilised lives and work with our people so as to help them. We need people willing to work, not people who come as masters or come for a holiday, but people who are themselves missionaries. This is not an easy job; it is a very difficult job, and I should like to congratulate all those people who have been to the developing countries and have endured hardship.

Secondly, we should like people who are well orientated, who are willing to learn as well as to teach. We have a reserve of knowledge which the developed countries can take from us. When financial or technical assistance is given, I think it is fair on the part of the donor countries to ensure that this is not a continual practice, but is meant to help people to stand on their own. When financial assistance is given, care should be taken to see that the recipients make adequate provision to plough back some of the fruit of this aid, so that in the long run they become self-supporting. I appeal to all the donor countries to see that these things are done.

I would commend the excellent work which the Scandinavians are doing in my country. The work which the cooperative movement is called on to do in Tanzania is to develop consumer cooperatives in the urban areas. Retail trade is in the hands of foreign capitalists and, though they may be doing excellent work, which I agree they are doing, it is not difficult to see the effect on the economy of the country. It is not their duty, as it is of cooperators, to keep the wholesale and retail business in the country. Here I ask for the assistance of all cooperators, as well as the Scandinavians who are taking part in this work and who are rendering this valuable service which my country will always remember and appreciate.

Professor P. Lambert, Belgium: The excellent report of the Director, Mr. Alexander mentions nineteen countries in which some cooperative organisations have experience, sometimes modest and sometimes very important, in technical aid to the cooperators in newly-developing countries.

It would be regrettable if all the fruit was not drawn from this experience, and this is why I take the liberty of expressing a wish. This is that the Central Committee, for a future Congress, should elaborate a report on these experiences, in particular examining the methods used, the successes and failures, for it is well known that failures are at least as instructive as successes. The Central Committee should adopt the same procedure as it has done for the Principles, that is to appoint a commission of experts who would seek advice not only from technicians from countries of long development but also, as far as possible, from cooperators who have received technical assistance in recently developed countries. Such a report, and more particularly the recommendations that would follow, would enable cooperators desirous of helping others to avoid wasting time and effort.

Such a report would also, I believe, be useful to recently developed countries, even

to those working alone on the basis of self-help. It is the cooperators of this part of the world who very often, as they explain to us, when they want to start something tend to imitate the movement as it has evolved in countries of an old development, whereas the real solution for them is to find their own way within their own proper structure and with their own particular difficulties.

A motion **“That the question be now put”** was moved under Standing Orders and seconded.

On a vote by show of hands the motion was **carried**.

Reply to the Discussion

The President: The Director will now reply to the discussion.

The Director: The first thing that it occurs to me to say about this very interesting, lively and helpful general discussion on technical assistance is that it is going to be helpful to think in terms of “technical assistance for cooperatives”, instead of “cooperative technical assistance”, because in the United Nations and in the international field generally there are various forms of cooperative integration and cooperative technical assistance and cooperative this and that, but when it is something “for cooperatives” it means only one thing, and there is no possibility of doubt.

The amendment proposed by our Czech friends and supported by Centrosoyus is not supported by the Central Committee, and I am speaking against it, for the following reasons.

The amendment seeks to delete the words “and where appropriate to a minimum extent of 10 per cent of the value of national cooperative technical aid rendered by cooperatives each year to other countries”. That was not intended to indicate compulsion, that everybody must give 10 per cent. The trouble has been that many people have said to us “If there is bilateral assistance and multilateral assistance, what should be our aim? What are we trying to do at this moment of time?” The guidance which we are trying to give at the moment is that in terms of priorities today it appears that up to 90 per cent of the assistance for practical reasons will have to be direct bilateral assistance, and the coordinated activities and multilateral activities from the I.C.A. at present should not claim more than a minimum of 10 per cent.

The resolution says “where appropriate”. There must be some flexibility in this matter. Some movements are in a different position from others, but we are trying to give a clear guide, and already this has been very helpful. Our Swiss friends have set a good example, and our Canadian friends followed, and we hear from time to time of others who will vote 10 per cent assistance. I should like our friends who proposed the amendment to study this wording. Although the word “minimum” appears at first sight to imply compulsion, the words before it put it in its proper context, and say “where appropriate to a minimum extent of 10 per cent.” If this wording is studied carefully, it takes care of all the situations we can think of.

I am not going to reply in detail to the debate, because all the points which have been raised will be taken care of. I should like to put the minds of any of our United Nations Agency friends at rest by stating further to my talk about contractual arrangements and so on in the future with their agencies, that I am only thinking in terms of spending and doing things with them. I have no intention that we should do something of our own which would duplicate their activities; it is just in the planning stage. That is why the suggestion is not more definite; it simply means that I am interested in negotiating with the United Nations bodies to discover the role that they feel we should play; and in endeavouring to play it in close collaboration with them I want increasingly to make our suggestions of coordination a reality.

I agree that our first essential role is that of an information centre. This is closely allied with another suggestion about briefing and having properly oriented experts, made

by Mr. Kapinga from Tanzania. We are now finding that the information which we have at our two I.C.A. offices is enough to attract more and more experts to drop in and be informed before going to the job, and on coming back they "de-brief" by giving us a great deal of information about what they have been doing. This is really becoming a useful service. I have noticed the suggestion made from India, and we are already taking steps to organise the Regional Office quietly on the lines suggested.

I am delighted by the offer of Mr. Glen, because I have felt in the past that recognition of the role of credit unions and their position vis-à-vis other cooperatives needed attention; and we want to ensure proper relations between this movement and other forms of cooperation. Credit needs attention. Whatever may be the differences or similarities between his attitude and my attitude, I feel that we are going to arrive at an understanding.

I have noted the contributions from both Colombia and Chile. We shall endeavour to keep in very close touch with the OCA office, because it will be somewhere in that area that the I.C.A. will eventually have to develop in Latin America.

Mr. Ahmed's comments are always very practical and to the point, and he has the chance, if he remains on the I.C.A. Executive, to see that we do what he wants us to do.

I agree with Dr. Laidlaw's brief but excellent summary of the four points on which the I.C.A. should collaborate. It is exactly on those four things that we are working and developing.

I think that the rest of the comments remain for action and not for answering.

The President: Would a member of the Czechoslovak delegation or of Centrosoyus like to speak on the amendment tabled by Ustredni Rada Druzstev?

A Delegate, Czechoslovakia: After the explanation given by the Director, we have decided to withdraw our amendment.

The President: That decision is much appreciated. We have then before us only the resolution proposed by the Central Committee.

May I take it that we adopt the resolution without dissenting vote?

Congress agreed.

The President: It is very encouraging that in this important field of technical assistance we have a common opinion.

The following delegates were inscribed to speak on Technical Assistance but were unable to do so in view of the Closure Motion: -

Mr. E. Wijesuriya, Ceylon; Mr. F. Owen, U.S.A.; Mr. G. Onagoruwwa, Nigeria; Mr. M. A. Gilboa, Israel; Mr. N. Verlinsky, Israel; Mr. N. Thedin, Sweden; Mr. S. Dreyer, U.S.A.; Mr. G. Jacobson, U.S.A.; Mr. P. Appavoo, Singapore; Mr. Z. Engel, Poland; Mrs. M. Buresova, Czechoslovakia; Mr. C. Mateescu, Roumania; Mr. M. Radetzki, Sweden.

Structural Changes

in

Cooperatives

Report on Structural Changes in Cooperatives

Introduction

At the Lausanne Congress in 1960, as part of the discussion on Cooperation in a Changing World, attention was focussed on the need for increased coordination of co-operative structure in response to profound social and economic changes in distributive methods, population, production techniques, competitive conditions and size of markets. It was recognised that only through rationalisation of relations between societies and national organisations can cooperatives prepare themselves to compete effectively with fully integrated private chains (with their control over buying, size and composition of stocks, prices and advertising).

In October 1964 it was decided that the I.C.A. should prepare a background paper on these issues. This paper, together with an introduction by Mr. Andreas Korp, President, Konsumverband, Austria, was discussed at the Central Committee meeting in Helsinki in September 1965. This discussion is now available as a separate publication "Structural Changes in Cooperatives" (5s. od.)

This report is based on material in the files of the I.C.A., two Special Issues of the CWC Information Exchange Service on Austria and Denmark, and on questionnaire returns received by the end of January 1966 from the following organisations:

Austria	Konsumverband
Canada	Co-operative Union of Canada
Czechoslovakia	Ustredni Rada Druzstev
Denmark	Faellesforeningen for Danmarks Brugsforeninger
Finland	Kulutusosuuskuntien Keskusliitto
France	Fédération Nationale des Coopératives de Consommation
Germany	
(Fed. Rep. of)	Zentralverband deutscher Konsumgenossenschaften
Great Britain	Co-operative Union Co-operative Wholesale Society
India	National Co-operative Union of India
Israel	TNUVA, Central Co-operative for Marketing of Agricultural Produce in Israel
Netherlands	CO-OP Nederland Associatie Van Bedrijven op Coöperatieve Grondslag
Norway	Norges Kooperative Landsforening
Poland	Central Agricultural Union of "Peasant Self-Aid" Cooperatives Union of Consumer Cooperatives "Spolem"
Philippines	Central Co-operative Exchange
Roumania	"Centrocoup" - Uniunea Centrala a Cooperativelor de Consum
Sweden	Kooperativa Förbundet
Switzerland	Verband schweiz. Konsumvereine
U.S.A.	Cooperative League of the U.S.A.
Yugoslavia	Glavni Zadruzni Savez FNJR

Obviously the appropriate structural adjustments differ from country to country in line with differences in size, population density, consumption patterns and distributive methods. Nevertheless it is clear that the general trend of structural developments is in the same direction in a number of countries. Hence it is hoped that this comparative analysis can serve as a basis for continued exchange of experience and information which may prove helpful in stimulating and facilitating the efforts of individual movements.

i. Consumer Cooperatives

(a) The Impulse towards Integration

(I) Changes Influencing Cooperative Structure

Treatises have been written on the environmental factors which, almost everywhere, are altering the economic and social setting in which cooperatives evolve. The more important of these changes are: the shift of workers from agriculture into industry and services; urbanisation and suburbanisation; entry of women in large numbers into the labour force; technical progress leading to increased productivity; full employment; increases in living standards with marked changes in consumption patterns involving relatively smaller expenditures in food and increased spending for equipment, services, motorism, air travel and recreational activities; development of advertising and techniques of mass communication; increased mobility of labour and capital; high costs for development and research; and expanding markets even across country lines.

These changes have had profound repercussions on the structure of retailing. They have created pressure for rationalisation through concentration of resources, centralisation of services and management, standardisation of commodities, equipment and design and creation of new large-scale operational units. These pressures, in turn, have resulted in supermarkets, one-stop buying, shopping centres, self-service, chains and discount houses. The large capital investments involved in such installations can be supported only through ever-increasing volume of trade; hence a marked tendency to keen price competition and declining margins.

Cooperators everywhere have been carried along in this process – sometimes in the vanguard, too often trailing behind in a belated effort to cut down the lead of their competitors.

The process itself has come to be known as one of “integration”. It implies continuous evolution through amalgamation, concentration, standardisation and rationalisation towards scales of operation large enough to maximize bargaining power in purchasing, facilitate the most effective use of scarce managerial skills, reduce and spread the overhead costs of such services as warehousing, transport, accounting, research and sales promotion, permit mechanisation of operations, and attract necessary capital.

(II) Types of Structural Change

The trend towards structural change is clearly discernible in cooperative movements all over the world. The direction is the same, and frequently the pattern repeats itself. In the broadest terms it can be said that the major structural changes which are occurring involve concentration of resources; tightening of relations between retail societies, between retail societies and wholesales and/or cooperative unions, and between cooperative wholesales and cooperative unions; transfer of authority from retail societies to regional and/or national wholesale organisations and/or cooperative unions: and through it all the connotation of planning.

In practice this can, and does, mean many different types of specific development, for example: fewer shops, but larger ones; fewer societies, but larger ones; regional warehousing; concentration in purchasing and stocks coupled with standardisation and restriction of assortments; common services to retail societies by regional or national wholesales or unions, such as accounting, advertising, sales promotion, budgeting, research, training and education; centralisation in wholesale organisations of basic managerial, financial and personnel decisions concerning retail shops; chains of specialis-

ed shops administered by regional or national organisations; concentration of commercial measures, such as common sales agencies, brands or labels, or joint setting up of a commercial society; vertical integration involving combinations of societies at different stages of production, such as marketing and processing; close collaboration and coordination between a few regional societies and a central national organisation as in CO-OP Nederland; merger of cooperative union and cooperative wholesale in the same national organisations as, for example, in SOK, KF, VSK, NKL, CO-OP Nederland; and complete integration of cooperative retail and wholesale trade and production in a single nationwide society as contemplated in Denmark.

Some of these changes are consistent with what Mr. Korp has termed the "federal" concept of structure – (or "aggregative", a term used by the Scottish Co-operative Wholesale Society) – in which individual societies retain their sovereignty, limited only by certain "federal" obligations which are required in the interest of the movement as a whole and which are guaranteed not through sanctions but by loyalty of the societies.

Many of the changes discussed in this report, however, are more akin to the "nationalist" concept of "integration" as opposed to the "federal" or "aggregative" approach. In Mr. Korp's definition, "integration" comprises only "those measures which transfer decision-making authority from hitherto autonomous subsidiary organisations to the organs representing the whole movement, in order to lay down, on the basis of instructions from and the authority of the former, binding rules for the activity of all the members of the overall organisation". In short, "sovereignty rests with the whole movement which exercises its will through the highest 'legislative' assembly; this representative body of the whole of the membership, elected according to the rules of parliamentary democracy, sets the objectives of the movement and assigns the task to subordinate bodies, whether cooperative societies or central auxiliary organisations, which must carry out the orders of the whole. This does not preclude permitting subordinate bodies, for practical reasons, a large measure of autonomy the extent of which is determined by the whole movement."

An intermediate or partial solution consists in submitting only "certain functions to the sovereignty of the whole, for example, purchasing, central warehousing, sales policy, special sales, or accounting; these responsibilities are transferred from the cooperative societies to specialised sections of the apex organisations working independently of the individual control of societies but in collaboration with them on the basis of general principles, and with their activities synchronised within the framework of national plans for distribution, structural reform and finance."

With these definitions in mind, Mr. Korp posed the structural issue which is confronting cooperative movements everywhere as follows: "Can future achievements and progress of the cooperative movement be assured within the framework of a federative structure by means of rationalisation, concentration and coordination; or can this only be achieved with the help of a progressive vertical integration on the basis of a complete or partial renunciation of local autonomy? Is only one or the other solution possible, or can we perhaps conceive a synthesis which combines the advantages of both systems?"

(III) *Obstacles to Structural Change*

The impulse to change of structure is strong, and the process is accelerating in intensity and profusion of manifestations. Nevertheless, there are many obstacles to be overcome – major difficulties which can be no more than mentioned in a brief summary of this kind. There is the altogether natural reluctance on the part of officials in local societies to acquiesce in developments which threaten them with at least a reduction of influence and sovereignty, if not with outright redundancy. Centralisation of functions and authority increases the demands upon managers and supervisory officials in terms of competence, but not in terms of numbers, and many of those now holding office or employment in local societies may not feel equal to the requirements of the job under a more integrated set-up. These kinds of personal fear are aggravated by local member resentment and suspicion of measures which tend to encroach upon the autonomy of retail societies.

Then there are the practical difficulties of unscrambling the vested interests and property rights and traditional ways of doing things involved in reshaping and simplifying a complex network of shops and commercial transactions – to say nothing of the enormous financial problems of finding enough capital to support the expensive facilities and installations required for modernisation of the shop structure. In addition, it sometimes happens that practical cooperative businessmen on the local level resist a strengthening of commercial or industrial ties with regional or national organisations because of well-known ineffectiveness in these higher echelons. In time integration may of itself be expected to correct weaknesses, but meanwhile local managers hesitate to risk the economic viability of their societies.

One of the biggest pitfalls along the path of structural change is the threat to democratic control – the danger that as units grow larger and authority is centralised, members will lose touch with management and in the process lose their sense of belonging, of participation and influence, and, in the end, their interest in cooperation. The implications of this problem are more than sentimental or purely ideological. Without genuine member control there is a danger that the drive towards efficiency via integration can defeat its own purpose by leading to bureaucracy, rigidity and blurring of the end purpose – welfare of the consumer member – which differentiates cooperatives from private retailing. Thus the administrative problem of finding ways to combine centralisation and decentralisation in decision-making, to preserve flexibility and to maintain communication with members is perhaps the major hurdle to structural reform.

(IV) Planning for Structural Change

In view of these resistances it is clear that a rational, modern cooperative structure can never be expected simply to emerge through a “trial and error” process in automatic response to the various stimuli enumerated earlier. Cooperative leaders throughout the world are emphasising the need to anticipate developments rather than merely reacting to them as they occur, and the importance of doing this before private competitors take the lead.

The implication is that structural changes must be **planned**. Objectives, means and time schedules must be carefully worked out well in advance, and planning machinery established to ensure implementation of these programmes. This process is well under way in a number of countries. For example:

In **Sweden**, a Structural Committee of twelve members, representing the retail societies and the KF, has appointed seven working parties to prepare and implement a programme for structural reform based on natural consumer purchasing areas. Systematic planning is projected forward to the middle of the seventies. Forecasts are based on two organisational alternatives, organisation of the movement as one legal unit, and organisation as now in one union and wholesale society with a number of local societies (expected to be about 20) as separate legal units, but integrated by coordinating bodies in different functional sections. A general report is expected during 1966.

In the Federation of Swedish Agricultural Cooperatives a special Planning Council has been set up to deal with problems of a structural nature.

In **Finland**, following YOL Congress resolutions in 1961–1963, a special structural committee has been planning and implementing a programme for merging local societies, modernising the shop network, streamlining assortment, rationalising and centralising routine tasks, and giving special attention to recruitment. Stress is laid on keeping leaders, administrative bodies and members informed at every stage.

Towards the end of 1965 the Board of Administration of the KK appointed a special executive group to direct, develop and integrate the research and planning work of the whole KK movement. The group consists of the Director General of both the KK and the OTK as well as of the Managing Director of the Elanto Society, which is the biggest society of the Movement. Subordinated to the group is a working party for cooperative planning. It will organise the planning and research work in different cooperative organisations and in other joint research bodies.

In **Denmark**, a structural committee, appointed by FDB in 1964, published a report

recommending complete integration into a single national society with a single brand name for all shops, dividend payments on a national basis, uniformity of assortment, prices and quality of goods, nation-wide advertising and sales promotion, greater specialisation of production, and centralised recruitment and training, shop planning, accounting and investment and financial planning. This programme is to be achieved in stages.

In the **Netherlands** it was decided at the 1958 congress to carry through within a few years a drastic reorganisation plan involving concentration of societies into a few large regional organisations subject to a large degree of central control by CO-OP Nederland. This plan has largely been implemented.

In **France**, a 1964 FNCC Congress resolution outlined a development plan for co-ordinating the actions of local societies and setting up a Commission to plan for both 5 years and 10 years ahead. This Commission, consisting of 12 members, has designated seven working groups – distributive network, sales and commercial policy, commercial circuits, finance, democracy, personnel and new sectors of cooperative activity. It will present its conclusions to the 1966 Congress of FNCC.

In **Switzerland**, a small group within VSK began in 1958 a meticulous study of the distributive situation in Switzerland and abroad, and by 1960 had decided on the need to reform the statutes to give more power to VSK, to map out an expansion programme for the period 1961–1970, and to reorganise the internal structure of VSK. The rules revision was achieved in 1964, and the planning is now being implemented in terms of concentrated purchasing, centralised programming of shop network and setting up of regional warehouses.

In the **United Kingdom**, much of the planning of recent years proved abortive, viz., the Independent Commission Report of 1958 and the National Amalgamation Report of 1964. In October 1964, however, a CWS Committee composed of five members of the Board and five of retail societies were asked to report not later than October 1965 on changing trade relationships between CWS and retail societies, the effectiveness of the CWS as a producer, wholesaler and market agency, and the directional control of CWS. The report was issued on schedule and subsequently approved with minor revisions by CWS shareholders.

At the end of 1964 the Scottish Co-operative Wholesale Society at its half-yearly meeting instructed the Board to “proceed with a review of SCWS administration and control to ensure that it is in keeping with modern business requirements, this review to cover the international organisation and relations with societies”. The Board reported toward the end of 1965, and its proposals were still under discussion at the end of January 1966.

In the **United States**, the Cooperative League set up a Commission on Cooperative Development which has recommended an overall coordinated plan for development and growth designed to permit cooperatives “to coalesce their undertakings into business units of economically viable size consistent with a rapidly changing technology and urbanisation of society”.

In **Canada**, the CUC is undertaking a structural study, limited apparently to the structure of CUC itself, and is to report to Congress in March 1966. It has been suggested that the structure of CUC should be strengthened by opening up membership to a number of larger cooperatives so that CUC would not be so dependent for support on provincial unions.

In **Norway**, a report to the 1961 NKL Congress on structural change resulted in adoption of planning machinery for implementing an integration programme designed to cut the number of societies to half within a few years, and to 10 to 20 per cent over a longer period. The plan stresses concentration into larger and better shops, and closer ties between societies and central organisations.

In **Germany**, in 1961 an Amalgamation Commission was set up with representatives of the central organisations and the regional associations for the purpose of accelerating the process of concentration in order to create large, effective, modern and well equipped

societies capable of maintaining and promoting the cooperative position in the market. In connection with reform of the overall organisations, and especially the strengthening of the authority of the central organisations, the General Council set up a five-member Reform Commission consisting of the chairman of ZdK and GEG and experts from the societies and associations, as well as a scientist, to work out proposals designed to adapt the structure of the commercial units of Konsum to modern requirements. The Commission hopes to conclude its work by the summer of 1966.

In **Roumania**, in 1964, Centrocoop elaborated new norms for the organisation and development of a shop network based on the principle of concentric distribution according to the distance which the consumer must travel to buy essential goods as a function of frequency of purchase. Thus daily staples are available "at his door", so to speak, in all villages, while goods needed at infrequent intervals are sold in more scattered centres. These norms were tried on an experimental basis during 1965 in two administrative districts of each region, and will be modified on the basis of this experience and extended to other districts over the next few years.

A number of other movements are conscious of the need for planning, and are giving it a certain amount of attention, but have not yet elaborated a concrete formulation of projects. **Austria**, for example, has set up within Konsumverband a special structural planning committee instructed to work out a five-year plan; meanwhile committees have been set up in the district unions to carry out the task of rationalising societies. The **Italians** have held many conferences and produced lengthy papers on the subject, but no concrete plans seem to have materialised. The CEC of **Poland** notes that although the structure of the cooperative movement is satisfactory and major changes are not contemplated, the pattern of societies and of cooperative unions is constantly evolving as an integral part of the common development plans of the State. In Spolem at the 37th Congress in October 1965 a resolution was passed proposing replacement of the existing 360 urban consumer cooperatives with 22 cooperatives embracing whole districts and five of the largest towns by the end of 1969 at the latest. The **NCU of India** reports that although there is a clear need for more coordination and integration in the cooperative movement, planning has been inhibited by the fact that higher level organisations have no effective control over member organisations and can influence them only through the offer of facilities and concessions; meanwhile, however, there is some interest in altering cooperative statutes so as to permit a greater degree of supervision.

(b) Concentration of Structural Units

(I) Societies

The amalgamation process by which societies grow larger, but fewer in number has been proceeding rapidly in recent years. I.C.A. statistics show the following percentage changes in membership and in number of societies between 1953 and 1963. In interpreting the figures certain qualifications should be borne in mind. The data on memberships include a certain amount of double counting in that the same individuals are frequently inflated insofar as membership records have not been brought up-to-date with respect to deaths, withdrawal of patronage or transfer to other areas. Moreover there may be interruptions in trend, with membership declining abruptly as an immediate result of drastic reorganisation, but recovering during subsequent years.

In **Denmark**, the number of societies has declined further, to 1,870 in 1964. Of the 1,871 societies reporting in 1963, 1,751 were rural with an average membership of 175, while the average for urban societies was 2,580. Since 1963 several urban societies all over the country have incorporated with the Copenhagen society, HB, which now has national scope. It is planned to proceed by stages to creation of a single COOP Denmark. In Stage One, societies outside the city areas (where societies tend to affiliate with HB) will be associated in a "contract-bound" chain; by January 1965, about one-half of all societies had decided to join. In Stage Two, following a change in FDB statutes, individual societies including HB will transfer to FDB as parts of a single chain organisation named COOP Denmark (DB).

In the Netherlands, the number of societies was further reduced to 73 in 1965. The 18 largest societies account for more than 95 per cent of turnover, and the 10 largest for 70 per cent. Members of "CO-OP Nederland" are 18 regional consumer societies, covering the whole of the country. In addition, 19 agricultural cooperatives are affiliated to both their own agricultural (supply) central and to "CO-OP Nederland". Some other consumer societies are still in membership; they are small local societies and unless they amalgamate with one of the 18 regional societies, they will be expelled by the end of 1965. The regional societies affiliate individual cooperators, not societies, as members.

In the United Kingdom, the Independent Commission Report recommended a reduction in number societies to 200. By 1964, however, the number was down only to 744, a 25 per cent cut from 1954.

In Norway, the objective is 500 societies within a few years, and 100 to 200 over a longer period. At the end of 1962, 35 per cent of the societies accounted for 70 per cent of sales, 45 per cent of societies for 25 per cent of sales, and 20 per cent of societies for 5 per cent of sales.

I.C.A. Member Organisations Changes in Memberships and in Number of Societies

Country	Memberships			Societies			
	1953	1963	Percentage Change 1953 to 1963	1953	1963	1964	Percentage Change 1953 to 1963
Austria	321,147	427,252	+ 33	85	63		- 26
Belgium	492,855	757,858	+ 53	40	47		+ 17
Bulgaria	1,250,000	1,914,943	+ 53	3,500	1,310		- 63
Czechoslovakia	1,595,452	1,715,044	+ 8	597	103		- 83
Denmark	473,700	615,800	+ 30	1,962	1,895	1,857	- 8
Finland	1,029,417	1,036,275	+ 3	496	462		- 7
France	2,669,869	3,435,378	+ 29	739	495	480	- 34
Germ. Fed. R.	1,981,016	2,556,321	+ 34	314	239	221	- 24
Great Britain	11,234,718	13,203,306	+ 17	966	756	744	- 22
Holland	339,039	380,040	+ 12	283	79	73	- 72
Iceland	31,373	31,163	- 1	57	57		0
Italy	2,608,403	1,915,356	- 21	6,520	5,538		- 15
Norway	287,912	327,393	+ 14	1,108	971	850 ('65)	- 13
Roumania	4,881,923	7,950,000	+ 63	3,493	3,262	2,197	- 7
Sweden	1,049,288	1,271,000	+ 21	720	400	365 ('65)	- 42
Switzerland	630,489	827,940	+ 31	927	863		- 7
U.S.S.R.	32,600,000	48,600,000	+ 50	23,230	16,053		- 31
Yugoslavia	3,049,912			7,230			
Argentina	263,090	348,519	+ 32	171	225		+ 31
Jamaica	9,000	3,000	+ 66	70	16		- 77
U.S.A.	1,365,479	1,599,745	+ 17	3,038	3,751		+ 20
India	1,844,970	1,606,426	- 11	9,745	8,407		- 14
Israel	125,000	600,000	+ 400	404	355		- 13
Japan	*726,572	*6,133,601	+ 740	*35	**797		+ 125
Pakistan	1,433,603	63,802	- 96	371	525		+ 41
Australia	475,918	286,479	- 40	683	303		- 56
All countries	72,770,145	97,606,641	+ 34	67,104	46,972		- 30

* Consumer Societies only.

** Consumer and Multi-Purpose Societies.

In **Austria**, the amalgamation process was largely completed in the early postwar period, with the creation of 26 large district societies. The remaining 37 societies are small groups in Vorarlberg where the postwar amalgamation was resisted.

In **France**, there was a further drop in 1964 to 480 societies. Forty of these, known as "developmental societies", account for about 90 per cent of total turnover, membership, and number of shops. These are the pivotal regional societies, each of which operates autonomously. This, however, is compatible with a high degree of centralisation of authority in the central organisation, since these latter are controlled by an Administrative Council composed of the respective officials of the 40 major regional societies.

In **Germany**, the number of regional societies declined in 1964 to 22, and by the end of 1964 there were only 218 Konsum societies. The concentration process is not completed and will continue over the years ahead.

In **India**, in the urban areas of most States, the primary consumer stores are federated into wholesale centrals. (In rural areas, consumer articles are distributed through village service societies.) However, the trend is in the direction of setting up wholesales operating through branches as primary organisations.

In **Canada**, the amalgamation trend has been marked. In 1965 in Ontario a law was enacted which opens up the possibility for local societies to merge with central organisations. Otherwise, a "half-way" degree of concentration has been achieved through "management agreements" by which local societies enter into managerial agreements with central organisations. In the Prairie regions a few leaders are discussing the possibility of a single integrated retailing structure, and in fact the United Farmers of Alberta Cooperative, a farm supply cooperative (not affiliated to Interprovincial), has no autonomous locals.

In **Switzerland**, the long-range target is to reduce the number of societies to 33 to be grouped around 25 regional warehouse plus the eight largest societies.

In **Sweden**, the number of societies in 1965 was down to 365, and the ultimate number is expected to be 20.

In **Finland**, in KK there have been 30 mergers since 1948. In 1965 there were five amalgamations. The number of societies at the end of 1965 was 97.

In **Poland**, as a result of proposals made in July 1960 there will be only 22 cooperatives, unifying all the regions including the capital, Warsaw. These united cooperatives, replacing the former 360 urban consumers' cooperatives, will be able to work directly with industry.

In **Roumania**, the number of societies declined further in 1964 to 2,197.

(II) *Shops*

There is a clear trend to larger stores. In many cases central organisations stipulate maximum size as one aspect of centralised planning of the shop network. This is a shift away from the earlier principle that cooperators ought to aim at a broad dispersion of shops in order more adequately to meet the needs of consumers. Increasingly it is recognised that the consumer will be better served by a smaller number of larger stores, located in strategic centres and operating at higher efficiency, and thus able to offer broader assortment and better service at lower prices. Another implication is that new stores can no longer be planned solely in the light of the cooperative population of an area. Rather they must seek customers and try to convert them into cooperators. Thus the capacity of new stores may need to exceed the number of cooperators in the area.

A corollary of larger shops is the decline in numbers of shops. In **ZdK**, for example, the number has declined from 9,301 to 8,410 in 1964; and in **KF** from 8,200 in 1952 to 5,300 in 1963. **VSK** hopes to eliminate 1,000 shops over a decade.

An increasing number of cooperative shops are of the self-service type. In **KF** self-service shops account for 67 per cent of shops and 58 per cent of sales; in **France** the number increased from 33 in 1959 to 662 in 1964; in **Czechoslovakia** they account for about 35 per cent of turnover; in **Norway**, NKL self-service shops account for almost half of the total in the country; in **Austria**, 16 per cent of cooperative shops are self-service, in **Roumania**, 18 per cent, and in **Holland**, 28 per cent. In **Denmark**, 43 per cent

of cooperative stores are self-service, accounting two-thirds of total sales. In **Finland**, the number of KK self-service shops has grown from 2 in 1950 to 264 in 1964; these account for 7.7 per cent of total sales.

At the same time there is a tendency to develop chains of specialised cooperative outlets – department stores, furniture stores, footwear shops and mobile vans for rural areas.

The more advanced movements have concluded that entry into department store trade should be achieved by nationally concerted action, and have created new specialised organs embodying new methods of collaboration between local societies and central organisations. In **Austria** the GÖC has been operating a national chain of department and specialised shops for over thirty years; in 1964 there were 31 department stores, 5 furniture shops, and 7 for leather goods. A number of supermarkets are now being built in connection with the extension of department stores, but they will be run by local societies, while the department stores are managed centrally by the GÖC non-food department. In **Sweden**, KF embarked on department store business in 1956, and by 1963 it had over 100 outlets (63 of them belonging to the DOMUS chain) which accounted for only 3 per cent of the total number of shops, but 27 per cent of sales. In **Finland**, KK and SOK each operate 40 department stores, and in **Denmark**, consumer cooperatives are operating an increasing number of so-called double-supermarkets and department stores of which the biggest is ANVA in Copenhagen with affiliates in other towns.

In **Norway**, attempts have been made to operate centrally-owned and/or centrally-inspired chains of shops for shoes, ready-to-wear clothing and electrical equipment. A special department store organisation “Domus” was established in 1963 on the Swedish pattern. Its task is to cooperate through agreements with the cooperative retail societies in building a national chain of departments stores to cover trade of selected commodities.

In **Germany**, a number of “combined markets” for textiles and household equipment in addition to foods are being planned. They will be between 1,500 and 4,000 square metres in size, and will be located in areas of at least 7,000 households. It is also planned to build a number of snackbars and cafeterias. In some cases these combined markets will be operated by the local cooperative, and in others only the food department will be operated by the local cooperative, while the durable goods section will be managed by GEG. GEG already operates a chain of 32 furniture stores and a mail order section.

In **Poland**, the Central Agricultural Union reports an interesting experiment with so-called “retail wholesales” which offer in modern trade pavilions, warehouses or specially equipped department stores relatively expensive items which are purchased only infrequently, or which are bulky, or have special storage requirements (space, temperature, humidity, protection or maintenance), or which are available in very large assortments.

In the **United Kingdom**, CWS (with a nominal investment by SCWS) operates two chains of 147 footwear shops. There are also a number of pharmacy shops operated under National Cooperative Chemists Ltd. for which CWS and shareholding retail societies each provide 50 per cent of the capital, and the CWS Bakery Division controls flour production and also operates 35 bakeries.

There has also been, everywhere, a large measure of concentration in cooperative production units. New methods of distribution react on production policy and compel rationalisation designed to give cooperative factories the advantage of longer runs, and cooperative shops the advantage of lower cost prices. There is a widespread tendency to centralise productive activities on a regional level.

(c) **Integration of Commercial Services**

(1) *Centralisation of Purchasing*

Purchasing operations have been highly centralised in a number of countries. This centralisation is complete only in the case of Switzerland, but there is a high degree of purchasing loyalty in many other instances.

In **Switzerland**, VSK, there is a strict system of contractual relationships by which retail societies are required as a condition of membership to buy exclusively from the

cooperative wholesale, but with the proviso that the wholesale must supply quality and terms equivalent to those of competitors. There are two national purchasing centres, Pratteln for food, and Wangen for non-food, and purchasing operations are centralised through the 25 regional warehouses.

In **Austria**, guidelines for purchasing policy are determined by a "Commodity Committee" comprised of representatives of the wholesale society and the consumer societies. A sub-committee of this Committee decides on the periodic Special Sales which are conducted throughout the country at the same time for selected goods at a uniform price. There is no general and formal obligation of the retail societies to buy their goods through GÖC, but an attempt is made through voluntary agreements to concentrate purchasing as far as possible in the GÖC. The share of the GÖC in the purchases of consumer societies is about half, but is considerably higher if those articles are excluded which are not handled by the GÖC. For several years there has been an agreement between the GÖC and the consumer societies by which for a number of articles, especially products of centralised cooperative firms, only the cooperative brand would be sold and private brands would be excluded. Thus cooperative branded articles in the so-called "Three Star List" enjoy a monopoly position in cooperative shops. Another agreement relates to the "Preference List" which does not give articles included in it a monopoly position, but they do have preference in terms of special offers and exhibits. Cooperative warehouses are almost exclusively supplied from the non-food department of GÖC, which also fixes uniform retail prices for the whole country.

In **Sweden**, retail societies theoretically have complete freedom of choice in purchasing and may buy wherever they can obtain the best terms; the motive is to keep the KF alert and competitive on prices and quality. Actually, however, there is a high degree of centralisation, via the four major commodity departments in KF. Moreover, KF is considering whether to integrate the purchasing operation even further in terms of a more automatic ordering system combined with increased influence from the centre over the stock range of dry goods and the size of stocks. KF officials are acutely aware of the competition of completely integrated chains comprising common buying, control of assortment, rapid turnover, more favourable terms of trade, economies in stocks, more active sales policies and longer production series in factories.

In KF, the DOMUS chain, the Cooperative Department Store Association set up in 1956 with the aim of leading the work of planning new department stores and of administering them once established, is financed jointly by KF and the local societies. By administrative agreement between DOMUS and the local societies concerned, all questions concerning buying, selling, personnel, salaries, accounting, etc. are handled by DOMUS "in consultation" with a "local department store council comprising representatives of local societies; the Board of Directors of DOMUS is identical with the KF Board. DOMUS has set up a basic assortment for various classes of goods, and there is a system of "periodic ordering" for several items. Purchasing is done through the KF commodity departments. There are arrangements to divide responsibility and safeguard the influence of local experience; the "system functions as a unit with interdependence between various sectors". There is also a Cooperative Department Store Organisation, KVO, which is a joint consultative body for department stores, including those not members of DOMUS. Its functions include coordination of internal statistics, cooperation with KF and department stores on goods selection and purchase, coordination of advertising and sales promotion, and planning and organisation of personnel recruitment and training.

In **Denmark**, most of the buying is through the FDB (65 per cent in 1964), the balance through others including cooperative production units. Since over half of the 35 per cent purchased outside in 1964 was for items not included in the FDB assortment, e.g., eggs, bread and beer, the effective purchase quota is more like 80 per cent. In 1964 70 per cent of total purchases were via FDB regional warehouses, the rest via factories, importers or wholesales, but invoiced through FDB. FDB operates a system of centralised purchasing, sales agencies and standardised requisition via regional warehouses. This implied a new organisation for purchases and sales, with a purchasing manager in the

head office for each range responsible for stocks in regional warehouses, and also sales policy, prices, commodity information and sales campaigns for his range. Societies representing about half of the turnover of consumer goods in the cooperative movement (exclusive of the big urban society HB) have joined the contractual chain of FDB. This implies that they have to make their purchases in FDB and follow the assortment and sales policy set by FDB. Contract chain societies also have to centralise their accounting in FDB. FDB's control over purchasing is associated with its system of financial support; it rents sites and buildings to local societies and guarantees the credits raised by them for development purposes, and in return they agree to join the contractual chain and to sign a supplementary contract giving FDB further control of their operations.⁴

In **France**, the FNCC has organised regional federations for liaison with local societies and public authorities. SGCC is the commercial centre of the movement, and societies which belong to it are obligatory members of FNCC. SGCC exercises centralised purchasing, importing and producing functions, and also certain financial functions, e.g., loan guarantees. SGCC was initially at the apex of a network of regional warehouses, but increasingly it is serving an intermediary role only as agent; the concentration process has made the SGCC warehouse superfluous in addition to those of the regional societies. The objective is to perfect a division of labour under which societies would do all their purchasing through the regional warehouses and give up their own purchasing departments. In principle, the local societies are free to buy where they wish, but there is moral obligation to be as loyal as possible to the purchasing centres, which act not as wholesalers who buy and resell, but rather as agents for the local societies.

In **Germany**, purchasing is exclusively the responsibility of the local society. In small societies supervision of procurement is usually a function of a full time member of the executive, and in larger societies there is a special purchasing department. Basically there is no obligation to buy from any particular supplier. In practice, however, a large part of purchases are made through GEG. In view of the tendency to group buying by competitors and the necessity of adapting goods assortment to consumer requirements, it is to be expected that supplies will be purchased through GEG to a greater extent than in the past. A useful instrument in this connection are the so-called "Buying Days" where GEG as supplier and consumer societies as purchasers meet together.

In the **SOK, Finland**, local societies have free choice of purchase, but the degree of loyalty is over 90 per cent for items carried by SOK. Almost all buying is through local sales offices located in 13 of the larger towns, plus two offices for smaller stores. The SOK buys agricultural products direct from farmers and does some processing. KK societies have free choice of purchase but they consider it a point of honour to buy from the Cooperative Wholesale Society all the items carried by it. The purchase loyalty is very high. Buying takes place through 7 local sales offices.

In **Roumania**, purchasing is done by the retail societies on the basis of contracts negotiated jointly by the regional unions and the district and regional wholesales, either directly with producing firms (for construction materials, agricultural materials and equipment, fuels, etc.) or with the Wholesales of the Minister of Interior Commerce for other goods.

In **Czechoslovakia**, purchasing is direct from the State wholesale, or from State producers (foods) or from producer cooperative societies.

In the **United States**, the consumer goods wholesale is considered to be in the service of the retail society. The wholesale usually retains the discount which it earns for prompt payment and invoices the retailer at cost price. At the end of the financial year, the retail societies are billed for their share of the cost of running the wholesale based on the percentage of their purchases to the total trade of the wholesale. This enables the wholesale to pass on to retail societies the advantages of bulk buying, permits retail societies to obtain wholesale services at the least practicable cost. The locals are usually the stronger element, and the apex society acts almost wholly as their purchasing or manufacturing agent. The initiative as to what items are to be purchased or produced comes from retail societies. There are exceptions, however. Midland Cooperatives, for example, is a true federation owned by locals, some consumer societies, some farm

supply, some both; it sells at market wholesale prices and pays patronage refunds, and the loyalty ratio is very high. Midland operates as the other farm and rural supply wholesales usually do, rather than in the manner now almost universal among the consumer goods wholesales.

In the **United Kingdom**, at present the retail societies buy on average over 60 per cent of their commercial requirements from the CWS. A major purpose of the re-organisation proposals approved towards the end of 1965 is to further centralise the purchasing of societies through the CWS. This will be done by changing the rules so as to impose upon the CWS an obligation to coordinate the demands of the member societies and to buy on their behalf on the best possible terms; impose upon the member societies an obligation to supply to the CWS the necessary information and to purchase from it except where it can be shown that they can buy in total on better terms outside; and appoint an "ombudsman" or trade auditor to whom there would be referred any complaints that either a particular member society or the wholesale itself was not carrying out its obligations under rule. The trade auditor would have power to call for evidence and to make decisions, and if the parties did not accept his decisions he would be authorised to publicise this, i.e., enforcement would be via publicity rather than by force of law.

In the **Netherlands**, in 1963, for the purpose of policy-making and of approving certain executive methods and means, upon a uniform basis and to be accepted by the whole of the primary societies for their own activities, a special body was set up, the Council of Societies. This is a statutory committee inside "CO-OP Nederland"; every regional consumer society (now 18) is represented by two delegates, every society has one vote. A group of 19 agricultural cooperatives, together, have as many rights as one regional consumer society.

The Council of Societies has power to deal with general development programmes, plans for investment and financing, criteria for depreciation and capital reserve funds, dividend systems, methods for bookkeeping and statistics, staff and personnel management, concentration of buying power, sales policy, assortment, prices, advertising, storage, transport organisation, propaganda, education, publicity, etc. In some cases compulsory decisions can be taken with a three-quarters majority. Purchasing by societies has to be arranged through "CO-OP Nederland", except for goods from local markets (meat, fruit, vegetables, etc.) and in other cases as far as allowed by decision of the Council of Societies. This obligation, which also applies to private brands competing with CO-OP products, has reached a considerable degree of application. In connection with this a national standard assortment is being prepared by a special committee of experts from the societies and from "CO-OP Nederland". A preliminary food assortment of 2,000 articles is available.

For **Poland**, the Central Agricultural Union reports that the Polish Supply and Marketing Cooperative has its own network of wholesale enterprises supplying societies with foodstuffs and some other consumer goods. Each wholesale serves a district, with an average of nine societies. In 1964 societies bought about two-thirds of their stocks from the wholesales, a little over 20 per cent directly from State industry and over 10 per cent directly from cooperative productive units.

From **Norway**, NKL reports that the possibilities of reducing stocks, thus releasing capital for other purposes, lie in more integrated collaboration between the societies and the NKL. A well-developed supply service from the NKL together with expansion of the purchasing system for groceries, ironware, etc., will make possible greater expansion of this collaboration. The flood of commodities to be expected under EFTA will make it necessary for the societies and the NKL to adopt a proper selection of commodities. This has to be done jointly by local managers and the NKL. When the selection has been made, a complete concentration of purchases is expected. At present there is no compulsory coordination of the purchasing policies of retail societies and the NKL; there is, however, a strong tendency to more coordination. For everyday articles of consumption, primarily foods, a special system of "planned purchase" has been introduced involving voluntary agreement by retail societies to buy a selected list of commodities exclusively from NKL.

(II) *Assortment*

In most countries efforts are underway to rationalise stock assortments.

For a long time there were pressures in the direction of expanding assortments. For one thing, cooperative movements are sensitive to consumer demand and try to meet even trifling wants. In widely dispersed rural areas consumers require a wide range of non-standardised agricultural as well as households needs. Also the tendency to introduce new brands has multiplied the number of items serving the same need. Dispersion in stock assortment is accentuated wherever there is decentralised purchasing with power of decision residing with local societies.

More recently, however, the pressure of rising prices and keen price competition has led to a more realistic attitude towards assortment policy. It is increasingly realised that too wide an assortment can be uneconomic, because it limits market outlets for particular items, fragments bargaining power, results in slow turnover, and complicates stock control and purchasing operations. For example:

In **Finland**, the SOK is currently rationalising and restricting stock assortment following careful research. Plans are being implemented for a shift to a more centralised buying organisation, a process which is expected to take five to six years, and already the results are apparent in increased rate of turnover. KK has set up Product Boards to collaborate with local societies and OTK on simplifying and rationalising assortments.

In **Austria**, similar actions have been taken by GöC after discussions arising out of the dilemma inherent in the conflict between the need for a wide range of items to cover more consumer needs in larger outlets and the need for quick turnover. Slow-moving items have been eliminated as well as all non-cooperative imports, and numbers of suppliers and of package size and shapes have been reduced. This year GöC has been working out guidelines for non-food assortments for different sizes of stores, again taking into account local tastes. These models will be tried out in ten test branches.

In **Sweden**, a national stock assortment was introduced in 1963; all slow-moving items were eliminated; the number of suppliers was reduced from 5,900 to 2,400, a special delicatessen department was set up in Stockholm for the whole country, sales contacts between suppliers and regional warehouses were eliminated so that suppliers now deal exclusively with KF commodity departments and deliver to regional warehouses, and an assortment body was set up for the purpose of periodic review of the assortment list. It is felt that the present system still affords freedom of choice to individual retail societies, since the national assortment list is still too large for any one shop, and since under the new system it is feasible to do much more in the way of market research, objective tests, etc., which make the choice more rational.

In **Denmark**, rationalisation of assortment in FDB's regional warehouses has resulted in about 8,000 items as compared to 10,000 a few years ago; the process is continuing.

In **Germany**, it is increasingly recognised that assortment needs to be continuously supervised and controlled in order to ensure that it meets consumer requirements and at the same time does not result in an uneconomic number of items. Assortment control is the responsibility of the Purchasing and Sales Departments of individual societies. In addition there is an assortment committee comprising representatives of retail societies, the GEG and the ZdK. This committee has from time to time developed a "model assortment" for various categories of goods making it possible drastically to reduce the number of suppliers and of package sizes. The societies which adopted these "model assortments" have increased both turnover and profits. Naturally such assortments take into account local differences in consumer demands.

In the **United Kingdom**, the reorganisation report included among basic principles "acceptance by the CWS that its role is one of obtaining and organising the supply of goods for retail societies on an agreed, coordinated basis . . . acceptance by retail societies of the obligation to work together in the coordination of merchandise ranges and to give effective undertakings of continued trading support . . ."

The SCWS organisation report went further to specify that "we must move towards an active, specialist policy as providers of merchandise with a central, standardised

merchandising activity . . . In practical terms, it means increasing volume in each line by channelling demand into a relatively small, rationalised product range . . . we shall appoint merchandise controllers . . . To establish and implement the merchandising policy, the merchandise controllers will require to analyse warehouse merchandise ranges, initially by product group and later in more detail, in order to identify those which sell in volume; to whom, why and how they are sold; and which are profitable. After this analysis, all marginal lines which do not play a significant and profitable part in the new wholesale role will be eliminated as quickly as possible."

In **Norway**, both centrally and locally a great effort is being made to limit assortment and variety. For everyday articles and dry goods, the procedure is critically to evaluate the items included in the system of "planned purchase", and to cut out items on the basis of turnover statistics. For this purpose advisory committees, branch councils, etc., composed of representatives of the societies and the respective departments of the NKL have been set up. For textiles two recommended assortments for every-day articles have already been introduced in about 200 societies, with the societies binding themselves to buy exclusively from NKL; and a similar plan for hardware is being developed.

(III) *Regional Warehousing*

The regional warehousing system is well developed in Sweden, Switzerland, Denmark, Netherlands and the United States, and a comprehensive system is being planned for the United Kingdom. In France there are regional warehouses, but the network is in need of modernisation. SOK is planning for a network of regional warehouses, and the ZdK return acknowledges that something of the kind is inevitable in Germany eventually.

The following advantages of regional warehousing have been noted from various quarters; better purchasing terms for bulk buying, even for smaller shops; elimination of stock keeping in shops and consequent saving of shelf space and in personnel; more rapid turnover; modern automated installations and computerised stock control, release of capital formerly tied up in stocks; less risk of goods deterioration; more time for branch staff to devote to selling; joint advertising and sales promotion; reduction in costs of transport and handling; rationalised requisition procedures making for smooth flow of goods; better statistics; and lower costs all round.

To be effective, however, regional warehousing involves at least the following prerequisites: full support from retail societies to ensure a large minimum throughout, perhaps enforced through contractual arrangements, and prohibition of warehousing or direct negotiation with suppliers on the part of individual societies; a carefully selected and limited stock assortment; rapid stock turnover; a scheme for branch stock replenishment, preferably through computer control, which, in turn, implies a simplified uniform system of ordering; and less frequent branch delivery with orders for regular delivery, preferably on a replacement basis as determined by computer-controlled operations.

In **Sweden**, the system of regional warehousing was launched in the 1950's, and by the end of 1964 there were 29 regional warehouses, one refrigerated warehouse and one fresh goods warehouse. The number of warehouses is being reduced, and is expected to be about 15 by the beginning of the 1970's. Regional warehouses have taken over the tasks of sales offices and local central warehouses. Also purchasing decisions and activity and stockkeeping have moved from retail societies to regional warehouses, although societies exercise some control via regional warehouse boards and special collaborating bodies. The KF owns the real estate involved, and charges rent to cover capital costs and taxes, and the local societies pay for maintenance and overhead costs calculated by a system of points according to extent of use. There is a managing board of three to five members for each regional warehouse, comprising heads of affiliated retail societies, which appoints staff, fixes wages, decides on fixtures and fittings, plans joint sales efforts, etc. There is no obligation to purchase, and retail societies may buy elsewhere if they can obtain better terms.

In **Switzerland**, regional warehousing was started about 1953, and the number had grown to 18 by 1963; the plan is to have 25. In the **Netherlands**, there are three regional

warehouses. In **Finland**, the SOK has embarked on a system of district warehouses; one was built in 1961 and another in 1965, and more are planned. KK has three and plans a fourth in early 1966. In the **United Kingdom**, there are definite plans for a regional warehouse in Newcastle, and an eventual network of about 10 is being considered; it is estimated that with this new system the warehousing costs for 100% of purchases would not exceed the present warehousing costs of about 45%. In the **United States**, there are five regional warehouses, and plans exist for several more, with a definite trend to regional warehousing, and integrated merchandising built around the COOP label.

In **Denmark**, stockkeeping is largely through a network of seven regional warehouses owned and operated by FDB with a maximum of mechanisation. The regional warehouses stock high-turnover items, and low-turnover items are handled in an FDB Copenhagen warehouse for special commodities. The regional warehouses also provide consultancy, accounting and information services. General managers of regional warehouses are responsible to the FDB director general. In 1964, 70 per cent of commodities sold by FDB were supplied via the regional warehouses, and the rest direct from factories, importers or wholesalers, but even in this case they were invoiced through FDB.

In **Austria**, each of the 26 district societies has its own central warehouse, and GöC has a warehouse for its own products, import goods and fruits and vegetables. The district warehouses are old-fashioned and non-mechanised, but modernisation is under way.

In **France**, the regional societies (some 40 of them) have self-sufficient warehouses, but many small local societies take delivery direct from suppliers.

In **Roumania**, district and regional warehouses channel goods direct to retail shops.

In **Germany**, there are no regional warehouses apart from certain branch establishments of GEG which perform warehousing functions. The general view on regional warehouses is that they should be built when requirements are such that no amalgamations can be brought about for this purpose.

In **Norway**, the NKL has 12 district warehouses. Consideration is being given to replacement of some of these by larger regional warehouses. About 25 per cent of NKL's turnover goes as direct delivery from producer to retail societies with invoicing through NKL.

(IV) *Advertising and Sales Promotion*

There appears to be a definite trend in national movements towards greater centralisation and more effective coordination of cooperative advertising. It is increasingly recognised that in order successfully to project a convincing image of the cooperative concept, as reflected in the various activities of the movement, advertising must be planned and to some extent centrally directed. This is necessary to ensure that advertising, even at local levels and for individual products, includes standard elements associated with the broader cooperative movement; to bring about some degree of uniformity on pricing policy as between retail societies in order that advertising may feature prices; to encourage development of one or more cooperative brands, grade labelling and uniform application of testing procedures as a basis for advertising that highlights quality, service and consumer information. Coordination also facilitates the financing of advertising on a broad nationwide scale.

Increasingly competition between various types of distribution makes it necessary for consumer societies to use advertising to project the cooperative image and to stress to consumers the unique advantages of shopping at cooperatives. An interesting example is the campaign of the **German** consumer cooperatives to publicise the Konsum as a institution for the consumer and a unique place in which to purchase. For the last five years they have been publicising the cooperative type of enterprise in TV and the national press under the slogan "Im Konsum Kaufen Kluge Kunden" (Clever Shoppers Buy at the Cooperative). Certain standard elements such as the slogan and the stylised figure of a purchasing housewife are also used in the local advertisements of individual societies. Development of this image-building advertising is the function of the ZdK. In addition the GEG operates a national advertising campaign for individual items such as Cirkel coffee and chocolate.

In the **United Kingdom**, a degree of coordination is achieved by the Technical Panel for Publicity which comprises four representatives from the Cooperative Publicity Managers Association, one from the English CWS, one from the Scottish CWS, one from the Cooperative Press and one from the Cooperative Union. The activities of this Panel are entirely voluntary. In terms of actual policy-making, however, advertising is decentralised; the retail societies are autonomous in this sphere. The Advertising Department of the Public Relations Division of the English CWS offers agency facilities to the retail societies, and also conducts a joint advertising scheme together with the societies, on a 50-50 financing basis, for CWS products. The advertising department collaborates with the Technical Market Research and individual trading departments of the CWS, and also with the Cooperative Union Publications Department. A few years ago the CWS worked out a national cooperative advertising campaign involving both image-building and promotion of CWS products, and when the retail societies declined to give it financial support, CWS undertook the programme by itself under the label **Come Cooperative Shopping**.

In **Finland**, the KK and OTK (the wholesale) each has its own advertising department, but these collaborate closely in working out master plans for national advertising a year or so ahead, with special themes for each monthly or ten-day period. The OTK concentrates on its own products, and provides advertising services free to societies and also to the chains (shoes, confection, drapery). The societies also have advertising personnel of their own who are trained to make use of materials supplied by KK and OTK. Although independent activity and autonomy in policy-making prevail at all levels, a close watch is kept to avoid over-lapping, partly through inter-representation between central organisations of the movement. All important decisions are subject to the approval of the Board of Directors or the Board of Administration; on both of these all of the central organisations and the local societies are represented.

In the **Netherlands**, there is a trend towards increasing integration of advertising activities as between the national union, the wholesale and the retail societies. The national organisation engages in sales promotion for the most important commodity groups by setting up planning committees comprising representatives of the retail societies and managers of the respective trade departments of CO-OP Nederland. Plans are devised for four-week periods within a general framework for an entire year. They are approved by the Managing Board, and finally by the Council of the Retail Societies. Once these are approved, the department managers of CO-OP Nederland have a relatively free hand, supplemented by advice from a private advertising agency. The Publicity Department of CO-OP Nederland designs materials for image-building publicity, and issues an instruction bulletin to retail societies. It also makes use of posters, folders, displays, price advertisements and the CO-OP News.

In **Sweden**, there is no central advertising department. Advertising is decentralised within KF according to the particular product or service involved, and is handled by the agency responsible for marketing in this sector. Coordination on both the national and the local level is achieved via the Market Council, which in turn is subordinate to the KF Board; the Council is a policy-making and coordinating body. It consists of 12 members appointed by the KF Board and representing the commercial departments and industries of KF, the retail societies and the Svea Advertising Agency; the chairman is a member of the KF Board. The sales and advertising policies of the retail societies are coordinated by a special KF body for foods and another for department stores (non-foods); these two organs are supervised by the Chairman of the Market Council. All advertising material is produced and distributed by the Svea Advertising Agency Ltd., a private licensed advertising agency for which KF is the dominating customer; since the other customers are also cooperative enterprises – housing, cars, travel etc. – Svea is actually a house agency. “Institutional” image-building advertising, for which costs cannot be allocated to specific departments, is handled by the Market Council.

In **Norway**, coordination is achieved by the marketing and advertising departments of NKL which exercise control jointly with the cooperative factories. The advertising department assists societies with exhibition and matrix material, particularly in connec-

tion with nationwide sales campaigns. When NKL special brands are advertised locally, NKL contributes half the cost. A private advertising agency is commissioned by NKL to handle technical problems such as lay-out, printing, texts and working out of campaign proposals. Plans are made for a year ahead, with various campaigns throughout the year featuring different goods.

In **Switzerland**, centralised sales planning is accomplished through the Office for Sales Promotion, which organises discussions jointly with retail societies, the regional warehouses and the merchandise sections of VSK.

In **France**, each year the FNCC organises a COOP month, involving a national advertising campaign through the press, radio, cinema and TV with emphasis on co-operative principles and doctrine. The purchasing centre of FNCC has its own radio advertising programme for the major COOP products.

In **India**, cooperative advertising usually occurs only at the State or Regional level.

In **Austria**, the G6C promotes national sales campaigns on important commodity ranges. It also pays a large part of the cost of advertising in national and local papers by local societies, and of shop display material, and it maintains a staff of sales consultants to advise local societies.

(V) *Other Services*

It has already been noted in connection with regional warehousing that the move toward regional warehouses involves centralisation not only of purchasing, assortment policy and advertising and sales promotion, but also of such other services as accounting, shop planning, research and market analysis. In addition, the following notes are of interest.

In **Denmark**, the FDB helps local societies with planning the distribution of shops, advertising and sales planning, book-keeping, auditing, statistics, training and recruiting of shop managers and consultant aid in operating shops.

In **Switzerland**, VSK has a Point of Sale department concerned with shop planning; its objective is greater concentration. Although VSK cannot force the retail societies to accept its planning in this sphere, it can refuse finances for local societies' own plans. Moreover, if the VSK participates in financing via a guarantee with the Central Cooperative Bank, it is authorised to impose certain conditions by contract concerning shop fittings, assortment policy, and control of personnel and management.

In **Germany**, there is a comprehensive advisory service for consumer societies. The central organisations engage in long-range planning of the shop network including warehousing, production units and shops. There are also available sales promotion advisers who devote themselves primarily to assisting local societies; and organisation advisers who concern themselves with local societies and are currently engaged on preparing for the introduction of electronic computers. There are also tax and legal advisers.

In **Poland**, the societies and the district unions associated with CAU are organising common transport services on a district basis. Also societies are, through amalgamations, concentrating their agro-chemical services such as delivery and application of fertilizer lime, ammonia liquor and protective sprays; their agencies for lending machinery and agricultural implements; and certain administrative and bookkeeping activities.

(d) **Structural Change and Finances**

(1) *The Growing Size of the Problem*

In view of the accelerating trend noted above towards modern warehouses, department stores, specialised shops, self-service stores, supermarkets and shopping centres, it is hardly necessary to stress that cooperative movements everywhere have been faced with unprecedented demands for capital in recent years. At the same time, unfortunately, there has been a tendency for internal resources to diminish. Subscriptions to share capital are slowing down with declines in number of new members. Moreover declining

dividends in the face of keen price competition have made it difficult to attract savings or share capital from members. With certain exceptions, like Poland, Sweden, Finland (KK) and the United States, cooperatives are able to secure only a relatively small, and in many cases declining, proportion of their capital from their members.

(II) *Devices for Stimulating Internal Resources*

Faced with this problem, cooperatives have tried various devices for stimulating internal resources. Some have increased shareholding requirements, for example, **Austria, France and Sweden**; and this measure is often linked with provision for accumulating the required amount through retention of dividends. The **Canadian** CUC earnings account for 62 per cent of equity capital; cooperatives are permitted to build up reserves without paying income tax if the reserves are allocated to individual members as "deferred patronage refunds". In **Czechoslovakia** a long-term fund for credit at low interest rates has been created out of profits of societies, and in **Poland** every society pays 10 per cent of its net surplus to a fund for mutual cooperative assistance. In **France** most societies, by agreement with their members, transfer 20-50 per cent of their refunds to capital shares for self-financing of investments. **NKL** has a system of "loan deposits" providing for retention of interest and one-half of dividends up to 100 kr. for each member; several national as well as local savings campaigns have been successfully conducted.

In addition steps have been taken to encourage member saving as a source of capital funds. In **Sweden** there is a special family savings account into which the excess of dividend on purchases over 3 per cent is transferred and blocked; if the dividend exceeds 2 per cent, 1 per cent is set aside until the age of 60. The **NKL** has waged campaigns to encourage saving, and for this purpose has set up a Guarantee Fund as security for voluntary deposits with retail societies; it also encourages societies to pay merchandise accounts in advance, and members may deposit savings in local cooperatives or with the **NKL** at an interest rate $\frac{1}{2}$ per cent higher than the going rate. In the **Netherlands**, Family Bonds are sold through CO-OP Nederland shops.

In **Sweden**, there is a system of mortgage bonds issued against the security of society real estate. In the **United States**, the MCM Corporation has been set up to release the capital of cooperatives which is tied up in property; the Corporation buys the properties of locals and leases them to regional associations which "assign" them back to locals at a low rental.

(III) *Cooperative Financial Institutions*

Practically all cooperative movements operate Cooperative Banks, and some more than one. In most cases the cooperative bank serves as a depository for member savings, and in a few cases it provides the major part of the capital needs of the cooperatives. In **Austria**, for example, the capital of the G6C is held by the Zentralkasse der Konsumgenossenschaften which has a 50 per cent holding in the Bank für Arbeit und Wirtschaft AG (BAWAG). The other half of the capital belongs to the Austrian TUC. These two institutions meet the major part of the capital needs of the cooperatives. The savings of cooperators in local societies and in savings associations are transferred to them. In **Sweden**, the finance department of KF to a certain extent serves as bank for the movement; local societies maintain their current accounts with the finance department and can draw cheques on the KF to meet their bills. For purchases on bank loan the customer pays a 20 per cent deposit and borrows the rest in order to pay the society; the debt is guaranteed by a subsidiary organisation and the customer pays off the loan gradually at a very low rate of interest. Similarly in **France**, l'Union Coopérative de Crédit Ménager (UCM) lends at very low interest to members for acquisition of household equipment. In the **United States** and **Canada** this same function is performed by credit unions.

Insurance companies are also a major source of cooperative investment capital in a number of countries, for example, **France, Finland and Switzerland**. In **Norway**, **NKL** has its own indemnity-and-life-insurance company; in 1964 share capital was

increased and the trade union movement made a co-owner on a par with NKL. This company has met most of the cooperative demand for long-term first mortgage loans.

Several movements have set up special investment funds for long-term cooperative financing; for example, the Guarantee Fund (Caisse de Garantie) in **France**; a long-term Credit Fund in **Czechoslovakia**; a saving scheme combining equity shares and insurance policies through a Cooperative Investment Bank supported by the Cooperative Central Bank, Consumer Cooperatives, trade unions and cooperative insurance institutions in **Switzerland**; the Fifty States Mutual Fund in the **United States** enabling cooperators to pool money and obtain professional management for a diversified group of investments; a fund for mutual cooperative assistance interest-free to weaker societies in **Poland**; and in **Sweden** the investment loans of the Swedish Auxiliary Society (SHF) for rationalisation of structure.

(IV) *Capital Budgeting*

A large number of consumer cooperatives in Europe and North America regularly prepare capital budgets; indeed in the **United States** some organisations have been doing it for more than twenty years. Most of these comprise at least the following categories: a) future investment in schemes for expansion and creation of new earning capacity; b) provision for replacement of existing plant, buildings and equipment; requirements for current operations – stocks, cash, surplus payments; future supply of capital funds. Some organisations draw a distinction between the “investment” element and the remainder of the budget. “Investment budgets” generally cover a five-year period. Financial budgets, covering all aspects of capital requirements, are generally for one year. **KF** operates 2 capital budgets, a detailed budget for one year and another covering a five-year period. **NKL** compiles two budgets, one a five-year plan for financing future investment in warehouses, premises, department stores, etc., and the other a survey of current investment in expansion and replacement.

In **Sweden**, responsibility for the supply of capital to retail societies is centralised in **KF**; societies either borrow directly from **KF** or privately, sometimes with **KF** as an intermediary. Consideration is now being given to the question of whether capital budgeting should be carried to the point of assigning priorities to specific investment need. In **France**, the **FNCC** has set up a Financial Committee to examine all society applications for long and medium loans and refer them to appropriate financial agencies. Although there is no national capital budget, there is an annual financial enquiry among the regional societies. In **Canada**, the **CUC** has recognised the need for more coordination between cooperative financial institutions, and is now planning to set up a standing committee on cooperative finance. Increasingly financial decisions are being made at the provincial or regional level. In **Austria**, all investment schemes of local societies have to be approved by **Konsumverband**. Retail societies are referred for financial assistance to **Zentralkasse der Konsumgenossenschaften** which is in close contact with **Konsumverband**.

Annually, **CO-OP Nederland** collects from the regional societies all investment plans for the next four or five years, and the proposed measures for finding the necessary financial resources. In many cases **CO-OP Nederland**’s financial department grants credits. In other cases the regional society makes its own arrangements, but if such a society is already enjoying financial support from **CO-OP Nederland**, the consent of the latter is required for credit to be obtained from elsewhere. A reorganisation is taking place now, by which the financing activities will be removed from **CO-OP Nederland** to a special financing body, **Finco**; partners are **CO-OP Nederland** and **Hollandsche Koopmansbank**, both shareholders in the **International Cooperative Bank**. **Hollandsche Koopmansbank** is controlled by the trade-union movement.

In **Germany**, the local societies prepare detailed investment and financial plans annually; these are subject to auditing. Long-range financial plans are prepared when large investments are contemplated, as, for example, the setting up of a new Central while at the same time expanding the shop network. Such financial plans are frequently associated with amalgamations.

(c) **Structural Change and Management**

(I) *The Management Problem*

The problem of providing effective management for cooperatives, local societies and apex organisations at regional and national level, has always been acute, and it is growing more so as a consequence of the trend toward concentration and integration in cooperation.

Structural changes are making even greater demands upon managerial talent. As operative units grow larger and relations between local societies and apex organisations grow tighter, and as competition with private retailers grows more fierce, the scope and impact of managerial decisions broaden correspondingly. Long-term budgeting, structural financing, mechanisation and automation of operations and expanding of capital requirements call for new abilities and more professionalism in management. At the same time, tight labour markets and higher managerial salaries in private retailing make it more difficult to recruit and retain competent managers.

(II) *The Trend Towards Full-time Professional Management*

In response to these developments, more and more cooperative movements are acknowledging the necessity of entrusting the managerial function to full-time professional people and are relegating the function of lay managerial bodies representative of members to a more purely supervisory role. For the same reasons, increasing stress is being put on effective specialised training for managerial positions; recruitment from professional ranks even when this means employing managers from outside the cooperative movement; devices for stimulating exchange and diffusion of managerial experience and know-how, e.g. through systematic transfer of managers throughout the movement (which presupposes standardisation of pay, pensions and other benefits), greater use of "inter-firm" comparisons of various performance ratios, conferences of managers, seminars, etc.; and management contracts which make available to weaker societies the managerial talent of stronger cooperatives.

The shift from management by larger boards to full-time professional managers and/or boards of management has been accelerating in recent years. The general principle which has emerged is that major policy decisions are the function of management boards, whereas lay supervisory councils are responsible for ensuring that such decisions do not exceed the authority granted by cooperative statutes. In those larger societies and apex organisations where there are both management boards and full-time managers, the former are responsible for major policy decisions (planning, policy, public relations, member relations, long-term commitments of facilities, finances or manpower) and the latter for day-to-day operational decisions (personnel, processing, production, marketing, employee relations).

In **Sweden**, management boards of the largest societies are generally full-time appointed officials, but in smaller societies they are composed partly of chief officers and partly laymen. The boards have to have the approval of elected administrative councils for extensions of society trading areas, purchase or sale of real estate, acceptance of loans or mortgages, long-term capital investments, collective agreements with employees, views on issues which have to be referred to the General Meeting for decision, and removal of board members before expiry of term of office. (In **KF** itself a Board of seven full-time officials is supervised by a part-time Council composed of 30 area representatives divided into 5 specialist sub-committees).

In **ZdK, NLK, SOK, and CO-OP Nederland** there are elected Boards of Representatives with the function of seeing that the appointed Board of Directors conforms to the rules. In **KK**, the administrative set-up is more complex; the members elect the Council of Representatives, which in turn elects the Board of Administration, and the Board of Administration elects the Board of Management and the Managing Director. The **Austrian** consumer societies have Supervisory Councils composed of laymen and full-time managers; the manager is not automatically a member of the Board, but if successful can be elected. In **Poland**, the executive boards of societies hire professional managers who must be approved by the district units of CAU.

In **Switzerland**, as a result of the recent rules revision, the VSK has increased powers to take special measures (e.g., national sales campaigns, standardisation, fixing of retail prices) to expel recalcitrant societies, to approve applications or dismissals of local society managers, to supervise managers, and participate in deliberations of various bodies. In addition a new Management Commission has been appointed, consisting of 40 members including managers of regional warehouses, and of large local societies. The Commission is elected by the Board of Directors, and can be convened by the VSK or by one-third of its members. Its function is to prepare and implement decisions of VSK.

In the **United Kingdom**, the CWS has decided to introduce a clear distinction between deciding policy and implementing policy. The full-time Board of 28 members will be replaced with a part-time Board of 30 members with three functions only; to decide policy, to approve the annual budget and the monthly checks on it, and to appoint full-time executives. The latter will include a chief executive officer with three deputies each of whom, in addition to being in a supervisory position in relation to the divisions, will personally control certain internal services such as personnel, publicity, marketing, etc. Under the chief executive officer and his three deputies will be eleven divisional executives, each responsible for a division.

The reorganisation proposals of the SCWS envisage replacing the existing 30 first line managers who are directly responsible to the Board with five divisional managers (food, dry goods, services, works and mills and retail development) reporting directly to a General Manager, who in turn will be responsible to the Board. At the same time the Board will be reduced from twelve to nine members, and a new system of committees (society executives, personnel and property) will be set up as links between the Board and the Executive. These changes are designed "to make for quicker management decisions and much greater coordination and control. We believe that structure has been designed that will give a large measure of autonomy to divisional managers, thus encouraging firm and strong executive action. At the same time we believe we have developed a strong central control which can coordinate all activities within the Society and which will provide decisions quickly on matters beyond the competence or responsibility of divisional managers. We further believe that we have provided for management activities to be under the direction of the Board, without involving it in day-to-day decisions which properly are the responsibility of management."

(III) *Training for Management*

In almost every movement there is evidence of increased awareness of the need to provide special training facilities for management.

In **Sweden**, the KF is considering a further concentration of Var Gard's management training activities in courses for more advanced employees. Short, intensive, practical training is also available in Vi-skolan evening classes.

In the **United Kingdom**, the Co-operative Union has undertaken a comprehensive management development scheme for recruits from university graduates, and cooperative employees with degrees or recognised professional or technical qualifications. Candidates are attached to a series of departments, and practical experience is supplemented by study for a professional qualification. The programme has met with some initial snags in that societies are finding it difficult to pay the required maintenance costs and to offer the suitable managerial posts which are promised to students.

The **Austrian** movement trains 700 cooperative apprentices a year, and offers systematic training for potential managers. **SOK** has a course for trainees in business administration comprising two years of practical training in local societies and branch SOK offices; another course for employees with considerable cooperative experience with stress on planning and decision-making, and a number of four-week courses on concrete problems of business administration. In **Poland** there is a system of extensive supplementary training for employees, and also conferences for presidents of executive boards of rural and district cooperatives. **Czechoslovakia** has a well-developed apprentice system providing three years at training centres, advanced training in specialised schools, and

extension courses from State schools for administrative employees; managers are required to pass examinations. In **Canada**, special attention is given to employee and managerial training through correspondence courses, a directors' school, special training and adult education centres for cooperators, refresher courses and monthly meetings for directors, and the bulletins and meetings of the Directors' Advisory Service of CUC.

In **India**, the NCUI provides an elaborate programme for cooperative education financed by the Government and implemented via State and District unions. Some 600 peripatetic instructors move from village to village offering instruction for members of managing committees and other officials, and initiating pilot projects in urban areas for individual cooperators. There is a National College of Cooperation and Research, 13 training centres for intermediate level personnel, and 16 training schools for junior personnel; in addition some key personnel are sent abroad for training.

KK provides extensive staff training through local courses, correspondence courses and the cooperative school. There is a special managerial Training Course for responsible functionaries of societies with long practical experience and personnel with a degree from the School of Economics. **VSK** recruits young clerks and trains them in small groups for managerial posts in a year's course with subsequent refresher courses, and combining theoretical training with practical experience.

In **Germany**, ZdK operates a special training programme for university and commercial school graduates as well as for qualified white collar employees of cooperatives; this programme last 18 months and includes seminars in the central cooperative schools and a number of centrally planned and coordinated practical exercises. Candidates are carefully selected. In addition seminars and work days are conducted in two schools of the Association, and in the ZdK school for managers and leading staff officials.

2. Agricultural Cooperatives

(a) Changes Influencing Structure

The changes noted earlier in the retail market for food are having at least as great an impact on agricultural cooperatives as upon consumer cooperatives.

A number of factors are expanding markets for agricultural produce into national and even international dimensions; these include increased population mobility, modern means of transport, refrigeration, lowering of trade barriers (e.g., the Common Market), and vanishing of the distinction between farm supplies and rural household supplies as a result of suburbanism and closer relations between urban and rural economies. At the same time agricultural production itself is becoming more specialised, more intensive, larger-scale, and more mechanised.

These changes, in turn, have led to large-scale operation in retail trade, and to chain stores, supermarkets, shopping centres and voluntary buying groups – all of which imply large bulk deliveries of produce which is standardised with respect to quality, variety, size and price. Bulk orders and the need for standardisation, plus the necessity of regularity and reliability in supply, have given the large food retailers an incentive to go backwards from the marketing stage into processing and even into primary production of livestock and field crops either directly or via contracts with agricultural suppliers, e.g., potatoes for crisping and soft fruits and vegetables for freezing.

Indeed, contractual relations are encroaching upon various stages of processing and marketing in what seems to be an irresistible surge. Integrated firms are in a position to offer terms that are attractive to the farmer in the form of guaranteed outlets and/or prices, or technical advice, or credit facilities – but by the same token they reduce his independence and freedom of action, and they also preclude traditional suppliers, including agricultural cooperatives, from an ever-growing segment of the distributive field.

The impulse towards integration is also making itself felt among agricultural producers, but in the opposite direction from production into processing and occasionally into retailing. This kind of vertical integration has, in various countries, affected poultry and egg production, slaughtering and meat packing, and other products.

Vertical integration, i.e., the combining of separate stages of production and/or distribution under unified control, has clearly enhanced the market power of distributors. At the same time distributive costs for food products have increased spectacularly; one estimate in the United States is that from 1917-19 through 1963 food marketing costs quadrupled, interest and advertising cost trebled, plant and equipment costs rose 51 per cent and labour costs 36 per cent. These two influences in combination have added up to a serious squeeze on farm incomes. The Cooperative League of the U.S.A. reports that between 1917-19 and the end of 1963 the farmers' share of the consumer food dollar declined from 50 cents to 37 cents.

Added together, these various developments pose a threat which agricultural cooperatives cannot afford to ignore. As the NFU Study Group Report on Vertical Integration (London, January 12, 1965) expressed it, "The real solution . . . lies in integration, but integration *under the control of the producer*".

Certainly, the problem has not been overlooked by agricultural cooperative movements. The subject is currently under lively discussion in many different organisations and has aroused a great deal of interest - partly because it continues to be a controversial issue.

So far, however, the ventures of farm cooperatives into vertical integration have been few in number, cautious in approach, and not strikingly successful. To an extent this may reflect a deepseated reluctance of farmers - and hence farm cooperatives - to go into business, a reluctance which inhibited extension of farm cooperatives into processing, and which is much more marked in the case of retailing. There have also been important practical reasons for this hesitancy - the problems of finding the enormous capital resources required for retail operations, the scarcity in rural communities of the quite different kind of managerial skill needed for cooperative retailing, and the justified fear of retaliatory united opposition, indeed open warfare, from private retailers. Nor has there been much successful effort towards what would seem to be the obvious solution, namely to establish commercial relations between agrarian cooperatives and consumer cooperatives. This may in part be due to politically and historically conditioned tensions and attitudes which are difficult to eliminate as well as to economic factors.

Nevertheless, there are a large and growing number of agricultural cooperators who feel that a major push in the direction of extending operations of farm cooperatives into retailing and into much closer relations with consumer cooperatives is both essential and inevitable. They see this as necessary in order to preserve the independence and flexibility of the farmer producer, to maintain and increase his share of the consumer dollar, and to enable agricultural producers to be responsive to the needs of the consumer.

As with consumer cooperatives, there are many different types of integration in agricultural cooperation, among which actual acquisition of retail outlets is only the most radical. One possibility is for farm cooperatives to participate in the financing of private retail firms in order to gain outlets for their produce and influence over policy. This method requires less capital and arouses less hostility and retaliation from private retailers than does outright entry into the retail field - but by the same token it yields a much lesser degree of bargaining power and of influence over the market.

Other manifestations of the urge to integrate are the shift from single-purpose to multi-purpose agricultural cooperatives, integration in purchasing, integration in marketing (including processing and establishment of closer relations with consumer cooperatives), and coordination of services, e.g. advisory, agricultural extension work, credit facilities, accounting, and advertising.

(b) **Multi-Purpose Structure**

In Poland, some 275 district unions (DURC) serve as wholesales for the 2267 rural cooperatives; they purchase for them, collect and deliver commodities, deliver raw materials to productive establishments, and store out-of-season goods. There is a tendency towards amalgamation of service cooperatives, and much joint use of machinery and implements.

In the United States, "marketing" and "supply" cooperatives which in the past

were usually quite distinct and specialised have recently begun to integrate their services much more. Many have services so inter-related that the terms "marketing" and "supply" have ceased to be meaningful. In 1961, for example, 65 per cent of the marketing cooperatives also provided their members with some supplies and furnished specialised services like cotton ginning, storage, and grading; 20 per cent of the "supply" cooperatives did some marketing, and 53 per cent performed services. In addition to "marketing" and "supply" cooperatives there are those primarily engaged in providing services such as irrigation, electricity, animal breeding or processing. About 5% of these service cooperatives performed some marketing in 1961 and 44% handled supplies for their members.

In the **United Kingdom**, agricultural cooperatives are mostly of the general purpose type, and this is also the case in **Finland**. In **France**, some are highly specialised, and others do warehousing, supplying and marketing. In **Canada**, most purchasing or marketing cooperatives own manufacturing or processing facilities.

In **Sweden** there has been a marked integration of small cooperatives into larger units, and nowadays into considerably larger units. Within the new units rationalisation, mechanisation and specialisation have led to higher efficiency. However these mergers have mainly been confined to the existing branches and have therefore so far not led to more of a multi-purpose structure of the cooperative movement. Currently, there is discussion concerning the possibilities and necessities of further integration into processing.

(c) **Integration in Purchasing of Supplies and Services**

In the **United States**, the local cooperative is the farmers' purchasing agent. It, in turn, is member of a regional which is purchasing agent for some products and actual producer or manufacturer of others. Major supply items are feed, fertilizer, petrol, seed, pesticides, lumber, paint and machinery. There are two major types of farm supply cooperative, the centralised kind in which individual farmers have direct membership in a wholesale or regional, and decentralised complexes with wholesales or regionals owned by local societies. There is a marked centralisation of services such as transport, accounting, labelling, research, legal advice, and clearing houses for equipment and supplies, bulk delivery of feed, soil sampling, bulk blending of fertilizers, and building services. In fertilizers and petroleum, farm supply cooperatives are extending into refineries, oil wells, fertilizer factories and raw materials for fertilizers. In cotton, supply cooperatives are engaged in seed development, ginning, processing, storing, marketing, and some even refine cotton seed oil for sale as salad oil. Many cooperative wholesales produce chemicals, paints, and livestock feeds. In many cases interregional cooperatives exist, i.e., oil refineries or fertilizer plants belonging to a number of regional cooperatives acting together.

In **Poland**, as noted, the district unions purchase for the village societies; also there is a marked amalgamation in services with the setting up of despatch and transport services on a joint basis to ensure better utilisation of lorries, better supply, joint use of machinery, and reduction of overhead costs.

In the **Netherlands**, CEBECO, a national central cooperative with local member cooperatives, is a wholesale dealer in agricultural requirements, and also CIU comprises four Roman-Catholic regional central cooperatives. Both supply fertilizers, feeds, pesticides, seeds, seed plants, machinery, fuels, petrol products, etc., and both market grains, pulse, seeds, sowing seeds, and potatoes. There has also been a considerable development of integration contracts, e.g., for cooperation between broiler producers, chicken hatchers, breeders, feed cooperatives and poultry slaughterhouses; between meat packers and cattle and pig marketing organisations; and joint enterprises for manufacture of pesticides and mixed fertilizers.

In **Canada**, there are 1,600 local purchasing, farm supply or consumer cooperatives in six regional wholesales. In most cases there is no distinction between farm supply and consumer cooperatives, with the exception of Ontario and Quebec. Decision making is largely centralised, and management agreements are common.

In the **United Kingdom**, CWS provides the central purchasing service for the agricultural requirements societies. Representatives of the Agricultural Cooperative

Managers Association meet several times a year with the CWS to discuss common problems.

(d) **Integration in Marketing**

Farm cooperatives have done little in the way of contractual relationships with private wholesalers or retailers, because of the preference of the latter for dealing with individual farmers or with private organisations. Activity of this kind has been limited primarily to such institutional groups as schools, hospitals and industrial canteens.

The much more promising possibility of commercial relations with consumer cooperatives has not been very fully exploited, in some cases because consumer cooperatives are not strong enough to make it worthwhile.

In **France**, an agreement was signed in 1959 between national organisations of farm cooperatives and of consumer cooperatives providing for sale through the latter of a large number of products including wheat, rice, tinned meat, potatoes, wine, butter and cheese.

In **California**, in 1962 the Hayward Poultry Producers' Association and Associated Cooperatives, a wholesale buying association for consumer cooperatives in the San Francisco area, set up a Producers and Retailers Cooperative (PARCO) along with certain private retailers. The producers agreed to sell their eggs at prices fixed by the Department of Agriculture, and the retailers agreed to accept them at these prices. Surpluses are divided equally between producers and retailers.

In the **United Kingdom**, North Western Farmers, a large multi-purpose cooperative, has contracted to furnish all of its pork to the CWS bacon factory at Winsford; the products are sold through consumer cooperatives.

In many countries there is a marked tendency to increased centralisation and integration of the marketing activities of agricultural cooperatives.

In the **United States**, the Farmers' Union Cooperative Marketing Association has been expanding via merger; in 1964 a farmer-owned purchasing and marketing organisation known as Agway, Inc. was formed through mergers in 12 north-eastern states; in the New York area, farm cooperatives have established supermarkets, and in Ohio the Farm Federation is planning to purchase one or more major food chains to "assure farmers adequate shelf space for their own cooperatively processed and raw products. This, in turn, would put them in a much better position to bargain with processors. It would also serve as a means to gear their production contracts to what is actually needed in the market". Also there is a drive for federal legislation making it illegal for food processors to interfere with efforts to organise farmers into strong bargaining groups.

In the **United Kingdom**, there has been a marked expansion since 1960 in selling groups, in which farmers accept the principle that all output of a particular commodity, or agreed portions of it, will be marketed through the groups, and also accept control over variety, breed and methods of production. Many of these groups have been assimilated into the operations of agricultural cooperatives.

In **Sweden**, agricultural processing and storage to a high degree is carried out by agricultural cooperatives in large and centrally situated plants. Members are obliged to deliver to their cooperative which consequently has to accept all member deliveries. In many regions this is necessary simply because of the great predominance of the cooperative organisations. In other cases and especially within some of the brand organisations the principle of "compulsory delivery" is applied in a very liberal way.

In **Canada**, farm marketing is centralised, usually on a regional or provincial basis with branch plants and factories, rather than autonomous locals. The subject of relations between marketing boards (which exist in all ten provinces) and farm cooperatives is still a controversial one. Some feel that such boards with their compulsory powers are diametrically opposed to the cooperative principle of voluntarism; others argue that farmers need the kind of total market control which can only be provided through legislation, and that cooperatives can perform important specific marketing functions which supplement the market control function of the marketing boards.

(c) **Integration and Finances**

In **India**, the National Central Bank provides loans at concessional rates for agricultural operations. These reach the village societies by passing from the 21 Cooperative Banks to the 386 Central Cooperative Banks at the district level. Long-term credits are supplied by 19 Central Land Banks and 571 Primary Land Mortgage Banks.

In the **United States**, 12 regional and one national Bank for Cooperatives make loans to finance agricultural cooperatives. In addition cooperative farm credit is provided through a farmer-owned system of 13 Federal Land Banks and 754 Federal land bank associations for long-term mortgage credit; 12 Federal intermediate credit banks and 484 production credit associations for short-term and intermediate credit; and several hundred locally organised rural credit unions. There is a trend towards tying financing to sale of supplies, or to arrangements between farmers and marketing organisations. There have been suggestions that the Farm Credit institutions should increase their advisory and financial management services. A proposal has also been made for an Adjustable Revolving Fund Capital Plan by which each patron would contribute his proportionate share of capital via patronage refunds until he has reached a predetermined share of the desired equity capital levy.

In **France**, the network of farm credit has been inspired by the German Raiffeisen and Schulze-Delitzsch systems; it comprises 3,250 local branches; 94 regional branches; a National Agricultural Cooperative Bank; the National Federation of Agricultural Credit, a professional body for liaison and coordination between regional branches; research and common service; and a Society for the Financing and Development of the Agricultural Economy.

In the **United Kingdom**, a recent report by an expert from the U.S. Department of Agriculture, Joseph Knapp, concludes that the need for external financing could be reduced by more careful administration of farm credit to reduce the amounts tied up in accounts receivable and in stocks, and to achieve better planning of financial requirements. The Agriculture and Horticulture Act of 1964 authorises the Government to underwrite loans for horticultural and agricultural cooperatives for storage, and preparation for markets.

3. International Trade Between Cooperatives

All of the factors outlined above as contributing to the pressure towards concentration, centralisation and integration of cooperative activities apply equally to cooperation across country lines. National movements are well aware of this, and important efforts are being made to explore the problem, to examine carefully alternative possibilities, to anticipate difficulties, and to take measures designed to stimulate progress towards inter-cooperative trade. The broad outline of these efforts is sketched below.

A major function of the I.C.A. Cooperative Wholesale Committee (comprising CWS, United Kingdom; COOP Nederland; FDB, Denmark; GEG, Germany; GöC, Austria; Hamashbir Hamerkazi, Israel; KF, Sweden; NKL, Norway; OTK, Finland; Samband isl. Samvinnufelga, Iceland; SCWS, Scotland; SGC, Belgium; SGCC, France; SOK, Finland; and VSK, Switzerland) is to foster trading relations between cooperative societies in all parts of the world. This is done through comparative research and diffusion of information. Particular attention has been given to the question of closer collaboration between members in the fields of production and trade in view of economic integration in Western Europe, and the creation of an institutional framework for such collaboration. In 1964, CWC absorbed the Economic Secretariat of Nordisk Andelsforbund (see below) which had been created for this purpose in 1960. Since then the CWC Secretariat has been engaged on two major projects in the field of international cooperative trade, a survey of members' foreign agencies and buying depots, and analysis of members' imports with a view to identifying commodity groups suitable for joint purchasing operations.

Import data were examined for approximately 70 commodity groups found suitable for further investigation with respect to joint purchases. Of these, 24 were found to

justify further analysis, and six were clearly of particular interest for nearly all member organisations. There appear to be three important groups of commodities: a) food lines in which a majority of members have substantial imports; b) food lines for which total imports are essential, but only a few members make significant purchases; and c) non-foods imported by a large number of members. It has been proposed to call a conference to fix guidelines and to finalise relevant commodity groups; and meanwhile to make detailed investigations into coffee, tea, canned fruit and vegetables, canned fish, and certain non-foods (textiles, household equipment, footwear, glass and china, toys and furniture).

Nordisk Andelsforbund (NAF), the Scandinavian Cooperative Wholesale, acts primarily as a joint buying organisation for its member organisations, the wholesale societies of Finland, Norway, Sweden, Denmark and Iceland, as well as a forum for discussion of problems of common interest. It has branch offices in London, Valencia, Santos, Buenos Aires and San Francisco. The Scandinavian wholesale societies have also set up Nordisk Andels-Eksport (NAE), with open membership (VSK and SCWS are now affiliated) to find outlets for production surpluses of cooperative manufacturing. It does business in some 40 countries in an extensive range of goods.

There have been a growing number of instances of inter-cooperative trade and production specialisation in recent years. For example, KF is concentrating on production and supply to the Scandinavian market of synthetic soap powders, chocolate and confectionery, crisp bread, tables, certain types of beds and nursery furniture, shirts, television and wireless sets, electric heaters and other appliances, detergents, petrol and oil; NKL on toilet soap, certain types of dessert and household chocolate, certain bakery products, prepacked meat and bakery products and electrical appliances; FDB on cocoa powder, chairs, men's and boys' underwear; SOK on flour sacks. In many cases common brand names are used, e.g. GOMAN, TEND and CIRKEL.

More recently such kinds of arrangement have been broadened in some cases to include other European countries; for example, the wholesale societies of Belgium, France, Holland, Italy, and West Germany, which are united in EURO-COOP, have decided on joint production of biscuits in a COOP Nederland factory which will be "Europeanised" and expanded for the purpose. The International Cooperative Petroleum Association was organised in 1947 for a common international expansion and integration of cooperative oil activities embracing crude oil exploration and production, pipeline operation, storage facilities, and refining and blending plants.

In this connection it should be mentioned that the Nordic farm organisations working together in the Nordic Council of Farmers' National Organisations cooperate extensively with respect to general trade policy and specific commercial transactions including an extended inter-Nordic, inter-cooperative trade. Some practical results have already been achieved.

Finally, it should be mentioned that the I.C.A. Agricultural Committee has held a series of conferences on the import and export of particular commodities (dairy products, wine, tea, coffee, and cocoa, and fruit and vegetables) in an effort to eliminate specific obstacles to inter-cooperative trade, and to investigate possibilities of establishing new trading relations or developing existing relations.

4. Integration and Member Control

(a) Dimensions of the Problem

Discussions on democracy in cooperatives have reached proportions which would almost qualify it as a major branch of the social sciences, and this development has been closely linked with the trend towards integration in cooperative activity. As cooperative structural units grow larger, and operations, authority and decision-making more centralised, the gap widens between members and cooperative officials, and the concept of member participation becomes more academic. Keen competition and "active price policies" have diluted the appeal of dividend, and, indeed, members are no longer motivated to any great extent by sentiment or ideological concepts; they tend rather soberly and

critically to seek material advantages from price, quality and service. Attendance at meetings has declined, and there are relatively few "activists" among members.

This problem of member participation and control is being viewed with alarm in many quarters, and serious consideration is being given to it in practically every movement. In a number of countries special committees have been appointed in national organisations to make proposals, e.g., in France, Germany, Sweden, Austria, and Poland.

A good deal of what has been discussed above has a direct and obvious bearing in this connection, particularly the section devoted to management and training. At this point space precludes anything more than a few country examples of trends in various countries towards indirect elections, member participation at the local level, and attempts to stimulate interest through information, discussion, auxiliaries, etc.

(b) Indirect Elections

In **Sweden**, the administrative organs of retail societies are selected through a system of district meetings which elect delegates to a General Meeting which elects a Supervisory Council which in turn elects a Board of Directors of 3 to 5 persons. The system is similar in the **Netherlands**, although there are some small societies which still hold direct elections. In **Norway**, most societies are quite small and still elect directly. In **KK**, the system of indirect elections was already well developed in the twenties, and in **Germany**, "representative meetings", and hence usually indirect elections, are required by statute. Indirect elections occur in some of the larger societies in **Italy**, **Switzerland**, **Roumania** and **Israel**. In the **United States**, the Greenbelt and the Berkely societies hold area meetings to elect a Congress which nominates candidates for Boards of Directors who are then actually elected through General Membership meetings. The Congress also elects a Supervisory Committee to supervise the Board.

(c) Member Meetings

Direct member participation at a local or district level can be achieved through various types of member meetings.

Shop Committees provide a point of contact between cooperators as businessmen and cooperators as associations of persons. In **KK**, there is a system of shop committees, with a shop committee counsellor in **KK** headquarters, and correspondence courses and study circles. In **Czechoslovakia**, some 50,000 member meetings take place at the shop level annually; these shop committees control operations, supplies, personnel, education, stocktaking, etc., and there is also a system of control commissions at the shop level to evaluate the work of the management board and of employees. In addition every co-operative member is expected to perform voluntarily a cooperative assignment in administration, control, education or cultural activities in addition to his daily work. **SOK** has 16 district committees, each with a member secretary, and also shop committees. In **Poland**, there are member committees in every village to supervise the local societies. In **Italy**, consultative committees of housewives, members and customers are attached to shops for the purpose of discussing the activities of the society relative to family needs.

In **KF**, there is a system of Members Councils. In **Austria**, societies have organisation leaders responsible for relations with member committees and individual members. In **FNCC**, there is a system of annual sectional assemblies with the size of sector determined on the basis of research into the best possible contact with members. Section committees are set up for the purpose of informing, consulting active members, organising propaganda, and serving as a nexus between members and officials. In **COOP Nederland**, the model rules for regional societies require the setting up of members' district groups, with district committees elected from and by members of the district.

(d) Information and Discussion

Practically all cooperative organisations engage in numerous activities designed to enlist the interest and active participation of members. These range from publications, lectures, discussion and study groups, films, TV and radio presentations, questionnaire surveys, entertainment, clubs and fashion shows to the organised activities of women's

auxiliaries, housewife groups, and special consumer groups of various kinds. An interesting and relevant recent development is the Verbrauchertag (Consumer Day) organised in Germany as a kind of member Parliament for consumer cooperatives.

In peroration, it can be noted that leading cooperators in a number of movements have come to the conclusion that the traditional Parliamentary approach to cooperative democracy via direct participation in elections and in administrative organs is no longer practical or relevant. On the other hand, it is more urgent than ever that members should participate in important decisions and should be in a position to control and limit the "technicians" (e.g., professional managers). Thus the basic solution would seem to be that of educating members to have an influence over the **economic** activities of the cooperative as manifested in the shop. Cooperatives must seek to attract the customer, then to convert him to a member, and then convert the member into an active cooperator. This calls for good consumer service, effective public relations and information and education activities.

In short, the answer to the problem of democratic control is the creation of a modern efficient organisation run in the interest of the member.

Resolution

The 23rd Congress of the International Co-operative Alliance,

Considering that the International Co-operative Alliance, acting as a forum for national cooperative experience, is constantly engaged in studying and evaluating the structural changes which are taking place in cooperative organisations throughout the world;

Recognising that these studies were given a special impetus at the 21st I.C.A. Congress in Lausanne in 1960 through the discussion on "Cooperation in a Changing World";

Noting that further consideration has revealed the extent to which problems do arise for cooperatives throughout the whole world as a result of the need for structural change, or during the process of such constant change;

Having decided to give special consideration to the changing relations between local cooperative societies and their national organisations, especially in consumer and agricultural cooperative movements, and in particular to methods of assuring the continued application of democratic control;

Finds that the structural form for a cooperative movement depends on the social and economic conditions of each individual country which create differing prerequisites, and on the national legislation which may influence the application of new structural principles;

Stresses the relation of structural problems to the differing aims of organisations and the need for structural change constantly to be brought into line with the Cooperative Principles;

Recognises the interdependence of organisational structure on the one hand and the psychological pattern and level of education of members and leaders on the other hand; along with structural changes of an economic nature there should take place also corresponding improvements in educational programmes, to the end that the values of broad membership and ownership which have heretofore marked the best of cooperatives shall not be lost;

Recommends that the cooperative movement should concentrate all of its forces to ensure maximum efficiency under modern competitive conditions, and at the same time take care that –

1. relations between primary societies and their regional and national organisations are revised in such a way as to give the authoritative organs of the movement as a whole full authority to take binding overall decisions on all important economic issues;

2. in those cases where the federative concept is retained as the basis of the movement, it is supplemented by a system of long-term agreements between primary societies and their regional and national organisations in order to guarantee the necessary unity of action in such strategic fields as purchasing, marketing, price policy, production, structural planning, and investment policy;
3. where it is the intention to achieve unity of action through integrating cooperatives, in different branches, by successive stages, into national cooperatives, steps are taken to ensure retention of the basic principles of full cooperative democracy.

Amendment submitted by Fédération Nationale des Coopératives de Consommation, France

Delete sub-paragraphs 1 and 2 of the recommendation and substitute:

“1. within the framework of the federal concept it should be guaranteed that important decisions of competent authorities of a national organisation are carried out effectively by all concerned in such a manner that unity of action in such strategic fields as purchasing, marketing, price policy, production, structural development, investment policy and education is ensured. This can be achieved by a system of long-term agreements between primary societies and their regional and national organisations or by institutional forms for a collaboration which will secure a continuing co-ordinated policy for the whole movement.”

Renumber the present paragraph ‘3’ as paragraph ‘2’.

Discussion on the Report and Resolution

The President: This important Paper to be introduced on behalf of the Central Committee and the Executive by Mr. Korp is based on material collected from the various national movements. The question was dealt with in a preliminary way at the Central Committee meeting in Helsinki, when Mr. Korp introduced the subject, and we are very happy that he is introducing it again before Congress.

Mr. A. Korp, Austria: I have the honour, on behalf of the Executive and Central Committee, to present to you a summary on the subject of the reform of cooperative structures, and I assume that you have already made yourselves familiar with the report. My task can be limited to interpreting it succinctly, to emphasising the importance which this subject has, and bringing out the salient points of view which are incorporated in the Resolution. But before doing this I would like to point out that it was our President, Dr. Bonow, who as early as 1960, at the Lausanne congress, presented a Paper on Cooperation in a Changing World. He then made it very clear that these changes would have a considerable effect on cooperative structures, at least in the Western industrialised countries.

In the six years which have elapsed since then, we have witnessed a process of structural adaptation which, once triggered off, has made considerable progress. We are, therefore, most grateful to our Director and his collaborators for having presented to us a very thorough report which gives us a great deal of information and presents, in a very colourful way, the means by which the various cooperative organisations seek to adapt themselves by changes in structure of one sort and another. It in no way detracts from our praise of the Director if we state that this report has become almost out-of-date while still in the printing, but this is quite normal nowadays.

I would beg you in this discussion to abstain from making statements on the lack, perhaps, of sufficient information on structural changes and urge you to concentrate on the most essential points. Having said that, I would draw attention to the fact that the principal point which comes through very clearly in this report and which led to the resolution which has been elaborated, is that structural changes are absolutely necessary. But in all these changes there is also a limiting factor. In other words, these changes in cooperative structure should not result in any abandoning of the true elements of cooperation. We, therefore, must keep before us the inspiration of democracy. Our projection of the future will not be that of a sage in his ivory tower, but rather the fruit of those who are

most dynamic in their work for cooperation. There is no question that we have to work vigorously to bring about these changes.

The main idea which is at the base of the resolution is that of unity in action. The different processes mentioned in the report by which changes are brought about, concentration, rationalisation, coordination and so on, are, of course, very useful; nevertheless, I feel that we shall have a rather fragmentary picture if we do not apply the policy permanently. This applies to every individual movement which has to be integrated into the overall network. Therefore, unity of action must be at the heart of our cooperative philosophy.

In the competitive economies of the industrialised Western countries we no longer have before us an amorphous mass of small enterprises. What we see now are state monopolies and organisations on a large scale which determine whatever is going on in the market. It is only if we are able to concentrate our efforts that we shall be able to win a victory.

The report shows clearly that a new way of thinking has, in fact, already arisen from the situation facing the movement. We have the first step from simple addition to integration, but when we have a number of links in a total organisation we have to ensure that each of these links really has a meaning within the integrated body, and that the body is underpinned with one type of thinking. This new way of thinking is dynamic, for not only is it based on information as to what obtained in the past; it is also based on what is thought likely to happen in the distant future. But amendments could be brought in whenever necessary.

I now come to another important question, and that is the relationship which exists between the primary organisations on the one hand and the different national and regional federations on the other. Here we touch upon aspects of heritage and tradition and come face to face with certain interests which have been established for a very long time; and very often, too, we touch upon very delicate problems so far as individuals are concerned. Where concentration progresses at a rapid pace there may be few but mammoth organisations left after a time. We must, therefore, ensure that one day we do not find ourselves at a dead end, with oligarchy taking the place of democracy. There is no one sweeping solution, in fact, to this question of structural change.

These structural problems have very great significance in both the agricultural sector and the consumers' cooperatives, whereas they have no significance at all in other cooperative branches, for instance, the producers' cooperatives.

We must recognise that each national movement must find its own solution to the problem of structural reform. Furthermore, in the countries whose economies are based upon competition, the structural problems, and the structure itself, differ greatly from countries whose economy is centrally planned. The same, of course, applies to the developing countries, which have structural problems of their own.

Let us admit frankly that this resolution is addressed in the first place to the cooperatives in the industrialised countries of the West which have a mixed economy based upon competition. I admit that a comparative analysis of the structural problems in the Eastern and Western countries would constitute an extremely interesting subject; but academic discussion, as I see it, would be more appropriate in a cooperative seminar or in some scientific society. It is not a subject for a Congress such as ours and nothing should be said about it in the resolution; therefore, let me ask our Soviet friends and other delegations from countries with a planned economy to refrain in the discussion from any detailed analysis or comparison, and please to bear in mind that the present Resolution is mainly in terms of conditions in the Western industrialised countries. The Resolution is not meant as an instrument of propaganda but as a serious recommendation for our own use.

I now want to make a reservation which is not expressed in the text of the Resolution itself. It is that structural reforms of necessity presuppose enormous financial effort. Plants have to be moved to other areas and many other structural reforms have to be carried out, and these reforms, and the various measures required for them, are not possible without major financial effort. So the possibility of reforming an organisation

depends largely on the financial capacity of the organisation. We know that money has become extremely scarce, we know that new enterprises have to go through a phase of scarce capital, and that at times it takes a number of years before new investment can pay for itself. All these considerations mean that, for this very reason, it is most important for us to take account of the financial practicability of structural reform, so that any reform is planned conscientiously, taking into account financial possibilities.

In drafting the Resolution and the recommendations contained in it we had to be very cautious and modest, because we had to take account of conditions in a variety of countries; therefore, it is limited to two basic recommendations. The first of these is addressed to the organisations based upon what we call the federalist concept. These organisations are recommended to introduce a system of long-term agreements between primary societies and their regional and national organisations in order to guarantee their structure or to create and integrate new institutions, institutions, that is, which might best be described as instruments of control for a coordinated policy. Both these methods, the system of long-term arrangements and the integration of new institutions, are considered as appropriate in order to guarantee unity of action in all strategic fields.

What are the strategic fields? A few examples are given in the Resolution to illustrate this but it would be a great mistake if we were to read into this Resolution the idea that initiative and independent thought in individual cooperatives are considered superfluous. What we are striving for is something quite different, it is a synthesis of responsible self-administration and discipline and integration in the overall system.

The Resolution had to take into consideration the fact that a number of organisations have begun to integrate in order to create one national cooperative organisation, thus solving their structural problem. Reference to this is, in fact, recognition of the admissibility of this method. However, we cannot ignore the fact that a solution of this kind, total integration, requires great care, because we must safeguard the national character of an organisation.

May I at this point refer to a resolution concerning Cooperative Growth and Member Participation sent by the Cooperative League of the U.S.A. but which has been withdrawn. It deserves, I think, to be taken into consideration in the future. It was based upon the concept that structural reform need not of necessity lead to intellectual losses in a society, but this presupposes that education must be recognised as of strategic importance, and this idea must be given the same attention as others in the future.

In conclusion, let me point out that a great many cooperative organisations are today in the midst of dynamic structural reform. The present report and Resolution will certainly not be the last contribution to this crucial phase in the development of the cooperative movement. Both the report and the resolution are to be understood as a reflection of our determination to cope with the changes now taking place in the world.

There is an amendment submitted by the Fédération Nationale des Coopératives de Consommation, France, to delete sub-paragraphs 1 and 2 of the recommendation, to substitute a new text as paragraph 1, and to re-number the present paragraph 3 as paragraph 2. As your rapporteur let me express my agreement to this improved wording of the Resolution - (*Mr. Korp read the text of the amendment*).

I ask all delegates to vote in favour of the Resolution, as amended.

The President: Congress has shown its sincere appreciation of Mr. Korp's introduction, which was crystal clear and given in a masterly fashion.

The amendment submitted by the FNCC, which Mr. Korp regards as an improvement to the text, was dealt with by the Congress Committee and there was no division of opinion upon it.

I will call upon Mr. Brot to move the amended text.

Mr. M. Brot, France: Mr. Korp has, once again, shown the clarity of his views. After the extensive study and the enquiry undertaken by the I.C.A. Secretariat, which drew a parallel between the situations in different countries, there might have been some confusion of opinion. But the introduction given by Mr. Korp at Helsinki and the very clear presentation he has just given greatly facilitates for us all the approach to this problem which

we have not yet finished examining but on which we must now take general directives.

I do not think it necessary to stress the arguments of Mr. Korp which show that we are in such a period, and are faced with such difficulties, due to rapid evolution and transformation, particularly in the system of distribution for consumer cooperatives, that we must give to our organisations much greater cohesion and much greater economic force.

Mr. Korp has mentioned the possibility that some primary cooperative organisations might be strong enough to consider their cohesion unnecessary.

If in France, since the application of methods of concentration, we have reduced the number of our societies from 1,500 to 500, 40 of which assume 90% of the total operations, by creating strong regional organisations, this proves, today more than ever before, the necessity of cohesion, the necessity of a single policy, the necessity even of superior organs which might guide and strengthen their societies. This necessity is absolutely undeniable.

When I read the minutes of the Helsinki meeting, which unfortunately I did not attend, I noted that certain opinions were expressed which seemed to me absolutely incompatible with the cooperative spirit. But, it is a good thing that, in a study such as this, the most unorthodox opinions should be heard so that we may judge of their substance.

Thus, we have formulated two observations on the report and the conclusion. First of all, there seemed to be a condemnation of the federalist system. This certainly can only be a bad interpretation of federalism. Federalism is not only the joining of societies with societies. It is the decision, freely taken, by them, to hand over to a superior federal authority part of their sovereignty.

Therefore, by the federalist system, which can only be a system of cooperation since it is a free adhesion, we can adopt all the structure necessary for efficiency.

Finally, I have noticed during the discussion, and it is also in the text, that all those in favour of a structure which is, I will not say authoritarian, but more and more authoritarian, seem to feel some remorse. Repeatedly they affirm that democracy must be safeguarded. But this must not be in words only. This is why we were shocked by something in the first wording of the recommendation. I refer to the words "full authority". I cannot see how full authority can be granted to democracy.

I well know, of course, that when democrats have not been capable of establishing a good organisation they have turned to a great man to save them. But we are fortunately not in that situation. It is through a democracy which practises self-discipline, which delegates powers and controls them, that the transformation can be made. Such is the meaning of the amendment we have submitted. I have talked at length with Mr. Korp, who agrees with this point of view. It is, therefore, a clarification.

But this must not attenuate our common determination to seek the means to give our organisations complete freedom and all necessary authority, not only to achieve efficiency and great economic power, but also, if in each of our countries we are to be seen as a Movement with a voice in the affairs of the nation, this cohesion and this unity of action must be visible.

Mr. G. Etzler, Sweden, (Chairman, Swedish Commission on Structural Reform): The summary in the report with regard to the discussion about structural changes in Sweden seems to me to be quite correct. It is perfectly right that in our earlier discussions we had two alternatives, one based on the idea of having one legal body for the whole country, the other based on the idea of different legal bodies, one for the central organisation and one for each local society. But as the discussions have proceeded we have come to the conclusion that it is hardly realistic for the moment, I stress for the moment, to work along the first line. A report will be presented by the structural committee at next year's Swedish congress in which we will, as far as I understand, have in view a very restricted number, six, seven or perhaps eleven, of regional associations having the local societies as members.

I do not think we shall suggest a system based on long-term agreements. We are

aiming at a far-reaching integration through a strictly built-up system with local and regional organs. In this way we will try to establish within our ranks a view of our movement as a complete unity. The coordination of all our economic resources is absolutely inevitable, due to the increasing problem of competition today.

Development is proceeding fast. In 1952 we had some 8,200 shops. At the moment the number is less than 4,000 and we are counting on a reduction within the next few years to about 1,100. At the beginning of the 'fifties we had very few department stores; now we have 135 but the number will not reach more than 180. Today 37 per cent of our distribution of food and non-food is done over department store counters. In five years' time more than 50 per cent of the sales of food and non-food will be made in department stores.

In all structural questions we must be prepared for changes, often pretty rapid ones. We must also be aware of the fact that no solution should be considered as permanent. All this activity obviously calls for a great deal of thought and effort in the central as well as in the local field. I am happy to say that in Sweden the central union is prepared to make available the means for promoting the cooperative press and educational and training activities, also education and propaganda among the members and the public in general. These things are an important part of the cooperative movement. If we ignore them our movement will lose its soul and spirit, and this must in no circumstances be permitted to happen.

Finally, let me express the agreement of the Swedish delegation with the Resolution, as amended by Mr. Brot.

Mr. J. Voorhis, U.S.A.: The delegation of the Cooperative League of the U.S.A. most heartily supports this resolution as introduced by Mr. Korp and amended by Mr. Brot. We believe this to be important for several reasons. In the first place, it goes without saying that in this day cooperatives, in order to be useful to anybody, must be large enough, well enough integrated and efficient enough to lead competition and not follow it, and so that no competitor is better able to serve the needs of people than cooperatives. But there is also another aspect to this, for I believe that for cooperatives to fulfil their manifest destiny they must not only carry out those physical structural changes which are necessary but they must be certain that their work relates intimately to the outstanding needs of man in our time.

There are, in my judgment, five such great needs. The first is enough food to feed man, a strengthening of agriculture and of the farmer and his position, in such a manner that he will dare to produce the maximum amount of which he is capable. I have not time to go into this but only to commend the work of the Agricultural Committee of the I.C.A. for its endeavours to promote direct dealing between cooperatives of farmers and of consumers, and to amplify the fact that if farmers are expected to produce an abundance they must be enabled to have a fair return and income from their work. If they are to do this, again, they must own processing plants for their commodities and keep those commodities in their own ownership as long as possible, until they reach the consumer; they must also have credit and other institutions which are sufficient for their needs in this respect.

The second great need of man relates to the loneliness of people in cities, the alienation of people who feel themselves utterly alone. From this stems most of the violence and sickness of the great cities. Cooperatives can answer this need by giving people a sense of belonging as they become members and participants in the ownership of such institutions as credit unions, housing cooperatives, consumer cooperatives, and other natural, voluntary groupings of people.

The third great need is to close the gap between those who already have enough and those who have too little; and here I refer not only to the gap between nations but to the gap between groups of people within every single nation. It is the job of cooperatives to integrate the needs of these people and to integrate the people together in order that we may not only just feel sorry for people who are less well off than ourselves, or do something special for them, but integrate them actually as members into our cooperative

organisations and institutions; and here again we meet a need of great importance.

The fourth great need of mankind today is to bridge the gap of understanding between my older generation and the younger generation, and this we shall only do if we give to that younger generation our understanding. We expect to say to them, "You don't understand because you did not pass through the great depression", or "You didn't live through the great war", but it is for us to remember that we have not lived out our whole lives, as they have, under the shadow of that mushroom cloud; and so we have to understand the younger generation and remember that what they seek above all things is an inspiration and a feeling that what they do has overall significance for all of life, which may end suddenly. Only if cooperatives are indeed institutions of genuine idealism will this be possible.

The last great need of man is to learn to live together in peace, otherwise we shall not live at all. Cooperation in itself is peace, because it says that my problems can and shall only be solved if my neighbour's problems are solved at the same time.

The International Cooperative Petroleum Association is ample illustration of this, for trade in petroleum controlled by the state or by the capitalists becomes a source of conflict, whereas in cooperative hands we have instead the payment of patronage refunds across international lines and the improved buying power of the people who need the oil.

Mr. T. Taylor, Great Britain: In discussing the resolution on structural changes in the cooperative movement I am speaking from the point of view of experience in the consumer movement operating within a mixed economy.

For the past two days we have spent a good deal of time discussing the Rochdale Principles, discussing assistance to the less-developed areas; but all of this is based on the assumption that we are going to trade successfully. There is no point in passing resolutions in these fields unless we have proved by efficient trading that we can do some of the things we claim and may I say that, reviewing the position in Western Europe at the present time, there is no guarantee of the continued trading success of this movement. Indeed, the easy optimism which sometimes inspires some of the speeches at congresses becomes somewhat dissipated when we examine the critical position of cooperative trading in Western Europe today.

We have grown up in an atmosphere of 100 years of success and it is difficult sometimes to shed that optimism. The facts are that unless we adapt, and adapt rapidly, we perish. This is the real story, the real lesson, of history, that social institutions which do not adapt go under.

At the present time we are operating in an entirely new atmosphere of trading in which competition is internationally organised, vertically operated, and its structure makes for efficient decision-making. In facing that situation cooperatives have got to match that efficiency. We cannot claim that cooperation is simply a better system in moral terms. The consumer with the basket judges you on your efficient operation, and so we have the task in our reorganisation of first of all establishing first-class management; secondly, giving first-class management the power to manage; thirdly, establishing a vertically controlled organisation; and, fourthly, ensuring that that entire structure works within the democratic system.

There is a great deal of confusion about democracy, and too many cooperators believe they are democrats when in fact they are anarchists. Anarchism is the system that allows complete freedom to the individual and to the society without responsibility. Democracy is the system in which people cooperate freely and voluntarily for agreed objectives, but they agree on these objectives. We have the task of ensuring this change of mind and creating the kind of structure that will make this possible. Time is running out.

I have been inspired by the many reports of organisations in Europe that are tackling this problem, and I would hope, in view of the necessity of comparing our experiences and learning from each other, that the I.C.A. might publish a six-monthly bulletin showing a comparison of societies operating in a similar environment. This report or bulletin would give us some of the details of the progress of reorganisation in Holland, Sweden, Scotland, England, and so on, the achievement in terms of trade, the

rationalisation achieved in terms of the number of societies, the degree of contractual obligation secured between societies and their central organisations, and the effect on cooperative productivity. If we had that it would save us from gathering our information piecemeal in the tearoom or sending expensive delegations to all parts of the world. We would at least be able to learn from each other in regard to what is a very critical matter.

Mr. H. Webber, Canada: May I review some of the progress which the relatively young movement in Canada has been making in the past few years, particularly in the producer marketing and service fields. There has been a lot said in the last few days about consumers' cooperatives but not too much about the producer movement, and that is why I think this contribution might be of some interest to delegates.

In Canada our emphasis is largely on the producer agricultural cooperatives, and this, of course, is quite at variance with the European movements. In the western part of the country we have large marketing organisations. These are integrated organisations which buy the grain from the farmer and take it right through to the distribution to foreign countries, and they have been doing a very successful job in returning the maximum amount of the consumer's dollar back to the farmer producer. In the case of dairy cooperatives, again, we have the same thing, where the large plants, very efficiently operated, take the farmer's produce and process and market it throughout Canada and probably throughout a good part of the world. Then we have poultry marketing and other agricultural cooperatives.

One problem that we have been encountering with the dairy and poultry cooperatives, more particularly with the poultry, is the capitalist supermarket type competition. The competition is such that the cooperative must provide an integrated service with the result that in the process some of them have become so large that they have been accused of being in competition with their own producer members. We have, for instance, a large dairy production operation which raises broiler chickens and takes the fertiliser from there and the droppings of the chickens and uses this for cattle feed, thus becoming in effect a totally integrated operation.

We have government help to cooperatives without government intervention or interference in their operations. In my part of the country we have been able, through rural cooperatives, to electrify about 95 per cent of the farms of the province in the last 20 years, and in this way, instead of the government having to put up tremendous sums of money, it has been possible, through loans and guarantees, to provide the financial help without the government becoming directly involved. It has been possible in the same way to build factories where the government makes a grant of one-third of the cost, the local municipal government makes a grant of one-third and the farmer cooperatives are only required to raise the remaining one-third in share capital. We have government guarantees for the capital cost of agricultural products of various kinds, for rural electrification cooperatives, for farm machinery cooperatives, and various others.

In the past few years our cooperatives have been actively promoting help not only for developing countries in other parts of the world but for our own native people who are being helped to raise their standard of living from almost an aboriginal type of livelihood in some cases to modern standards, within a very short time. Housing loans are being made to them, grants for fishing, for increasing their activity through trapping and through re-education; so that it is possible for them to have a great deal of help to increase their standards of living. These development funds are available and it is possible for the native people to see that there is no discrimination against them and that they are getting the kind of help they require for their livelihood.

Dr. W. Ruf, Switzerland: We owe an enormous debt of gratitude to our rapporteur, Mr. Korp. Both in the introduction and in the summary of his explanations about structural reform and rationalisation he pointed out that it was absolutely necessary to safeguard cooperative principles and concepts.

We now have a number of excellent documents which will make it possible for us to disseminate information about the intellectual achievements of the consumer cooperatives.

It will not be possible for me to comment on all the details of the report and resolution or all the work done by the Committees; I believe that all these documents contain a great deal of information which will be of interest to all, that this is highly topical information in connection with economic, social and political life, also in connection with intellectual exchange, and that this provides us with an instrument which will make it possible to enlighten the public. We should give the public ideas, we should inform them and we should choose the avenue which was suggested to us by the rapporteur. We should try to attract customers; these customers should become members and these members should then become active cooperators.

We know that everybody is concerned about consumers, governments, parliaments, private competitors and many other private organisations. They all wish to serve the consumer. So in this respect our possibilities are not too great; but whatever possibilities we have we must use if we wish to demonstrate what kind of a factor we are in economic and social life.

Of course, we have the I.C.A., which provides a great platform for us. No other group has a platform such as this, and if we avail ourselves of the possibilities offered by the I.C.A. it will be possible for us to live up to the tasks which have been described by many who have spoken before me.

We are all convinced of the necessity to rationalise and to integrate cooperatives to enable them to meet their economic tasks. We are all convinced that united action is the only chance we have in this severe struggle that we have to fight in the circumstances of today. Although we are convinced of all these needs we should remain aware that there is one thing that can be neither rationalised nor integrated, and that is the human being. We must at all times be aware that the individual has to be considered in terms of what he is; we have to take account of his personality and of his individuality. Therefore, in human terms, it is not possible to work on a larger scale. We should at all times be aware of this, if so, we will succeed. Then we will manage to optimise our economic efficiency and, at the same time, ensure democracy in cooperatives. Thus we would be able to perform a great task both in terms of the economy and in scientific terms.

Mr. L. Harman, Canada: I speak in favour of the amended resolution. Next week many of us as cooperative managers will be back at our desks facing the opportunities and the problems of actually operating the huge cooperative business across the world, involving billions of dollars or pounds or roubles or marks. This week I have heard a great deal about the expression "the cooperative movement" but next week no one in my home cooperative under the age of fifty will refer to the cooperative movement; all my colleagues will talk in terms of cooperative business, business which follows the cooperative principles which are being approved at this Congress, business under cooperative ownership, but business facing many of the same problems as business under corporate ownership or the ownership of state agencies.

Some of us believe that cooperative business in the distribution of farm supplies or the marketing of farm products provides even more reason for rapid integration into larger units than the cooperatives dealing in consumer goods. This is particularly true of feed, fertilisers and petroleum, the big bulk products in which many cooperatives are so active. Even one petroleum refinery today, or one nitrogen fertiliser plant, requires 30 million dollars of capital finance. That happens to be the amount of the total assets of the regional cooperative of which I am general manager. Basic manufacture of fertiliser and petroleum in many countries has been moving into the hands of multi-national corporations. For years the petroleum refiners have had their own service stations and their farm retail units. More recently the fertiliser companies in many countries also have been integrating right through from basic manufacturing to retailing. Harold Webber referred to the integration in the feed business, and in this case, of course, particularly in poultry, the feed manufacturer by ownership or by contract or by financing may control the hatchery producing the eggs, may direct the farmer growing the birds and may control the manufacturing plant processing the meat.

In the face of this size of competition the day of the small, autonomous, independent

cooperative, with only a few million dollars of business, is past. The challenge is not only to finance and operate the present activities but to develop the larger ones dictated by modern technology. Wholesaling in its traditional sense has passed away, so we need more quickly the merger of the former wholesale and the former retail units on a direct membership basis in substantial regional areas. This should take place on as large a scale as possible, either nationally or in major regions in each country. In farm supplies, as in consumer goods, there should emerge a streamlined, planned system of retailing, backed by as much mass buying and as much manufacturing as is practical. The marketing of farm products particularly lends itself to the branch operations of modern processing plants serving large regions.

During the past month it has been my privilege to study the trends to merge into larger units in several countries. I have observed that many of the same factors of technology, of size, of specialisation affect the need for a new potato packaging plant near Dresden, which I visited in East Germany, the enlarging of cooperative farms in Czechoslovakia, fertiliser distribution in Denmark, or dairy marketing in Ireland. Officers of cooperatives in the region often over-estimate the local opposition to necessary changes in structure. With adequate explanation, clear plans and careful encouragement, many of the local leaders soon accept the urge to merge. In my home region one-third of the retail cooperatives have merged with the wholesale and with each other in the past year, and another one-third are expected to do so in the next two years. But along with this national cooperatives should establish various practical forms of joint action with other regions. In order to secure sufficient strength, particularly in basic manufacturing, much of this will need to be on a scale which is continental, or in some cases more broadly multi-national.

Mr. F. Lós, Poland: One of the principal questions discussed at this Congress is that of the structural changes in cooperatives. The Polish Cooperative Movement does not stand aside from this reform. The Consumer's Cooperative "Spolem", which represents one-third of the urban retail trade, has recently made some essential structural changes.

The 37th Congress of "Spolem" in 1965 took a decision on the concentration of economic activities in consumer cooperation in the years 1966-1970. Following this decision of the present 360 consumer cooperatives there will not be more than 22 "voievodie" cooperatives, eight of which were organised in 1966. The structural changes will be completed by 1969.

The major principles of the reform are -

Creation of favourable conditions for the centralisation of orders directly to the manufacturers;

Concentration of investments with a view to the rationalisation of the objectives of cooperative construction;

Speeding up the remodelling of the commercial network comprising the construction of large modern commercial units such as supermarkets, specialised shops, department stores;

Centralisation of stock accounts, accountancy, book-keeping and operational analyses following the mechanisation of accountancy and data processing;

Intensification of publicity and the sale of goods in the cooperative commercial network;

Concentration by re-groupment of the highly qualified specialists in the most important cooperative organisations;

Extension of the functions of cooperative self-governing units in the basic links of the chain.

As a result of the structural changes carried out within "Spolem", a substantial increase of the economic efficiency of its activity in the sphere of retail trade is expected.

The structural reform is proceeding differently in the rural supply and distribution cooperatives (Peasant Self-Aid Cooperatives), firstly by the concentration of organisation and resources. The former is evident by the merging, over the last fifteen years, of more

than 900 cooperatives into several large organisation units, as well as the merging of 45 district unions into more important unions. A similar process of concentration in the domain of organisation and economic administration is also being carried out in the other cooperative sectors, such as workers' and housing cooperatives.

The structural changes which are being effected in the Polish cooperative movement as regards the concentration of organisational and economic activities guarantee the complete safeguarding of the interests of the consumer members and the cooperative self-government.

Mr. J. F. van Netten, Holland: CO-OP Nederland supports the resolution as amended by our French friends, and we appreciate much of the material collected and comprised in this paper.

Paragraph 5 of the resolution says that "the structural form for a cooperative movement depends on the social and economic conditions of each individual country". Mr. Korp has stressed this in his introduction and he is correct. Each country has to write the story of structural reform in its own handwriting and in its own language. But there are such things as shorthand and simultaneous interpretation, and the survey shows that in quite a number of countries a good many other people are engaged on this problem. They all have to discover by hard thinking and by trial and error how to proceed in this difficult and complicated method, and it would certainly help them if a few possible patterns of organisation could be developed in detail, and if, for instance, the experience of other countries could be made available in a practical form.

I can assure you that mistakes, and serious mistakes at that, are being made in structural reform. May I mention two? We are not paying enough attention to the managerial problems inherent in structural reform; second there is a tendency for local and regional cooperative development to slow down pending a decision on the forthcoming structural reform. It is a human factor but it has a very great effect.

What the Dutch delegation suggests boils down to sharing our practical experiences as soon as possible, more or less along the lines that Mr. Taylor has suggested. This could be done by setting up a small committee from countries where structural reform is well advanced, or possibly through a meeting of people who are experts on structural reform. We gladly leave this to the organs of the Alliance.

Mr. P. Soiland, Norway: It is our task at this Congress to talk and to discuss, but while listening to many good speeches, excellent speeches, for more than three days, it came to my mind that there is a great difference between the cooperative movement and many other people's movements in one special respect, and that is this. Whilst many people's movements reach their goals and aims by talking, we do not do that within the cooperative movement. Goals and aims within the cooperative movement can only be reached by practical work in the different fields of cooperative activity. I do not mean to be critical of cooperative meetings and gatherings at all but I would like to underline this fact, and I want you to bear this in mind when you get home to your respective countries. What we have to face in our respective countries is hard work, and I have a feeling that we in the cooperative movement in very many countries spend too much time on discussions.

The structural changes in economic and social life taking place in our time are enormous, and these changes will reflect the cooperative work in the different countries, whether we like it or not. Not many years ago in many countries in Europe cooperative organisations, compared with decentralised private trade, were a rather well organised army and able to compete. This is no longer the situation. In most countries, even in my little country, Norway, we can now see clear tendencies within private trade towards integration. Today we have to face keen and tough competition from very able and very hard-working private companies and chains. Therefore, the problem we are discussing now is the most serious one for the cooperative movement. At the same time, it is the kind of problem that we should be able to handle if we really wish to do so.

On behalf of the Norwegian delegation, I want to thank our President, Dr. Bonow,

for the excellent paper he prepared in 1960 on *Cooperation in a Changing World*, and also to thank Mr. Andreas Korp for his wonderful introduction.

In our respective countries, we must study our position and get a clear and realistic picture of it. We must then be ready to face that picture, even if it is a bad one. We have to find out in our different conditions in our different countries what we need to do, bearing in mind that if cooperative development goes in the right direction in one country it can help the cooperative movement in another. When we have got the picture clear, and decided that we want to do something about it, we must go ahead and do it, remembering that we must at all times ensure democratic leadership and democratic control within our movement.

I would like to stress also one other important point. That is the education of the people who hold responsible positions within the cooperative movement, and the importance of management within the movement. We must also rationalise our organisations in such a way that we are able to make quick decisions. Time is running out as Mr. Taylor said a few minutes ago. Then, on the basis of all this, we must try to organise our business so that the members feel they are taking part in an interesting and modern movement with which they are pleased to associate themselves.

It will be a pleasure for the Norwegian delegation to vote for the resolution, and we shall go home and try our utmost to put it into practice.

Mr. F. Metzlafl, Denmark: The section of this report headed "The impulse towards integration" leaves a clear impression that all organisations are endeavouring to reduce the number of societies, but the final target of this integration varies from country to country. This, in my opinion, cannot lead to the same results; the target is apparently defined rather according to the present organisational structure within the organisation than based on economic and technical considerations. I have the firm conviction that economic and technical considerations will unavoidably lead to the conclusion that integration into one national society is the only logical solution, giving us the best possibilities of efficient operation. I admit that full integration does not guarantee efficiency in operation, but it will provide possibilities which should be constantly pursued and exploited.

Is it possible briefly to prove that this must be the ultimate target? In my opinion this can be done simply by referring to the Report. In many countries we talk about the advantages resulting from a reduction in the number of societies. If there are, for example, 3,000 societies it is held that 250 will give a better economy, but if there are 250 societies it is stated that, say, 20 will give a better economy. If there are 20, it is stated that a smaller number will give better efficiency, and so it goes on. I venture to say that where the aim is, for example, 50 societies, there will always be an affirmative answer to the question of whether 20 would not result in even more efficient operation.

While I consider that national integration is the ultimate target of decisive importance, I would also refer to the several reasons mentioned in the report as indicating the advantages of integration. There is the enormous development in electronic data processing, which is only in its first stages in trade and industry. Already the future seems to be without limit, but really large-scale operations are a necessary condition for exploiting the possibilities of this new technique. It is said, and I agree, that the introduction of electronics can do more for trade and industry than anything that has happened since the invention of the steam engine. In our wholesale society a week ago we signed a contract which means that one computer in Copenhagen will serve all the consumer societies as well as the FDB. It does not need much imagination to realise that in the not far distant future all the stores all over the country will be connected with this computer, and this raises the need for full integration.

We should accept the necessity for changing our structure in accordance with this technical revolution. Let us as soon as possible formulate the national society as our long distance target, in order to make a start on solving the problems of organisation, which will need years for their solution. I am very happy that we in the Danish cooperative movement of consumers' societies have declared this to be our ultimate target. It is

clear and logical and in accordance with economic and technical developments, and it stirs all our young people.

Mr. O. Moback, Sweden: Much of the discussion on this subject has been concentrated on the legal problem of a federative or non-federative organisation on the national level, but it seems to me that this concentration is a little too formal. As Mr. van Netten has indicated, if the cooperative movement is to be able to solve its structural problems it must use an approach of functional integration which makes use of organisational ideas which can be put into practical application. It means using technical devices such as operational analysis and electronic data processing, but it also means a change in the attitude of the people concerned, and this is often overlooked. We have to adapt continuously our administrative and democratic processes to the necessary changes, and we must bear in mind the needs of consumers.

All this means that what we need is a dynamic structure, adaptable from time to time and well balanced. I emphasise from time to time because conditions in 1975 will not be the same as in 1966, any more than conditions in 1966 were the same as in 1944. Changes in the pattern must be foreseen, but there is nothing to be afraid of in considering changes in the structure. It now seems, and this can be accepted as being the general attitude of the Swedish Structure Committee, that what is most important is to get an organisational framework in which changes can take place easily and in which the co-ordinating bodies at national as well as regional level continuously work on planning and co-ordinating for the future, and by the future I mean the next season as well as the next two or three decades. What we need is not first to solve legal problems but to develop a technique for cooperative decision-making under dynamic conditions, and that seems to be quite possible.

Professor G. Blank, U.S.S.R.: The Report we are now studying contains a great many interesting points. There is a table which shows that for the 10 years 1953-63 in 26 countries the number of individual members increased by 34 per cent while the number of societies decreased by about 30 per cent. That is very interesting information, which characterises the process of expansion of cooperative societies. The report also includes a study of the modifications in the structure of cooperatives. The Soviet delegation recognises the value of the large amount of work put into the report by its authors.

I make that statement while bearing in mind what Mr. Korp said in his introduction, when he told us that the report and the resolution are primarily concerned with the capitalist countries. We would point out that that distinction does not exist in the report itself. In the list of 26 countries in which consumer cooperatives have been reorganised and concentrated we find the Soviet Union, where the number of cooperatives between 1953 and 1963 has decreased by 31 per cent, in Roumania over the same period there has been a decrease of 7 per cent, in Bulgaria a decrease of 63 per cent and in Czechoslovakia of 83 per cent. We have heard today of the decrease in the number of cooperatives in Poland.

It should be emphasised that although from the data given it appears that similar transformations, concentrations and mergers are taking place in countries having different economic systems, the reasons for such concentrations of societies, as well as the consequences of such concentration, are very different. In the capitalist countries, concentration of cooperative societies is necessitated by the constant development of private monopolies, by the competition which is always increasing and which has been mentioned so frequently, today in particular by Mr. Taylor, who told us that in existing circumstances, if structural reforms are not undertaken, the very existence of the cooperative movement will be threatened.

The data given in this report, however, shows clearly that concentration alone is not a sufficient remedy to ensure victory for cooperatives against capitalist monopolies, or the replacement of these monopolies. To give one example, Great Britain, with an increase of 17 per cent in the number of members, and with a decrease in the number of societies of 22 per cent, has not increased the percentage of cooperative business. We

know that, on the contrary, commercial private undertakings, and in particular chain stores, have increased from 26 to 31 per cent. The very existence of cooperatives is menaced.

What is the conclusion we should draw from this? If cooperatives are to triumph in their struggle against monopolies, it is not sufficient merely for us to reform our structure. In capitalist countries, in order to obtain victory over monopolies, alongside concentration and structural reform other methods must be used. It seems clear that cooperatives must unite with other progressive forces, with the trade unions and other organisations which defend the interests of cooperators. It is only by joint efforts that we can attempt to achieve legislation in favour of cooperatives and the elimination of certain restrictions upon them.

A fact of great interest to us is that the degree of concentration which up to now has been undertaken in the socialist countries is not so large. The average number of members of a cooperative in the Soviet Union is 3,000; in Bulgaria it is 1,500, and in Rumania 2,500, and this is after concentration has taken place.

The delegation of Centrosoyus will not object to the draft resolution provided it is clearly indicated that the resolution is not intended to apply to the second group of countries to which I have referred.

Mr. L. Smrcka, Czechoslovakia: The report on structural changes in cooperatives gives a wide range of information and experience on the present state of and trends in the evolution of cooperative organisations in various countries.

Without seeking to carry out an analysis, as requested by Mr. Korp, I would like to focus attention on the fact that the fundamental differences in political and economic regimes of socialist and capitalist countries also exert an influence upon the position and functioning of the cooperative movement, even on the conception of its activities. For this reason, and for the sake of accuracy, it is hardly possible to ignore this fact in the conclusions.

The causes of the process of concentration and integration in the cooperative movement in capitalist countries, as they are indicated in the report, are, in our view, only of secondary importance. We believe that the principal cause for the concentration of cooperative activities is the ever growing influence and pressure exerted by capitalist monopolies inside individual countries, and even in an international context, as mentioned by Professor Blank.

If cooperatives intend to stand up to competition from capitalist monopolies, they must, whether they like it or not, employ similar methods of organisation, that is to say adapt their activity to the methods of monopolist organisation. It is in this way that indirectly the capitalist monopolies impose, even upon cooperatives, the principles of their organisations as well as their concepts of activity.

The question now is whether cooperatives must continue to adapt themselves to accepting or try to recover their position or if they should unite in a common front in the struggle against the capitalist monopolies.

In our view, the active struggle against monopolies would be more apposite if the cooperative movement really desired to fulfil a progressive task in its evolution and did not want to forsake genuine cooperative principles and to permit the transformation of cooperatives into societies of an entirely capitalist type.

This danger is all the greater since in the concentrated cooperatives the management tends more and more to move away from the influence of the members. In such circumstances, the indispensable relations between members and management are restricted to a share in the benefits, that is the dividends, the principal interest of the management being to achieve the maximum profits. Such tendencies, in particular, force the cooperatives to limit the influence of the members and to increase the powers of the paid-expert element as in private capitalist enterprises.

I consider it my duty to draw the attention of Congress to these problems which, today and in the near future, could have an unfavourable effect on the activities of cooperatives as democratic institutions based upon the participation and common interest of the members.

✓ **Mr. S. Nakabayashi, Japan:** Our cooperatives have to face the same problems which arise in other countries and this means that in Japan also expansion, modernisation and changes in structure are needed. We have an enormous interest in supermarkets. The principal task before our consumer cooperatives is to become familiar with new methods, but in the management of cooperatives the spirit of the cooperative movement must not be neglected, for cooperatives are always threatened by the fact that the spirit of true cooperation may be lost. How are we to strengthen it? The best method is by educating our members, because the mere increase in the number of cooperators is not enough. With the assistance of our brother cooperators we should group into larger units and make sure that the members take part in the various activities of the organisation. Each member should have the opportunity of being integrated into the organisation. It is most important that the cooperators should be informed about the activities on a larger scale which go on around them, and this should be a principle of cooperative work in general.

Dr. W. Sommerhof, Chile: The report on structural changes is of great interest to the newly developing movements. It is a subject to which we believe great importance should be attached, and we are promoting in Latin America the publication of studies on structure. On our continent, due to lack of knowledge and experience, many cooperatives have adopted structures which are unsuitable, and it is very difficult to change them because of the personal pride of the leaders and lack of understanding.

There are cases where integration has been considered from the beginning. In Chile we have started several national organisations for the marketing of different agricultural products, also regional consumers' cooperatives which do wholesaling as well as retailing. We do not know whether there is a textbook on this subject, but if anything of this kind can be made available it might enable the developing countries to avoid a great amount of frustration.

In Latin America we are trying to integrate. We have established OCA and FEDERSOC for the dissemination of technical information, the promotion of better administration and the study of structural aspects. These bodies are interested in the subject under discussion, and the best contribution which the I.C.A. could make as part of its technical assistance programme would be to make recommendations regarding structure for the new movements in Latin America. I suggest that action be taken in this respect.

I repeat the invitation to the members of the Executive and the Director to attend our third international conference in Chile next year, and to prepare specific proposals for the implementation of this idea with the problem of radical structural changes.

I would pay tribute to the work of the Cooperative League of the United States in helping us to establish OCA and FEDERSOC, as well as giving technical assistance for rural electricity cooperatives, cooperative banks, insurance, and so on. Help has been given under the leadership of the Cooperative League and with the cooperation of its member societies on a wide basis. Special credit is due to Mr. Jerry Voorhis for his untiring energy and enthusiasm.

Mr. W. Bindreiter, Austria: Mr. Korp has emphasised the economic aspects of structural programmes, but there is another aspect which should be mentioned, namely, how to maintain a close connection with the membership. Cooperatives should have the opportunity of emphasising the moral aspects of the cooperative movement. There are many people in the movement who wish to act in accordance with cooperative principles, and it is important to ensure good contact between consumer cooperatives, agricultural cooperatives, housing cooperatives, artisanal cooperatives and others. This is a distinguishing feature of the cooperative movement in comparison with other organisations, whether of a trade union, cultural or political character. We must take full advantage of this factor, and of the opportunity which this affords for an exchange of experience on the national as well as the international plane, where we should consider the whole series of problems which face our cooperative family. Opportunity should be taken to improve

the contacts between cooperators, and this will help them as well as the cooperatives concerned. We should also emphasise the moral values of cooperation, which will help in the solution of our economic problems.

Mr. J. Ames, Sweden: I am prompted to speak because I want to draw attention to something which has disturbed me ever since this Congress opened. I refer to the atmosphere of being on the defensive which has so obviously coloured our proceedings. The history of our movement from the time of the Rochdale Pioneers shows that the most successful cooperative organisations have always been those which have conducted their activities in a way which put them in advance of their competitors. It is for this reason that cooperatives developed so successfully up to the time of the Second World War, and even when that war ended the initiative still remained with our movement. The introduction of self-service soon after the war gave many European cooperatives a lead over their competitors. Regional warehousing, which was introduced in Sweden in 1949, consolidated this lead and enabled us to enter the 1960s with a comfortable margin over our competitors. Today, however, private trade has caught up with us, and in some cases has out-distanced cooperatives.

How did this come about? The reply is not difficult to find, because over the past 15 years our movement has not succeeded in introducing one innovation of any importance. The result of these shortcomings is that today we are forced to conduct an inquiry which is, in effect, a search for measures of defence against our competitors, when we ought to be studying the needs of consumers now and in the future and inventing new methods of satisfying them. We claim to be a consumer-orientated movement, but we use all our energies in an endeavour to go one better than our competitors in reducing service to the consumers, aiming at a reduction in costs at the expense of service to the consumer. This sort of thing cannot go on for ever, and the day will come when there is nothing left to cut. When that day comes, and the consumer is looking for people willing to provide service, the crisis in our movement will be even worse than that which we now face.

I do not suggest that we should change our present business policy overnight, because I know that is not possible, but I want to see a change in the prevailing atmosphere in this Congress to a more aggressive one. The first step is to say that in future we shall allocate more funds to research, so that we can continue the revolution in distribution started by self-service and investigate all modern methods for improving distribution, such as automation, electronics, direct delivery to the home and so on. Before doing research in this way we should seek to turn the present tide of events, so that instead of our movement trying to meet the competition of its competitors it will be a question of our competitors striving to compete with us.

Dr. L. Malfettani, Italy: I share the pleasure of Mr. Korp and Mr. Alexander, at the magnificent work done in this report and I extend to Mr. Korp our special thanks for having devoted one chapter in his analysis to agricultural cooperation.

As regards the problem we are examining, I would like to state, as President of the Agricultural Committee, that at its Helsinki meeting the Committee discussed a very interesting study by one of our Finnish friends on the size of cooperatives and the concentration of power, which concluded with the need for directing cooperators towards different forms of concentration whilst safeguarding the internal democracy of the Movement.

As far as the integration process is concerned, the discussions at the Agricultural Conference which met just before Congress showed that it would be opportune to take integration further towards the summit in order to increase the contractual force of the Movement, particularly in the fields of processing, preserving and sale of the agricultural produce. It was also felt that there is no real advantage for agricultural cooperation to try to substitute itself for the organisms of retail distribution. An effort of this sort could prove not only very difficult, but also anti-economic.

Naturally, there must be some exceptions, in developing countries where, for obvious reasons, the establishment of multi-purpose cooperatives must be favoured.

I agree, like *Confederazione Cooperativa Italiana*, with the considerations in Mr Korp's report, but I would stress the extent to which the development of the movement towards vertical integration can further the participation of the members in the decisions of agricultural cooperatives. It must be remembered that for the agricultural producer the cooperative is a real necessity closely connected with the economic results of his activity and the improvement of his produce. The price he gets for his produce is the income of the farmer's whole family.

As an example, I may say that in my country there is a great difference between the meetings of the consumer cooperatives and those of the processing cooperatives. It is not easy for consumer cooperatives to assemble more than 10 per cent of the members. On the contrary, in the meetings of agricultural processing and marketing cooperatives the members are interested to know and discuss the prices obtained for milk, grapes and processed products. Therefore their attendance, sometimes 80 per cent or 90 per cent is much larger.

Finally, to give some additional information to that contained in the report concerning credit, I am pleased to say that deposits in Italian rural savings banks have increased to more than 300,000 million lire. Moreover, we are about to put into operation a Central Institution of Rural Savings Bank which was constituted last year and which we hope to use in future for the granting of credits, especially to agricultural cooperatives.

As regards the amendment to the Resolution proposed by the French Federation, I think we must support it. It corresponds, in my view, with the necessity of ensuring rapid decisions at the top, whilst at the same time safeguarding with flexibility the requirements of a permanent and real collaboration between the cooperatives concerned at different levels.

Mr. E. Bentini, Italy: The cooperative movement has to face a market in which the large concentrations of private capital are daily becoming more powerful. This presents difficulties to consumer cooperatives and to agricultural producer cooperatives.

The cooperative movement, as a whole, has a great economic and social value, but it is not the objective of the large private concentrations to maintain fair prices for consumers and remunerative prices for small farmer-producers, and the elimination of speculative profit. On the other hand, the absolute necessity for the small farmers to secure an income relative to the demands of modern life must be recognised. Otherwise it is impossible in most countries even to envisage the development of agricultural production, which is necessary in the fight against hunger or generally a balanced economic development.

From these short reflections the usefulness of considering the question of cooperative structures strictly in relation to the present market structure and the limitation of the small farmers in this market is obvious, and, in this connection, I should like Congress to pay particular attention to the section of the report which speaks of the shift from single-purpose to multi-purpose agricultural cooperatives by integration in purchasing, integration in marketing, including processing, establishment of closer relations with consumer cooperatives, and the coordination of services, such as advisory, agricultural extension services, credit facilities, accounting and publicity.

We find it quite appropriate that the report should underline this tendency. Perhaps it will be useful to clarify it eventually in the light of our experiences.

The cooperative movement must be very attentive to the tendencies toward association which is seen among small farmers to meet the present market situation. It is useful to enter into relation with these associations which are also, in some cases, supported by the legislation of certain countries, and to regard them as a pre-cooperative form. In this way services for all peasants, such as credit, assistance, etc., could be developed and an impulse toward the setting up of cooperatives would be created.

In the field of structures, the development of a great diversity of forms of association would be assisted; these should be studied and cordial and useful relations should be maintained with them.

In our view, it is necessary to uphold two points: the superiority and the independ-

ence of the cooperative as such. The object should be to ensure with the help of the cooperative movement to attain autonomous power in the market for the small producers. At the same time, experience tells us that in this way we can arrive at a movement of cooperative convention, at a rationalisation of production, in contrast with the growing power of the large monopolist concentrations in the marketing and processing of agricultural products. It is obvious that this is a task of public utility for society as a whole.

Also, it can be claimed that cooperation has a valid voice in all authorities where economic planification is discussed.

For all these reasons, Mr. President, the delegation of Lega Nazionale delle Cooperative declare their agreement with the main lines of the report on structural changes and with the Resolution.

Reply to the Discussion

Mr. A. Korp, Austria: The speakers have been very flattering in their references to my remarks so that I do not intend to quote from what has been said. The discussion, however, has been extremely important, as I am sure all delegates will agree, and we have been given very interesting examples of how to solve structural problems. I would emphasise what has been said, that the problems of structure are of equal value and importance for the two largest branches of the cooperative movement, agricultural and consumer cooperatives.

I would say a special word of thanks to the Danish delegate who gave us a clear picture of the situation in his country and suggested the possibilities of full integration. I was particularly pleased to hear what was said by Professor Blank and another delegate from the U.S.S.R. Despite the fundamental differences between our economic regimes, they have made a completely factual contribution to our discussion. Mr. Nakabayashi has reminded us that Japan, which is a great industrial nation, has the same problems that arise in the industrial countries of the West. I apologise to him for not mentioning Japan in my introductory remarks, but he will agree with me that if we go westwards we shall eventually reach Japan!

A speaker from Poland expressed the desire that the problem should not be regarded as ended by this discussion and the adoption of a resolution, but that the I.C.A. should find possibilities to enable interested organisations to receive regularly, information about future developments; also that they should look to the I.C.A. to give them whatever information they require in taking their own decisions. I believe that this should be studied to see what are the possibilities of setting up a special body for this purpose or of bringing out a special publication.

Dr. W. Ruf of Switzerland has noted the importance of an American resolution which was withdrawn, but the contents of which should be borne in mind by all of us. I hope the Executive will consider whether after adequate preparation this should be a subject for discussion in the Central Committee. I also emphasise the importance of Dr. Sommerhof's suggestion that the Alliance should take into account that what has been said regarding the industrialised countries could be extended to the newly established organisations in the developing countries.

I believe that I have referred, and I hope satisfactorily, to the major points made in the discussion, and that Congress will accept the Resolution resulting from this report.

The President: I should like to thank Mr. Korp very heartily on behalf of Congress. Would Mr. Brot, as the mover of the amendment, like to speak?

Mr. M. Brot, France: You will understand that I have nothing to add to Mr. Korp's conclusion and I wish to congratulate him once again for the work he has accomplished and the conclusion he has presented to us.

The President: During the discussion there has been, so far as I was able to sense it from the Chair, general support for the amended text suggested by the French delega-

tion. If Congress agrees with my impression, I suggest that we should proceed to vote by show of hands on the Resolution as amended. Does Congress agree with my understanding of the situation?

Congress agreed.

The President: We shall take a vote by show of hands on the Central Committee Resolution as amended by the French delegation.

The Resolution was adopted unanimously.

Election of the Central Committee

The following representatives of member organisations whose nominations had been received in accordance with the rules were elected members of the Central Committee -

Algeria	P. Padovani.
Argentina	C. Chiaraviglio.
Austria	A. Korp, L. Strobl, A. Vukovich.
Belgium	C. Chaput, J. Konings, J. Lambert, P. Lambert, R. Ramaekers, J. Vandersmissen.
Brazil	G. T. Inoue.
Bulgaria	G. Jordanov.
Canada	A. F. Laidlaw, R. S. Staples, M. J. Légère.
Ceylon.....	E. Wijesuriya.
Cyprus	R. N. Clerides, M. Eshref.
Czechoslovakia	M. Capek, J. Nepomucky, V. Novak, J. Podlipny, P. Poruben, L. Smrcka, P. Tonhauser.
Denmark	P. N. Anderson, E. Groes, K. Moller, K. Nielsen, C. Pedersen.
Eire	P. Kelly, P. Quinlan.
Finland	J. Jalava, P. Kuoppala, K. Peitsalo, E. Salovaara, L. Hietanen, V. Loppi, M. Mustonen, E. Särkkä.
France	A. Antoni, M. Brot, F. Burette, M. Catelas, A. Cramois, M. Degond, G. Heitz, A. Morand.
Germany.....	J. Bock, J. Brüggemann, H. Fischer, W. Flügge, W. Hesselbach, W. Peters, C. Schumacher, C. Wiederkehr.
Great Britain	H. Afford, E. P. Bell, C. Greenwood, J. Jacques, R. Southern, T. Taylor, T. Weir, H. W. Whitehead.
Greece.....	J. Afendakis.
Holland	G. J. Nijhof, J. F. van Netten, L. Lundin.
Hungary	J. Szirmai.
Iceland	E. Einarsson.
India	B. Perakash, V. N. Puri.
Iran	J. Sassani.
Israel	J. Efter, A. Shtacher, A. Yadlin.
Italy	G. Banchieri, W. Briganti, I. Curti, S. Miana, L. Vigone, L. Malfettani, A. Mayr, A. Rossini.
Japan	S. Katayanagi, Y. Mori, S. Nakabayashi.
Malaysia	A. Hourmain.
Nigeria	E. T. Latunde, O. O. Oruwari.
Norway	R. Haugen, P. Soiland.
Pakistan	R. Ahmed, A. Khan, P. A. Nazir.
Poland.....	Z. Engel, J. Inglot, T. Janczyk, J. Sobieszczanski, Mrs. Z. Staros, W. Kasperski, F. Los, B. Trampczynski.
Roumania	C. Mateescu.
Singapore	P. Appavoo.

Sweden	C. A. Anderson, S. Apelqvist, G. Blomqvist, M. Bonow, G. Etzler, H. Hjalmarson, S. Kypengren, N. Thedin.
Switzerland	Ch.-H. Barbier, M. Boson, E. Debrunner, W. Gnaedinger, E. Herzog, H. Küng, A. Meyer, A. Vuilleumier.
Tanzania.....	W. R. Kapinga.
U.S.A.	H. A. Cowden, B. Doss, S. Dreyer, R. Morrow, F. F. Rondeau, A. J. Smaby, J. Voorhis, L. E. Woodcock.
U.S.S.R.	M. M. Denisov, N. K. Djavahidze, I. A. Krumin, A. P. Klimov, F. D. Kolesnik, V. K. Jakovenko, S. Tursunov, E. V. Zuev.
Yugoslavia	M. Ivanovic.

The President: Will Congress empower the Central Committee, according to our Rules and practice, to co-opt new members whose nominations are received in accordance with the Rules.

Congress agreed.

I.C.A. Jubilee Triennial Prize

The President: I will ask Mr. Thedin, a member of the International Jury, to make an announcement on the decision of the Jury on the Seventh Award of the I.C.A. Jubilee Triennial Prize.

Mr. N. Thedin, Sweden: The I.C.A. International Prize this year attracted unusually great interest and no fewer than 25 books were proposed to the Jury for consideration. They were sent to the Working Party of Librarians, who chose six for final consideration by the Jury. Unfortunately, final consideration has had to be given in the absence of our esteemed member, Mr. Klimov of Centrosoyus, who is ill and unable to be present in Vienna. This was most regrettable, not least in view of the fact that all six books presented to the Jury were really important and well deserved to be distinguished by the I.C.A.

The reduced Jury, Dr. Kellerhals and myself, agreed that three of these books were quite outstanding. The first was Dr. Boson's book on Cooperation in Switzerland, which is not only a rich documentation of an important cooperative movement but one which gives a number of highly interesting portraits of cooperators and their work. It is an unusually interesting and readable book on cooperation.

This is also true of R. Nyers' book on Cooperation in Hungary, a very fine analysis of the activities and problems of a cooperative movement in a people's democracy. I had myself read it with fascination before I went to Hungary as a member of the I.C.A. Mission of Enquiry. I believe that this book is an unusually honest, true and full analysis of a cooperative movement in a people's democracy.

The third of these books is Dr. Ghaussy's book on Cooperation in the Developing Countries, written by a scholar from Afghanistan who has worked as a professor of economics at the University of Lucerne in Switzerland. It treats a subject of the greatest topical interest to the I.C.A. and to everybody interested in international cooperation.

Dr. Kellerhals and I agreed that this is the book which should be recommended for the prize, and we regret that we had to take this decision in the absence of Mr. Klimov.

With your permission, Mr. President, I shall ask Dr. Kellerhals to give a brief description of the book which will be distinguished and honoured this year by the I.C.A. Jubilee Triennial Prize.

Dr. W. Kellerhals, Switzerland: Mr. Thedin having given Congress the result of our deliberations, I should like to give a few facts about this work and its author. The author was born in 1932 in Afghanistan and studied at Munich and Hamburg. In 1964 he published the book to which we have awarded the prize, which deals with a subject of great importance to us today. He is interested in his whole subject and treats it in a

critical and objective manner. At the end of his 350 pages he comes to the conclusion that cooperatives are a possible means of fulfilling economic tasks, and his conclusions are of particular value, being arrived at from an objective standpoint. He comes himself from a developing country and from his Western schooling he is familiar with the situation elsewhere. His book is a very original one, containing a number of new facts and ideas. The author has a wide knowledge of literature.

He concludes that the cooperative system can help to overcome many difficulties. It can have an educational function the value of which will be a long-term one and go far beyond any material benefits. The training of officials and collaborators is of interest not only to the developed but to the developing countries. Despite the intensive attempts of the developed countries, they are giving economic aid to the developing countries in too small amounts, but we cannot under-value the extent of help given by cooperatives in training officials for cooperatives in the developing countries.

That reference shows clearly the reasons why we selected this work for the prize.

The President: I have the pleasant duty, on behalf of Congress, to thank the members of the Jury who have undertaken this important task, which has meant a great deal of work, even with the assistance of the Working Party of Librarians.

Date and Place of the 24th Congress

The President: The last task of Congress concerns the date and place of the 24th Congress which will take place in the autumn of 1969.

As regards the venue, I would suggest that the most practical solution, which we have adopted at earlier Congresses, is that the question be referred for consideration to the newly elected Central Committee and Executive.

Congress agreed to this suggestion.

Close of Congress

The President: This brings us to the end of this Congress itself, but I think we should not conclude our work without some additional words. I shall not try to sum up the results of this Congress, they will be implemented gradually and any practical action which may emerge will be undertaken.

There is a word which is sometimes misused, when it is said that something is a "landmark" in the development of an organisation, but if ever we were entitled to use such a word I think it is in connection with this Congress. The decisions taken on Cooperative Principles are of very great importance as a guide to our world cooperative movement. They are not to be looked upon as binding, apart from the most essential one which has been very well explained during Congress and its deliberations on this problem. But questions of adapting Cooperative Principles to rapidly changing economic and social conditions, which have been the theme of the discussion on Principles, are not something we can look upon as a closed and completed chapter. This is a process of evolution, and we have to adapt the application of our Principles to newly emerging circumstances, but the basic Rochdale Principles stand. This study of Principles is perhaps the first and foremost reason why we may judge the results of this Congress as a landmark in the history of the Alliance.

There are, however, other reasons for reminding you of the important problems with which we have dealt. There is the problem of technical assistance, which is of such extreme importance not only for the developing countries themselves but also for the so-called developed countries, the industrialised parts of the world. There has been complete agreement, so far as I could ascertain from the Chair, about the role of the I.C.A. as a coordinator, and with some subsidiary additional tasks indicated by the

Director in his survey. It is also clear that the main contribution in this field must come from the national cooperative movements, for very many reasons on which I shall not enter. If we look around we see that there is certainly very much to be done in the future, but a good beginning has been made.

I wish, being myself a Swede and in close affinity with other movements, to point out in this connection that a number of contributions did not come forward during the discussion on this problem. This is very regrettable, but it is for Congress to decide within the practical limits how many contributions can be made to a discussion.

As a Swedish cooperator, however, I should like to say that the result has been that a rather lop-sided picture was presented of the technical assistance offered by important national cooperative movements. It so happens that a number of references were made to the assistance given by Sweden and the Nordic countries generally, but practically no mention was made of the very important contributions, which have been made effective over a long period of years, of a number of other national cooperative movements in the industrialised part of the world. It is not possible to give a whole list, but it should be said in this connection that so far as Great Britain is concerned we know that for a long period, going back even to a time when the term "technical assistance" had not even been coined, the British cooperative movement, through its College and its trading institutions and the Cooperative Union, had been giving technical assistance of the greatest importance to cooperative movements. The same applies to the movements of the U.S.A. and Canada also.

Over the years a very substantial and increasing amount of technical assistance has been given to cooperative development not only in Latin America but in many other parts of the world, with close collaboration with the Regional Office of the I.C.A. in New Delhi, as one example, and also in Africa. I think that the method by which the cooperative movement in the United States has gone forward, marrying state finance with the provision through the cooperative movement of technical experts and know-how, is a model and, as you will see from the Report, can have a real impact in the reasonably near future. As the Director said in his speech, I think this method should be commended to other cooperative movements to try to bring about the same happy marriage between state finance and cooperative experts and know-how. I know that in other countries something similar is emerging, and this is extremely important.

This does not preclude our willingness to help in other ways, not only by the provision of experts and know-how, which may involve costs and difficulties for the donor movements, but also by trying to get some finance, which means that we, as cooperators, have an important contribution to make in this field, not to be compared with the finance which can be provided by governments. There is the highly commendable decision of the Dutch movement, made on the spur of the moment. In other cases national movements have annual collections from the members. There may be other methods, but we must do something even in this sphere of assistance.

I should like to say a few words about the structural reform programme. I think there has been general agreement on this and, of course, there was unanimous approval of the Resolution to the Paper on Structural Reform, which shows that the aim is one and the same for all our movements, to try to establish increased coordination, integration and cohesion between the various levels of our movement, local, regional and national, and so far as possible also international. I think it is quite clear that different movements will find different solutions to this problem, but the aim will be the same, and it will be very valuable if in the new Central Committee and Executive we can find ways and means to increase the exchange of information on this important part of our activities.

This Congress has had to work very hard. There are two ways of coping with this problem to avoid this occurring in the future, one is to meet for five days instead of four. It is a pity that some important contributions both in the technical assistance field and on the Report of the Principles Commission could not be made. There is the alternative, which it will be for the authorities of the Alliance to consider, of not having three important items to be dealt with in four days, in addition to the Congress Report and Resolutions. This is a practical matter and will be considered later.

Everything has been done by delegates to facilitate the task of conducting the Congress according to the time schedule, and the atmosphere has been a very agreeable one. We felt that the Congress at Bournemouth to some extent turned the tide, and the same pleasant development has gone on, where essential cooperative problems come to the fore more and more and we have fewer controversies over international issues. There have, of course, been some difficulties over Vietnam, but this is a matter of such great concern that feelings have naturally been running high, but, apart from that, the atmosphere has been agreeable, and I thank you all very sincerely.

I should like to end this too long summing up by extending to our Austrian hosts our most sincere thanks. Not being an Englishman, I have not the command of the English language which would enable me to give an appropriate expression to our gratitude, but the Congress has made acknowledgements in an international way which cannot be misunderstood. I would ask our Austrian friends to convey to the Office of the Federal President, to the Office of the Prime Minister and to the Office of the Mayor of Vienna our most sincere thanks for the very great honour that all these authorities conferred upon the I.C.A. by the way in which they welcomed us.

I have now a word to say to our Director, our Administrative Secretary, and through them to the whole staff of the I.C.A. They have had a very great burden of work and have worked very hard, without sparing themselves, and I am full of pride when I see what they have achieved. Please tell all your staff, Mr. Alexander, how much we appreciate the enormous work which they have put in to make this Congress a success.

I cannot avoid expressing to our interpreters our sincere thanks for the efficient way in which their work has been performed. I would also thank Mr. Perrott and his collaborators, who have, I am sure very efficiently, recorded every word which has been spoken during Congress.

The votes of thanks expressed by the President were supported with acclamation.

Mr. M. Brot, France: There is one expression of thanks, Mr. President, that you cannot convey yourself, I mean the thanks of the Congress to you.

This Congress was expected to be a difficult one, not on account of the discussions but because of the abundance of subjects. This was perhaps due to the imprudence of the Central Committee by extending the Agenda.

You must be very happy to have presided over this Congress in such a way that, within quite reasonable limits, we have come to the closure.

You referred to the necessity, perhaps, to review certain formulations, and you were quite right. Perhaps the procedure of Congress must also be reviewed so as to facilitate the work.

In spite of all these problems you have succeeded perfectly. We thank and congratulate you once again.

The President: I thank you from the bottom of my heart. I declare the 23rd Congress of the I.C.A. closed.

Organisations Affiliated

Algeria	Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, Oran
Argentina	Federación Argentina de Cooperativas de Consumo, Buenos Aires Intercoop, Editora Cooperativa Limitada, Buenos Aires
Australia	The Co-operative Federation of Australia, Brisbane
Austria	"Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Vienna Bank für Arbeit und Wirtschaft A.G., Vienna Zentralkasse der Konsumgenossenschaft, Vienna Oesterreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Vienna Oesterreichischer Raiffeisenverband, Vienna
Belgium	Société Générale Coopérative, Brussels Coop-Dépôts, Brussels Société Coopérative d'Assurances "La Prévoyance Sociale", Brussels Fédération Nationale des Coopératives Chrétiennes, Brussels "L'Economie Populaire", Ciney L'Institut Provincial de Coopération Agricole, Liège OPHACO Office des Pharmacies Coopératives de Belgique, Anderlecht-Brussels Société Coopérative Fédérale de Belgique, Brussels
Brazil	Aliança Brasileira de Cooperativas (ABCOOP), Rio de Janeiro
Bulgaria	Central Co-operative Union, Sofia
Burma	National Co-operative Council, Rangoon
Canada	The Co-operative Union of Canada, Ottawa Conseil Canadien de la Coopération, Ottawa
Ceylon	The Co-operative Federation of Ceylon, Colombo
Chile	Federación Chilena de Cooperativas de Ahorro y Credito Ltda., Santiago de Chile
Colombia	Cooperativa Familiar de Medellin Ltda., Medellin
Cyprus	Co-operative Central Bank Ltd., Nicosia Cyprus Turkish Co-operative Central Bank Ltd., Nicosia Vine Products Co-operative Marketing Union Ltd., Limassol
Czechoslovakia	Ustredni Rada Druzstev, Prague
Denmark	De samvirkende danske Andelsselskaber, Copenhagen Det Kooperative Faellesforbund i Danmark, Copenhagen Faellesforeningen for Danmarks Brugsforeninger, Albertslund Nordisk Andelsforbund, Copenhagen
Dominica	Dominica Credit Union League, Roseau

Eire	Irish Agricultural Organisation Society Ltd., Dublin
Egypt	Société Coopérative des Pétroles, Cairo
Finland	Kulutusosuuskuntien Keskusliitto, Helsinki Osuustukkukauppa, Helsinki Kansa (Keskinäinen Henkivakuutusyhtiö), Helsinki Kansa (Keskinäinen Vahinkuvakuutusyhtiö), Helsinki Yleinen Osuuskauppojen Liitto, Helsinki Suomen Osuuskauppojen Keskuskunta, Helsinki "Pellervo-Seura", Helsinki
France	Fédération Nationale des Coopératives de Consommation, Paris Société Générale des Coopératives de Consommation, Paris Confédération Générale des Sociétés Coopératives Ouvrières de Production, Paris Banque Coopérative des Sociétés Ouvrières de France, Paris Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, Paris Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, Paris Fédération Nationale de la Coopération Agricole, Paris Caisse Nationale de Crédit Agricole, Paris L'Association Bâticoop, Paris Fédération Nationale des Sociétés Coopératives d'Habitations à Loyer Modéré, "Foyer Coopératif", Paris Confédération des Coopératives de Construction et d'Habitation, Paris Confédération des Organismes de Crédit Maritime Mutuel, Paris
Germany (Fed. Rep. of)	Zentralverband deutscher Konsumgenossenschaften, Hamburg Grossverkaufs-Gesellschaft deutscher Konsumgenossenschaften, m.b.H., Hamburg "Alte Volksfürsorge" Gewerkschaftlich-Genossenschaftliche Lebensversicherungs A. G., Hamburg Deutsche Sachversicherung "Eigenhilfe", Hamburg Gesamtverband gemeinnütziger Wohnungsunternehmen, Cologne
Great Britain	Co-operative Union Ltd., Manchester Co-operative Wholesale Society Ltd., Manchester Scottish Co-operative Wholesale Society Ltd., Glasgow Co-operative Productive Federation Ltd., Leicester Co-operative Insurance Society Ltd., Manchester Co-operative Permanent Building Society, London
Greece	Pan-Hellenic Confederation of Unions of Agricultural Co-operatives (S.E.S.), Athens
Guyana	British Guiana Co-operative Union Ltd., Georgetown
Holland	Coöperatieve Vereniging U.A. Centrale der Nederlandse Verbruikcoöperaties "CO-OP Nederland", Rotterdam Association of Enterprises on a Co-operative Basis, Amsterdam
Hungary	Federation of the Hungarian Co-operative Societies, Budapest

Iceland	Samband Isl. Samvinnufélag, Reykjavik Samvinnutryggingar, Reykjavik S.A.
India	National Co-operative Union of India, New Delhi National Agricultural Co-operative Marketing Federation Ltd., New Delhi
Iran	Army Consumers' Co-operative Society, Teheran The Credit and Housing Co-operative Society of Iran, Teheran
Israel	"Hevrat Ovdim" Ltd., General Co-operative Association of Jewish Labour in Eretz-Israel, Tel-Aviv "Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, Tel-Aviv "Haikar" Audit Union of the Agricultural Societies of the Far- mers' Federation of Israel, Tel-Aviv
Italy	Lega Nazionale delle Cooperative e Mutue, Rome Confederazione Cooperativa Italiana, Rome Associazione Generale delle Cooperative Italiane, Rome
Ivory Coast	Centre National de la Coopération et de la Mutualité Agricoles, Abidjan
Jamaica	The Jamaica Co-operative Union, Ltd., Kingston
Japan	Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Co-operative Union), Tokyo Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Co-operatives), Tokyo Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fishery Co-operative Associations,) Tokyo
Jordan	Jordan Co-operative Central Union Ltd., Amman
Kenya	Kenya National Federation of Co-operatives Ltd., Nairobi
Korea	National Agricultural Co-operative Federation, Seoul
Malaysia	Co-operative Union of Malaya, Kuala Lumpur Federation of Co-operative Housing Societies, Kuala Lumpur Sarawak Co-operative Central Bank Ltd., Kuching
Malta	Farmers' Central Co-operative Society Ltd., Marsa
Mauritius	Mauritius Co-operative Union, Port Louis
Mexico	Confederación de Cooperativas de la República Mexicana, C.C.L. Mexico
New Zealand	Hutt Valley Consumers' Co-operative Society Ltd., Naenae
Nigeria	Co-operative Union of Eastern Nigeria Ltd., Aba Co-operative Union of Western Nigeria Ltd., Ibadan Lagos Co-operative Union Ltd., Lagos
Norway	Norges Kooperative Landsforening, Oslo Livsforsikringsaktieselskapet Samvirke, Oslo Forsikringsaktieselskapet Samvirke, Oslo Samvirkebanken, Oslo BBL A/L Norske Boligbyggelags Landsforbund, Oslo

✓ Pakistan	West Pakistan Co-operative Union, Lahore Karachi Central Co-operative Consumers' Union, Karachi Karachi Co-operative Housing Societies' Union, Karachi Karachi Co-operative Union Ltd., Karachi Karachi Fishermen's Co-operative Purchase and Sales Society Ltd., Karachi Karachi Central Co-operative Bank Ltd., Karachi Sind Baluchistan Provincial Co-operative Bank Ltd., Karachi East Pakistan Co-operative Union Ltd., Dacca
✓ Philippines	Central Co-operative Exchange Inc., Manila
Poland	Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Warsaw Invalids' Co-operative Union, Warsaw Central Union of Building and Housing Co-operatives, Warsaw "Spolem" Union of Consumer Co-operatives, Warsaw Central Union of Work Co-operatives, Warsaw
Roumania	"Centrocoop" - Uniunea Centrala a Cooperativelor de Consum, Bucharest
✓ Singapore	Singapore Co-operative Union Ltd., Singapore
Sweden	Kooperativa Förbundet, Stockholm Folksam Insurance Group, Stockholm Sveriges Lantbruksförbund, Stockholm Hyresgästernas Sparkasse- och Byggnadsföreningsars, HSB: Riksförbund, Stockholm Kooperativa Kvinnogillesförbundet, Stockholm Svenska Riksbyggen, Stockholm
Switzerland	Verband schweiz. Konsumvereine, Basle Genossenschaftliche Zentralbank, Basle Coop Lebensversicherungs-Genossenschaft Basel, Basle Verband ostschweiz. landwirtschaftlicher Genossenschaften, Winterthur Verband sozialer Baubetriebe, Zurich International Co-operative Bank Co. Ltd., Basle
Tanzania	Co-operative Union of Tanganyika Ltd., Dar-es-Salaam
Tunisia	El Itihad, Tunis
Uganda	Uganda Co-operative Alliance, Kampala
U.S.A.	Cooperative League of the U.S.A., Chicago
U.S.S.R.	Central Union of Consumers' Co-operative Societies of the USSR and RSFSR, "Centrosoyus", Moscow
Yugoslavia	Glavni Zadruzni Saves FNRJ, Belgrade
Zambia	Eastern Province Co-operative Marketing Association Ltd., Fort Jameson

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	1963	1964	1965
	£	£	£
Algeria	18	18	14
Argentina	150	153	154
Australia	40	40	80
Austria	1,129	1,129	1,271
Belgium	1,581	1,610	2,081
Brazil	6	3	6
Bulgaria.....	150	150	203
Burma	150	150	203
Canada	679	678	917
Ceylon	150	150	203
Colombia	24	24	47
Cyprus	118	118	159
Czechoslovakia	2,019	2,006	2,707
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Finland	2,748	2,837	4,893
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Germany (Fed. Rep. of)	4,292	4,278	5,695
Great Britain	17,353	18,259	21,433
Greece	150	150	203
Guyana	25	—	—
Holland.....	641	577	842
Iceland	290	290	365
India	350	300	353
Iran.....	18	18	32
Israel	751	751	995
Italy	3,336	2,200	2,200
Jamaica	25	25	—
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Jordan	30	30	41
Korea	100	100	135
Malaysia	180	180	243
Malta	3	3	4
Mauritius	30	30	41
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Norway	938	858	1,404
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Roumania	150	150	203
Singapore	10	10	10
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Tanzania	310	313	—
Uganda	—	150	—
U.S.A.....	3,925	3,925	5,300
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