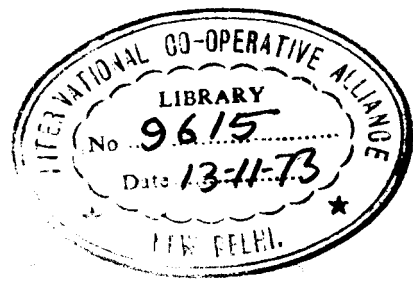


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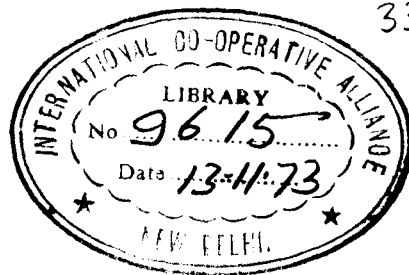


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**International Co-operative Alliance**  
**11 Upper Grosvenor Street, London W1X 9PA, England**

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**Report of the**  
**Twenty-fourth Congress**  
**at**  
**Hamburg**  
**1st to 4th September, 1969**



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## International Co-operative Alliance Founded 1895

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Iceland .....	E. Einarsson
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Iran ✓.....	J. Sassani
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Italy .....	G. Banchieri, W. Briganti, I. Curti, S. Miana, L. Vigone, L. Malfettani, A. Mayr, A. Rossini
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Nigeria.....	O. O. Oruwari, E. T. Latunde
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Poland .....	Z. Engel, T. Janczyk, J. Sobieszczanski, Mrs. Z. Staros, W. Kasperski, F. Lós, B. Trampczynski
Roumania .....	S. Bughici
Singapore .....	P. Appavoo
Sweden .....	M. Bonow, J. Sallbořg, G. Etzler, H. Hjalmarson, N. Thedin, S. Apelqvist, G. Blomqvist, S. Kypengren, H. Hakansson
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USA.....	H. A. Cowden, B. Doss, S. Dreyer, R. Morrow, F. F. Rondeau, A. J. Smaby, J. Voorhis, L. E. Woodcock
USSR.....	M. M. Denisov, N. K. Djavahidze, A. Krashennikov, I. A. Krumin, A. P. Klimov, F. D. Kolesnik, V. K. Jakovenko, S. Tursunov
Yugoslavia .....	M. Ivanovic

#### **International**

A. R. Carlsson, International Co-operative Petroleum Association  
L. Lundin, Nordisk Andelsförbund  
H.-U. Mathias, International Co-operative Banking Company Limited  
R. A. Vicens, Organisation of the Co-operatives of America

## The Congress Committee

---

**President:**

Dr Mauritz Bonow

**Vice-Presidents:**

Mr R. Southern, Mr A. P. Klimov

**Members:**

Mr J. Podlipny, Mr V. N. Puri, Mr F. F. Rondeau, Mr W. B. Melvin, Mr T. Janczyk,  
Mr R. Kérinec

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## Past Congresses

London.....	1895	Vienna .....	1930
Paris .....	1896	London .....	1934
Delft .....	1897	Paris .....	1937
Paris .....	1900	Zurich .....	1946
Manchester .....	1902	Prague.....	1948
Budapest.....	1904	Copenhagen .....	1951
Cremona.....	1907	Paris .....	1954
Hamburg .....	1910	Stockholm .....	1957
Glasgow .....	1913	Lausanne .....	1960
Basle .....	1921	Bournemouth.....	1963
Ghent .....	1924	Vienna .....	1966
Stockholm .....	1927		

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## The Congress at Hamburg

took place under the  
auspices of the following Co-operative Organisations of the  
Federal Republic of Germany

**Bund deutscher Konsumgenossenschaften GmbH**

**Grosseinkaufs-gesellschaft Deutscher Konsumgenossenschaften GmbH**

**Revisionsverband deutscher Konsumgenossenschaften e. V.**

**Konsumgenossenschaft "Produktion" e GmbH**

**Gesamtverband Gemeinnütziger Wohnungsunternehmen**

**Bank für Gemeinwirtschaft AG**

**Volksfürsorge Lebensversicherung AG**

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



# **24th Congress of the International Co-operative Alliance Hamburg, September 1969**

---

## **Fraternal Delegates and Guests**

**Mayor of The Free and Hanseatic City of Hamburg**

**Professor Dr H. Weichmann**

### **International Organisations**

International Labour Office	Mr J. B. Orizet
United Nations Food and Agricultural Organisation	Dr A. F. Braid
United Nations Commission of Trade and Development	Mr V. A. Yulin
Afro-Asian Rural Reconstruction Organisation	Mr K. Chand
International Confederation of Free Trade Unions	Mr A. Mukherjee
International Chamber of Commerce	Mr W. H. Wilkins
International Centre of Research and Information on Collective Economy	Professor P. Lambert

### **Personal Guests**

Lord Rusholme, a former President of the ICA  
Miss G. F. Polley, OBE, former General Secretary of the ICA  
Mr W. P. Watkins, a former Director of the ICA, and Mrs Watkins  
Mr W. G. Alexander, a former Director of the ICA, and Mrs Alexander.

## Delegates of Member Organisations

### Algeria

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

### Argentina

Federación Argentina de Cooperativas de Consumo, Buenos  
Aires ..... Lopez, J. P.  
Asociación Argentina de Cooperativas y Mutualidades de  
Seguros, Buenos Aires..... Colabella, S.  
Federación Argentina de Cooperativas de Credito, Buenos  
Aires ..... Monin, A.

### Austria

“Konsumverband” Zentralverband der oesterreichischen Kon-  
sumgenossenschaften, Vienna..... Kammerhuber, M.  
Korp, A.  
Oberzaucher, A.  
Sagmeister, O.  
Schmidt, F. R.  
Spielbichler, H.  
Waldeck, Mrs A.  
Switter, V.  
Oesterreichischer Verband gemeinnütziger Bau-Wohnungs-  
und Siedlungsvereinigungen, Vienna ..... Strobl, I. L.  
Oesterreichischer Raiffeisenverband, Vienna..... Strobl, I. L.

### Belgium

Société Générale Coopérative, Brussels..... André, A.  
Bodinaux, F.  
Chevalier, L.  
Devillers, V.  
Lambert, P.  
Leclercq, M.  
Lemaire, H.  
Lemaire, R.  
Ramaekers, R.  
Roels, G.  
Vandersmissen, J.  
Van Rossem, V.  
Fédération Nationale des Coopératives Chrétiennes, Brussels.... Devogel, A.  
Eerdekens, J.  
Hilgers, P.  
Laenen, R.  
Lambert, J.  
Van de Walle, A.  
L'Economie Populaire Ciney..... Gengoux, A.  
Office des Pharmacies Coopératives de Belgique, Brussels..... Derbaix, M.

### Bulgaria

Central Co-operative Union, Sofia..... Syulemezov, S.  
Ivanov, I. P.  
Tabokov, I. P.  
Trifomov, T. G.  
Tlekov, S. R.

### Canada

The Co-operative Union of Canada, Ottawa.....	Cryderman, F. G. Harding, K. F. Jevne, M. MacLean, K. M. Melvin, W. B. Swenson, A. J.
Conseil Canadien de la Coopération, Ottawa.....	Charron, P. E. Daneau, Y. Davidovic, G. Gauthier, C. Lamarche, A. Remillard, A. Rouleau, A. Soupras, R.

### Ceylon

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

Cooperative Sodimac, Santiago.....	Sommerhoff, W.
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### Cyprus

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

### Czechoslovakia

Ustredni Rada Druzstev, Prauge.....	Brezina, J. Buresova, Mrs. M. Capek, M. Holec, R. Jonak, A. Kabat, M. Mareckova, Miss Z. Marik, M. Pelcova, Mrs J. Podlipny, J. Poruben, P. Prelovsky, J. Slepcanova, Mrs M. Smrcka, L. Svoboda, J. Tomasov, I. Tonhauser, P. Vestfalova, Mrs M. Vychodil, F. Zitko, V.
-------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

### Denmark

De samvirkende danske Andelsselskaber, Copenhagen.....	Bo, A. Møller, K. Nielsen, M. Pedersen, C.
Det Kooperative Faellesforbund i Danmark, Copenhagen.....	Nielsen, K.
Faellesforeningen for Danmarks Brugsforeninger, Albertslund....	Büchert, A. Groes, E. Jakobsen, P. E. Metzlaff, E. Nielsen, E.

<b>Eire</b>	
Co-operative Development Society, Dublin.....	O'Cearbhaill, B.
Irish Agricultural Organisation Society, Dublin.....	Carroll, W. Moloney, J. C.
<b>Finland</b>	
Kulutusosuuskuntien Keskusliitto, Helsinki.....	Heinimo, P. Jalava, J. Kuoppala, P. Laakkonen, V. Luoto, E. Myllymäki, P. Peitsalo, K. Räikkönen, Mrs S. Salonen, A. M. Suonoja, K. Välimäki, A.
Suomen Ossuskauppojen Keskuskunta, Helsinki.....	Halkilahti, Miss H. Heikkilä, R. Hietanen, L. Laesvuori, H. S. Lindberg, K. B. Linkola, M. Loppi, V. Luukka, V. Mäkinen, V. E. Särkkä, E. Schantz, H. F. Simonen, S.
<b>France</b>	
Fédération Nationale des Coopératives de Consommation, Paris.....	Angsthelm, E. Ardhuin, J. Aron,- Boniface,- Bouilly, G. Burette, F. Couvrecelle, M. Delattre, J. Deroubaix Dumont, P. Faucher, A. Garaude, H. Gastal, M. Hirschfeld, A. Jean,- Kérinec, R. Lacroix, J. Lavalette,- L'Hote, J. Mione, A. Senechal,- Semler-Collery, F. Sturm,- Veverka, C.
Banque Coopérative des Sociétés Ouvrières de France, Paris....	Schmit, J.
Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Batiment, des Travaux Publics et des Matériaux de Construction, Paris.....	Letot, A.

<b>France (continued)</b>	
Fédération Nationale des Sociétés Coopératives d'Habitation à Loyer Modéré, Paris.....	Robert, L.
Confédération des Organismes de Crédit Maritime Mutel, Paris.....	Lacour, P.
Confédération Générale des Sociétés Coopératives Ouvrières de Production, Paris.....	Antoni, A.
<b>Germany</b>	
Bund deutscher Konsumgenossenschaften, Hamburg.....	Bergen, H. Bever, Mrs V. Bock, C. J. Bussmann, A. Dowidat, K. Flügge, W. Hasselmann, E. Hegen, E. Kauermann, F. Kirsch, W. M. Klepsch, H. Kummernuss, E. Kurlbaum-Beyer, L. Laubach,- Meins, H. Mohr, W. Olderwurtel, G. Paulig, O. Pelster, H. Peters, W. Rerwerk,- Schumacher, C. Schelter, C. Schlack, J. Schlobohm, W. Wagner, H. Wiederkehr, C.
Volksfürsorge Lebensversicherung AG, Hamburg.....	Rittner, W.
Volksfürsorge deutscher Sachversicherung, AG Hamburg.....	Rittner, W.
Gesamtverband gemeinnütziger Wohnungsunternehmen, Cologne.....	Pahl, W.
<b>Ghana</b>	
The Alliance of Ghana Co-operatives, Accra.....	Mark-Addo, F.
<b>Hungary</b>	
Federation of Hungarian Co-operative Societies, Budapest.....	Molnár, F.
National Federation of Producers' Co-operatives, Budapest.....	Rév, L.
<b>Iceland</b>	
Samband Isl. Samvinnufélaga, Reykjavik.....	Einarsson, E.
<b>India</b>	
✓ National Co-operative Union of India, New Delhi.....	Bose, P. Chaudhry Motilal, M. Chersian, P. C. Kanaka sabsi, R. Khachi, J. L. Naidu, S. G. A. Puri, V. N. Singh, M. Udaybhan Sinhji, Y. Yadav, J. P.

<b>Iran ✓</b>	
Sepah Consumers' Co-operative Society, Teheran.....	Sassani, J.
Credit and Housing Co-operative Society of Iran, Teheran.....	Sassani, J.
Central Organisation for Rural Co-operatives, Teheran.....	Marefat, M.
<b>Israel</b>	
General Co-operative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Tel-Aviv.....	Lehmann, H. Shapan, I. Yadlin, A. Zabarsky, A.
"Merkaz" Audit Union of Co-operative Societies for Loans and Savings, Tel-Aviv.....	Vinitzky, B.
"Haikar" Audit Union of the Agricultural Societies of the Farmers' Federation of Israel, Tel-Aviv.....	Vinitzky, B.
<b>Italy</b>	
Lega Nazionale delle Cooperative e Mutue, Rome .....	Amaduzzi, R. Banchieri, G. Bini, A. Briganti, W. Cerrina, Miss N. Chaccucci, F. Cremascoli, B. Curti, I. Falassi, F. Fiorino, F. Gadaleta, R. Gasperi, L. Lucchi, E. Magnani, V. Di Marco, F. Miana, S. Salsi-Ravaglia, M. Spallone, G. Valli, A. Vigone, L.
Confederazione Cooperative Italiane, Rome.....	Badioli, E. Cortesi, F. Durazzo, C. Malfettani, L. Mayr, A. Monti, M. Tarquinio, A.
Associazione Generale delle Cooperative Italiane, Rome .....	Consulo, Mrs M. G. Orsolini, C. Panunzio, G. Rossini, A.
<b>Japan ✓</b>	
Central Union of Agricultural Co-operatives, Tokyo.....	Miyawaki, A.
<b>Jordan</b>	
Jordan Co-operative Organisation, Amman.....	Rida, M. A.
<b>Kenya</b>	
Kenya National Federation of Co-operatives, Nairobi.....	Musundi, J.
<b>Korea ✓</b>	
National Agricultural Co-operative Federation, Seoul.....	Park, Bok Rae

<b>Malaysia</b>	
Co-operative Union of Malaysia, Kuala Lumpur.....	Hourmain, A. V.
<b>Mauritius</b>	
Co-operative Union of Mauritius, Port Louis.....	Sidambaram, M.
<b>Nigeria</b>	
Co-operative Union of Western Nigeria, Ibadan.....	Latunde, E. T.
<b>Netherlands</b>	
Co-op Nederland, Rotterdam.....	Groenewegen, G. G. Knol, A. Kranenburg, Miss M. Netten, J. F. van Nijhof, G. J. Stoffer-Balk, Mrs E. Versteeg, Miss E.
<b>Norway</b>	
Norges Kooperative Landsforening, Oslo.....	Broch, Mrs M. Forsaa, H. Haugen, R. Huseby, O. Moe, K. Ovesen, Miss L. Risvold, O. M. Søiland, P. Sommerset, Mrs R.
<b>Pakistan</b>	
Karachi Co-operative Union, Karachi.....	Ahmed, R.
<b>Peru</b>	
Cooperativa de Seguros del Peru, Lima.....	Baudouin, R.
<b>Poland</b>	
Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Warsaw .....	Engel, Z. Janczyk, T. Sobieszczanski, J. Staros, Mrs Z.
Central Union of Housing Co-operatives, Warsaw.....	Wawrzecki, W.
Central Union of Work Co-operatives, Warsaw.....	Trampczynski, B.
"Spolem" Central Union of Consumer Co-operatives, Warsaw	Lós, F.
<b>Roumania</b>	
Centrocoop, Bucharest.....	Mateescu, C.
UCECOM, Bucharest.....	Alexe, I.
<b>Sweden</b>	
Kooperativa Förbundet, Stockholm.....	Ahlqvist, N. Ames, J. Back, K. Bonow, M. Buren, B. Carlsson, A. Dahlberg, H. Ekberg, B. Eronn, L.

**Sweden (continued)**

Kooperativa Förbundet, Stockholm (continued).....	Etzler, G. Gillberg, J. Granlund, F. Hagnell, H. Hernestedt, B.-O. Holmqvist, A. Jonsson, A. Lamm, H. Linderoth, K.-A. Melander, Mrs M. Moback, O. Präntare, B. Rönndahl, B. Sallborg, J. Sjöström, H. Sohlenius, H. Stegrell, O. Ström, Mrs T. Thedin, N. Tronet, B. Widhe, Mrs E. Apelqvist, S.
The Folksam Insurance Group, Stockholm.....	
Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund (H.S.B.), Stockholm.....	Kypengren, S.
Svenska Riksbyggen, Stockholm.....	Blomqvist, G.

**Switzerland**

Co-op Schweiz, Basle.....	Barbier, Ch.-H. Bleile, W. Blümle, E. Gnaedinger, W. Kellerhals, W. Kohler, R. Merker, C. Neuner, E. Ressiga-Vacchini, G. Ruf, W. Schmutz, O. Schopfer, R. Thuli, H. Zopfi, Mrs A. Debrunner, E.
CO-OP Lebensversicherungs Genossenschaft, Basle.....	

**Tanzania**

Co-operative Union of Tanganyika, Dar-es-Salaam.....	Juma, B. M.
------------------------------------------------------	-------------

**Turkey**

Turkish Co-operative Association, Ankara.....	Uzgören, N.
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**United Kingdom**

The Co-operative Union, Manchester.....	Flanagan, D. Greenwood, C. Hilditch, C. C. Hulse, K. Kemp, H. Lawn, W. E. Marshall, R. L. Mireylees, E. H. Southern, R. Williams, G.
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**United Kingdom (continued)**

Co-operative Wholesale Society, Manchester.....	Whitehead, H. W.
Scottish Co-operative Wholesale Society, Glasgow.....	Cairns, A. G. Chalmers, J. S. Taylor, Lord
Co-operative Insurance Society, Manchester.....	Bisset, W. Edwards, F. H. Toogood, H. A. Welch, W. T.
Co-operative Permanent Building Society, London.....	Bushell, B. J. Prior, C. K. Williams, L. E. H.
Retail Societies.....	Adams, Miss J. H. Atkins, G. A. Barchi, H. Bardsley, C. Bastin, R. B. Bramley, Mrs N. Brown, F. J. Bruce, J. Bruckshaw, F. Burgoyne, Mrs E. Campbell, H. E. Cooper, Mrs T. F. Cooper, T. F. Currie, J. H. Cusack, J. J. Dand, Mrs J. Dougan, T. Fitch, R. E. Ford, Mrs M. Frost, W. Fulton, Mrs E. Furness, E. Gardiner, C. J. E. Gray, Mrs E. Greer, Mrs J. Gwinnett, T. Harrison, L. A. Haston, Mrs R. M. Haughton, J. G. Henderson, Mrs A. Hodgson, C. W. Hodgson, Mrs H. Howell, F. Hunter, J. Kempton, Mrs K. Kennard, S. H. Lewis, D. H. Lonsdale, Mrs M. Lonsdale, F. Lynn, A. E. May, A. D. May, W. McKenzie, Mrs M. S. Melville, Mrs D. Midgley, J. Oakes, A. W. Parkinson, A. J.

**United Kingdom (continued)**

Retail Societies (Continued).....	Poole, W. H. A. Prior, A. L. Ramsay, J. Schaffer, H. G. Schicker, J. Scrimgeour, W. Sheldon, Mrs E. Sweet, G. Tristram, J. W. S. Waring, Mrs L. Wheeler, R. W. Wicks, W. J. Wickens, Mrs H. Willis, Mrs N. E. Wilson, Mrs F. J.
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**USA**

The Co-operative League of the USA, Chicago.....	Anderson, G. M. Barnett, J. W. Campbell, W. J. Charbonneau, G. A. Davila-Lamausse, J. Dressel, R. Dreyer, S. Dunlap, G. H. Fisher, J. E. Fuellgraf, C. Golz, P. Gorman, T. Hank, A. Jeffers, D. Johnson, D. E. Kefauver, N. E. Jr. Koller, E. F. Lewis, J. M. Long, R. Mohn, P. Montgomery, R. A. Morrow, R. E. Curant, R. Owen, F. Parker, B. Rennie, R. A. Robertson, R. C. Rondeau, F. F. Scarff, M. M. Schrader, A. G. Sebastian, P. O. Shipe, O. Smaby, A. J. Sollars, F. B. Sommer, H. Stitzlein, C. H. Summer, W. R. Swank, W. Thornthwaite, Mrs F. Turner, W. Valko, L.
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**USA (continued)**

The Co-operative League of the USA, Chicago (continued).....	Vanderbeek, R. Vilstrup, R. Voorhis, J. Wachsmuth, C. B. Weller, W. Woodcock, L. E.
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**USSR**

Centrosoyus, Moscow.....	Djavahidze, N. Isakova, Mrs G. Jakovenko, V. Klimov, A. P. Kondratov, V. Kolesnik, F. Khvostov, B. Kozlov, A. Krashennnikov, A. Krumin, I. Maksimova, Mrs K. Malkov, A. Tursunov, S. Zagulina, Mrs V.
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**International Organisations**

Organisation of the Co-operatives of America, Puerto Rico....	Vicens, R. A.
Nordisk Andelsforbund, Copenhagen, Denmark .....	Lundin, L.
International Co-operative Banking Company, Basle.....	Mathias, H.-U.
International Co-operative Petroleum Association, New York,	Carlsson, A. R.





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**Proceedings  
of the  
Twenty-fourth Congress  
of the  
International Co-operative Alliance**

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# Proceedings of the Twenty-fourth Congress of the International Co-operative Alliance

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## The Opening of Congress

**The President:** Nearly sixty years have elapsed since the ICA Congress was held here in Hamburg and enjoyed German hospitality. At the beginning of the century the German co-operative movement played a prominent role on the European continent. Although at that time the German movement could not look back upon almost 50 years of existence as did the British movement there were people such as Raiffeisen who did a great deal to propagate the co-operative economic concept throughout Germany and in a great many other countries. This holds true in particular for the credit co-operatives and those concerned with agriculture, arts and crafts, and industry. Thanks to its development, the German Consumers' Co-operative Union succeeded, with its Wholesale Society the GEG, in working closely with the British movement to promote international co-operation beyond national boundaries.

The fact that the ICA, only after 60 years, has been invited to hold its second German Congress in Hamburg was by no means due to any lack of interest on the part of the German co-operatives as far as international co-operation was concerned. We remember full well the consequences of two World Wars and the political upheavals in Europe. For a long period co-operation across national boundaries was impossible. Against the background of these events, we are all the more glad that, after the setbacks and difficulties of the Hitler era and the 2nd World War, the German movement should have made a fresh start and its invitation to the ICA to be here today in Hamburg underlines its willingness to co-operate internationally in the fullest possible way.

The presence on this occasion of Professor Dr Weichmann, the Mayor of the Free and Hanseatic City of Hamburg, is a great honour for the ICA, and is evidence of the importance attached to the co-operative movement in Germany and, Sir, in your own City of Hamburg.

The objective pursued by our international movement is, of course, to bring about increasingly closer economic co-operation across national frontiers. Using tried, as well as new, methods, it is the aim of us all to forge ahead and to contribute to economic and social progress, which is at the root of peaceful co-operation between nations.

On behalf of the ICA I would like to extend to you, Mr Paulig, our heartfelt greetings. We realise the importance and economic position of this old city of Hamburg, which has the reputation of being a gateway to the world. We were very glad to accept the invitation extended by the Senate and by the German movement and the fact that the Town Hall has been placed at our disposal for the Congress is a shining token of your esteem for the ICA.

Mr Oswald Paulig, President of the Bund deutscher Konsumgenossenschaften, will open the Congress officially on behalf of the German hosts.

### Welcome on Behalf of the Co-operative Movement of the Federal Republic of Germany

**Mr Oswald Paulig:** I am very happy to be able to extend to you a most cordial welcome on behalf of the organisations and enterprises which are affiliated to the International Co-operative Alliance in the Federal Republic of Germany. The economy of our country owes a great deal to the co-operative enterprises and in our country the idea of self-help was always alive.

We consider it a great honour that after 59 years the International Co-operative Congress is again taking place in Germany and, as before, in Hamburg. We gladly participated in the preparations of this Congress.

The Congresses of the ICA are an opportunity for the national organisations to give to all co-operatives, their members and sympathisers, effective proof that they are part of the worldwide Community of Co-operators. Our present day generation is in my opinion very receptive to the idea of genuine internationalism which, in the interest of the future of mankind, will eventually prevail everywhere.

Today the symbols of the international co-operative movement can be seen by everybody in Hamburg. They are explained and interpreted by the newspapers, radio and television and by the co-operative press in particular, and contribute to the establishment of a link between the individual co-operative member and his world organisation.

At the Congress of the ICA the co-operative delegates, of whom each is an expert in his own field, do not only meet to co-operate in a common task and to make decisions, the Congress is also a means to draw the attention of the public to the wide and colourful spectrum of co-operative activities in all parts of the world.

This Congress represents 230 million members and 600,000 co-operatives. Behind these figures lie tremendous efforts, successes, failures, worries and hopes. It is our task to teach the co-operatives how, in their activities and daily endeavours under so many varied conditions, they can help to improve human living conditions everywhere in the world.

More than anything else it must be shown that the economic strength of the co-operatives can be increased by co-operative internationalism. The ICA can already point to many practical examples as a proof that the principle of self-help does not only apply on a national level but really takes on its full meaning only by international co-operation. A great deal of imagination and tenacity are required if all practical possibilities of international co-operation in the fields of trade, wholesale activities, production, insurance, finance and research are to be explored. It must become general knowledge that the co-operatives march in the forefront, where legal and administrative barriers to trade which stand in the way of co-operation on an international scale are to be abolished.

Co-operation has the task to promote progress in all stages of economic development in the various regions of the world, a progress characterised by the harmonious combination of economic rationality and social spontaneity. Technical and economic progress will only benefit mankind when it is also social progress. The world is being changed by the building of steel works and dams, but it is also changed when co-operatives facilitate the buying and selling of goods, the saving-up of capital, the construction of houses, when they protect their members against risks and raise the level of education.

All co-operatives, and the International Co-operative Alliance is no exception, are confronted with the question how big their successes are. They can give proof of their power of attraction by quoting membership figures and of their efficiency by their turnover, capital and productivity. The qualitative effects, however, which are due to personal initiative, responsible attitude and human solidarity are not measurable. These the ICA cannot register in the books although great gains are connected with them.

The German co-operatives owe a great debt to the international co-operative movement. It was exactly 30 years ago that the most accursed war in history started. At its end the German people found themselves in complete isolation from the community of peoples and their country was in ruins. In 1946 a co-operator came from Great Britain to Germany as the adviser of the British Military Government to help the German co-operatives in their reconstruction. This man was William Watkins. After four years of activity in our country he became Director of the ICA. He believed in the rebirth of democracy in Germany. Ten years ago the President of the Federal Republic of Germany awarded to Mr Watkins the Cross of Merit of the Federal Republic. Now, after a further ten years have passed I should like to extend my thanks in this Assembly to William Watkins, this outstanding representative of the international co-operative idea.

We all know that capital alone is not enough for the accomplishment of our tasks. We need a concentration and co-ordination of knowledge, of technical know-how and practical experience. It is a characteristic feature of the ICA that it is a pool of worldwide co-operative knowledge and insight. The permanent contact between co-operators everywhere in the world is a source of strong impulses for the further development of co-operation and for the emergence of new ideas and examples in the large area of co-operative economic experimentation. We have learned a great deal from co-operative organisations of other countries and invite all friends to do the same in our country.



I wish all delegates and guests a pleasant and animated Congress. This Congress will again help us to analyse courageously our problems and to progress towards their solution.

**The President:** I thank you, Mr Paulig, and extend our thanks to all our German co-operative hosts for their very kind words of welcome.

We now come to the highlight of our opening ceremony, and I ask Professor Dr Weichmann, Mayor of the Free and Hanseatic City of Hamburg, to be good enough to address Congress.

#### **Address by the Mayor of the Free and Hanseatic City of Hamburg**

**Dr Weichmann:** Fifty-nine years ago, the International Co-operative Congress was held in Hamburg. At that time no representative of the Upper Senate came to welcome the guests. This was no accident, just as my presence here today is no accident. The *Hamburger Nachrichten* in its evening edition of 7th September 1910 gave the following simple and moving comment:

“As hard boiled social democrats in unison with pulpit socialists play the main role in this Congress, our readers will understand that we are going to ignore it. The Hamburg Senate most certainly was guided by the same sentiments when it decided not to send any representatives to the Congress.”

If after 60 years Hamburg has again become the meeting place of International Co-operation, then this is not just one of many events. On the contrary, it is in keeping with the mission of this town and with the changing times and corresponds to the transformation of consciousness which has been brought about by the active and creative forces of this town, working in the field of co-operation. Hamburg can say of itself with pride and without exaggeration that it is the centre of German co-operation. In the Constitution of our City-State co-operative self-help is mentioned on equal level with the freedom of competition. Three of the four organisations which participate in the work of your Alliance have their seat in Hamburg. These are the Bund deutscher Konsumgenossenschaften (The Federation of German Consumers Co-operatives), the GEG and the Insurance Society “Volksfürsorge”. Of the mutual housing societies which are the fourth German member group, at least 237, the largest of which is “Neue Heimat”, have their seat in this town.

This intensity of co-operative activity is to a great part due to the character of our town as a town of working people and as a consumers' centre, but an equally important role has been played by creative and idealistic personalities. I think of Henry Everling who already at the turn of the century was one of the pioneers of the Hamburg consumers' society “Produktion” and later became a member of the Board. In his capacity as Director of the GEG he participated actively for more than half a century in the German co-operative movement in a leading position. I also think of Gustav Dahrendorf, who was frequently arrested by the Nazis, and who in connection with the events of the 20th July 1944 was condemned to 7 years' hard labour, and who afterwards became a leading figure of the Zentralverband Deutscher Konsumgenossenschaften (Central Union of German Consumers' Societies). Due to their efforts, the co-operative institutions were rebuilt after the collapse of the Third Reich. It was they who handed the ideas of co-operation to the next generation.

In accordance with the local genius of this town and with the predominant spirit in this meeting place of your Congress, I also should like to point to the inter-relations between political activity and co-operative ideas which are and have been cultivated by outstanding personalities. Max Brauer, the first Mayor in the years after the war and the creative initiator of the first stage of reconstruction, came from the co-operative movement, and again took a responsible position in the movement, after he had left the Senate. The next generation is dynamically represented by Oswald Paulig who equally combines political creativeness with co-operative efficiency.

I should like to illustrate by a historical example how far distant the last sixty years are for you and us. A few years after the turn of the century, the German Ambassador in London concluded his report about the International Co-operative Alliance, with the following words: “This Alliance does not seem to have any political importance.” Well, this was a big error. Today the international co-operative movement comprises 600,000 co-operatives with 230 million members. In 1900, the turnover of the co-operatives amounted to 3,500 million Mark.

In 1968 the annual turnover of the co-operatives, affiliated to the ICA, amounted to 400,000 million DM. Although the two figures are not entirely comparable, they nonetheless demonstrate the size of the existing economic potential. Times have changed.

On the other hand, many problems are still up-to-date or have become up-to-date again. The Congress of 1910 dealt in detail with the strained relations between the class-conscious labour movement, which was opposed to all political compromises, and the international co-operative movement which appealed to the solidarity of all men without concern for any particular class or for any other preconditions. Therefore the International Co-operative Alliance considered it as its most essential task to find a synthesis to resolve these strained relations. In its Report it stated that the socialist co-operatives had been transformed through their collaboration with the Alliance in the same degree as they had transformed the Alliance. This document hints already at that time at a theory of convergence between Marxism and pragmatic socialism.

From reading your documents I gained the impression that the co-operative movement faces the same burning problems as the politicians, namely to combine firm leadership and centralisation, as they are required in a modern State and a modern economy, with the preservation of the democratic basis and control. In a pluralistic society all forms of organised activities have to face the dilemma of concentrating executive powers and of putting limits to the concentration of power.

In no way different the question poses itself as to the role the co-operative economy is going to play in the coming decades. Which role will the co-operative principle, which was originally introduced to solve economic tasks or aims in an industrialised world with a higher degree of humanity and social consciousness than private economy, play in the future? Co-operative economy will naturally continue to be an indispensable factor in the control of competition and a fortress for the protection of the consumer. In times of economic concentration, the efficient functioning of these controls will have to be newly secured and extended. Without doubt, in some countries the question of social needs does not stand any more in the foreground. This fact combined with the tendency towards concentration leads to new economic tasks for the co-operatives. The larger units in other spheres have to be opposed by strong co-operative enterprises and federations. The example of the Bund deutscher Konsumgenossenschaften which we were able to observe closely in Hamburg is proof of such a successful restructuring.

This, however, does not settle all the problems. How manifold your tasks are and how you recognise these tasks is illustrated by your draft of an international declaration for consumers' rights. The town of Hamburg is certainly in full sympathy with the aims stated in this declaration.

In this connection I should like to refer to another and entirely new problem. In some parts of the world we stand at the threshold of the affluent society. Will it be possible to increase even more the large amount of commodities, gadgets, techniques and services and should this affluency of goods be increased at all? Who does not feel uncomfortable at this idea of a continuous increase in consumption? An enormous amount of goods is poured out to the consumer at random, without concern for their necessity in the scale of social needs and raises the problem of production for the satisfaction of social needs.

First the co-operative movement and later also the State, found an answer to the question, how to protect the consumer in times of need and scarcity. The co-operative movement also found through pragmatic work many useful answers to the question how the need in the developing countries could be overcome. To the question, however, how well-being and social need could be brought into harmony with each other, how the well-being of life could be increased without a loss of moral responsibility for life itself, for others and for society, we have not yet found an answer. In my opinion the task for the present and the future is to find new categories of social thinking and of social activity.

In conclusion a few words about another aspect of development which bears witness to the changed times and conditions under which our environment and with it your movement are transforming themselves socially and economically. The times of the *laissez-faire*, *laissez-aller* economy of unrestricted capitalism and liberalism are also gone in the countries based on private enterprise. The State has now the duty to direct society and recognises this duty. Such a State must rely on planning, on the co-ordination of freely acting and governmental forces.

Long term planning by economy and State must meet and agree on data. We have not only entered the period of social market economy, but of market economy directed by planning, in which economic and social aims must find their expression in unified conceptions. In this framework the co-operative movement has a new task to fulfil as a partner in a common action, for which it is particularly suited, due to its tradition.

Above our efforts and yours for progress in this world, stands, of course, the concern for the preservation of peace. I am pleased that the third proposal with which the Congress of the International Co-operative Alliance will deal will be the resolution about peace, submitted by the Central Committee.

You, Ladies and Gentlemen, are representatives of the only international organisation which is devoted to the problems of an economic form which exists in the countries with a collective economy as well as in the countries with a private economy. Our hope for peace is based on the knowledge of the fruitful effects of international collaboration. The fact that an Alliance exists which extends to enterprises in East and West, should inspire us with hope and incite us to greater efforts.

May your Congress contribute to progress and peace. May you personally and as representatives of your ideas feel at home in this town which stands open to all the world. I can assure you of the thanks of the citizens of Hamburg for your visit.

**The President:** I extend to you, Mr Mayor, my thanks for your friendly and meaningful address, which is an extraordinary and brilliant welcome. I am also grateful to you for having been kind enough to come and open our Congress which we feel is a great honour to the international co-operative movement.

#### **Inaugural Address of the President of the ICA Dr M. Bonow**

Our world organisation was founded in the autumn of 1895 and next year we shall commemorate the Seventy-Fifth Anniversary of the ICA. Ours is in fact the oldest voluntary international organisation which has continued its activities over such a long period.

The ICA is by far the largest international non-governmental organisation and has in its membership all types of co-operative enterprises from all continents and from the most varied socio-economic systems. The very continued existence of the ICA during three-quarters of a century as a fully representative body of the World Co-operative Movement is, in itself, a quite remarkable achievement. Whereas some other non-governmental international organisations from time to time have been split, it has been possible to maintain unity through the ICA within the World Co-operative Movement. On this occasion, therefore, I think it would be proper for us briefly to take stock of at least some fundamental trends in respect of ICA's activities to promote world co-operative development. For obvious reasons I shall confine this brief summary to the quarter of a century which has elapsed since the end of the Second World War.

During the post-war period some extremely important policy issues have confronted our world movement, and the period has been characterised by fundamental changes in the socio-economic structure in all parts of the world. A brief glance at the main themes of our deliberations at successive Congresses during this quarter of a century reveals some clear trends in the major policy decisions and recommendations by our principal authorities, namely, the Congress and the Central Committee.

Already the Congress held in Zürich in 1946 gives evidence of the forward-looking, constructive thinking which formed the basis for decisions on ICA policy. The Central Committee Report to the Congress, which covered the period from 1937 to 1946, summarised partly national and international co-operative activities during the war period, but put its main emphasis on the participation of co-operatives in the work of post-war economic and social reconstruction. The two congress papers *The International Exchange of Goods from the Consumer's Point of View* by Anders Örne, and *Co-operation and the Public Authorities* presented by Professor Louis de Brouckère, highlighted important policy issues for the ICA and the national co-operative movements during the post-war reconstruction period. The resolutions adopted by Congress on these two papers form part of the guidelines concerning future ICA policy in respect of methods to promote increased international trade and to indicate some prerequisites for co-operative development within different socio-economic systems. But

the Central Committee had appointed a special Sub-Committee charged with the task of laying down some general guidelines about the future policy of the ICA and this key document was approved by the Congress as a preliminary programme in respect of both the internal and external policies of the ICA.

As to the recommendations concerning *internal* problems, three points should be mentioned. The first concerned increased collaboration founded on the Rochdale Principles in respect of international co-operative wholesaling and production. The second indicated guidelines for extended relations between producers' and consumers' co-operation, using the words in their widest sense. The third recommendation aimed at strengthening the structure by widening and diversifying the collaboration within the framework of Auxiliary Committees. Already in this context the idea of some regionalisation of the activities of the ICA had begun to emerge.

I am especially focussing attention here on the third recommendation which, as you all know, we have gradually been able to implement and which has increased very considerably the ICA's possibilities of the real service to our different kinds of member organisations in various parts of the world.

As to the first recommendation about creating efficient international co-operation in the fields of wholesaling and production, we are unfortunately still in a position where most of the implementation remains to be carried out. I will revert to that extremely important topic later.

As already mentioned, the second of the recommendations concerning the future policy of the ICA dealt with *external* policy problems. Besides the resolutions referred to in connection with Professor de Brouckère's and Mr Örne's papers, the policy statement underlined especially the following points: an economy of service had to replace an economy of profit; the co-operative non-profit principles had to permeate the whole community; a judicious distribution of tasks and a reciprocal free collaboration between the state and the voluntary co-operative organisations had to be established. Furthermore, the Congress expressed its support for an internationally co-ordinated economic policy by Governments, underlining that such a policy must be built upon economic expansion and full employment of all productive resources, both human and material. Finally, the Congress appealed for the gradual elimination of the obstacles to international trade and the abolition of restrictive monopolistic practices in every form.

Looking back on the development of world economy since 1946, we find that we are still unfortunately very far from having achieved a co-ordinated and integrated policy between countries. The present monetary disorder is a serious indication of such an unco-ordinated framework. We continue to be faced with serious restrictions hampering international trade, and also with restrictive practices which serve as a brake on economic expansion and social progress, both nationally and internationally. It is, however, of interest to note the progressive ideas and recommendations which were already embodied in the ICA Congress programme shortly after the Second World War, and which provided a key note to important policy decisions at later Congresses.

Already at the following Congress in Prague in 1948 the theme about the relationship between co-operative movements and the public authorities was further dealt with in a paper by Lord Peddie *The Co-operative Attitude towards Nationalisation*. At the same time *The Practical Development of International Co-operation in the Economic Sphere* was discussed, on the basis of a paper by Mr Albin Johansson. At the Congress in Copenhagen in 1951 *Co-operation and Monopolies* was dealt with in a paper by Mr Odhe, a subject which, as we all know, has been followed up in a paper by Professor Lambert presented to a recent meeting of the Central Committee. At both the Congress in Copenhagen and the following one in Paris in 1954, additional reports on the Future Policy of the ICA figured on the Agenda. In Paris the question of international co-operative trading based on a paper by Mr Roos further elucidated methods especially of international co-operative wholesaling. One could cite more examples from later Congresses which would illustrate the continuity and the consistency of Congress deliberations and decisions on the significant policy issue of international trade. We all know about the difficulties which international co-operative wholesaling activities particularly and inter-co-operative trade generally have encountered over the years. It was suggested already at the Zürich Congress that the Scandinavian Wholesale Society should form the basis for an International Co-operative Wholesale. It is obvious to all of us that there is now an urgent need for bold initiatives and practical action in this field, the earlier the better.

I have mentioned the continuous interest taken by the ICA Authorities in efficient action to curb the detrimental effects of monopolies, nationally and internationally. A number of national co-operative movements have acted successfully as pressure groups to get improved national legislation against cartels and other restrictive business practices, and the legal prohibition of all or certain forms of retail price maintenance achieved in a number of countries illustrates that some valuable results have been accomplished. Some action on a regional basis within EEC and EFTA has also materialised. But for the ICA supported by its member organisations much still remains to be done in respect of representations to the various international bodies concerned with this subject.

In its policy statement, the Zürich Congress suggested an extension of the ICA system of Auxiliary Committees, and a gradual implementation of this decision has taken place during the last decades. The work accomplished in the various Auxiliary Committees has revealed that gradually an efficient framework has been created for systematic exchange of experiences between the different form of co-operative enterprises interested in a common activity. The recent discussions on the structure of the ICA bear testimony to this fact. This development has been further strengthened by the practice of taking up at Congress, also at certain Central Committee meetings, problems of common significance for several types of co-operative enterprises. This deliberate policy may be illustrated by the following example: the whole question of how to adapt the co-operative form of enterprise to the rapid, continuous and far-reaching technological and economic changes in our time has figured prominently in our deliberations. For the Lausanne Congress in 1960 Co-operation in a Changing World was chosen as one of the main themes. This was followed up on the basis of very extensive factual evidence, collected from the national movements, at the Central Committee Meeting in Helsinki where Mr Korp presented a preliminary paper. The theme was further dealt with in depth at the Vienna Congress, when the resolution on the subject gave valuable guidance for the extensive changes now taking place within a large number of national movements.

The whole question of the economic efficiency of our retailing, wholesaling and production units is now topical as never before. The same applies to the important problem of co-ordinating and/or integrating wholesaling and retailing activities within our consumer co-operative movements.

In my inaugural address to the Vienna Congress I pointed out that "Co-operation 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 co-operative organisations in practically all countries with problems which are both formidable and urgent."

Through national actions which are now taking place through the exchange of experienced organised, interalia, by our Auxiliary Committees, particularly the Co-operative Wholesale Committee and the Committee on Retail Distribution, structural reform activities are pursued with determination and vigour. Not least the three latest Interco-op Conferences organised by the Committee on Retail Distribution in collaboration with some national host movements bear witness to the important results in this field. This and other forms of multi-lateral and bilateral exchange of practical experience is of paramount importance. It is vital for our movements that such activities should be intensified and extended.

The question of maintaining the character of a democratically controlled self-help movement under modern conditions of large scale co-operative enterprises assumes new and very important dimensions. It is, therefore, quite proper that this Congress will have as one of its main themes for discussion Contemporary Co-operative Democracy, and we are fortunate to have this problem elucidated in two papers based on experience gained in different socio-economic systems which will no doubt be a useful basis for discussion. The decision to be taken on the resolution, unanimously recommended by the Central Committee, will certainly be of great significance for our world movement.

The post-war international scene has been characterised not only by radical technological and economic changes with far-reaching effects, especially in industrialised countries, but also by the most profound changes which have been witnessed in the political structures of Africa and Asia. The rapid decolonisation process has meant that very large parts of the world can

now decide their own political destinies, but the gaining of political independence has to be supplemented by efficient programmes in order to accelerate economic growth and social progress.

The growing gulf between the rich and the poor countries is indeed the greatest problem of our time. All the essential facts causing this enormous and growing discrepancy between the developed and the lesser developed parts of our world are nowadays well known. What gives reason for growing concern, however, is the fact that the flow of technical and financial assistance from the rich to the poor countries has stagnated in recent years at a level far below the target figure set for the United Nations First Development Decade. Instead of the one per cent of the gross national product in the developed countries as a minimum amount for the flow of resources to the lesser developed countries, the actual gross figure has now stagnated well below that level, even taking into account both multilateral and bilateral state assistance as well as aid from private sources. This figure does not include the increasing payments for debt services which the lesser developed countries have to transfer to creditor countries. Actually in some cases the net flow of resources for this reason has in recent years been reversed so that developed countries receive back more than they give to lesser developed countries.

As regards the world food situation, the prospects in the next few decades are, according to all realistic prognoses, very serious. It is certainly true that some new high yielding varieties especially of rice, maize and wheat may in combination with improved irrigation, extended use of fertilisers, pesticides, etc. offer the possibility of increased harvests in some lesser developed countries. But this increase will not do much to alleviate the dark prospects arising from the enormous population increase in these countries. In many lesser developed parts of the world the average food production per capita has not increased at all, while it is estimated that the present world population figure of 3.5 billion will increase to 7 or 7.5 billion at the end of the present millennium, i.e., in thirty years' time. National and international family planning programmes may, if effective, reduce this figure to something between 6 and 7 billion but no less than 85 per cent of the expected increase will take place in the lesser developed countries where large strata of the peoples already suffer from hunger and malnutrition. The task of solving the quantitative problem, not to speak of the qualitative aspects, the lack of protein, etc. is today, and will remain in the future, the greatest challenge of our time.

On the threshold of the Second Development Decade the world situation is thus characterised by the following grim realities: owing to the enormous population increase and the grossly inadequate results of the First Development Decade there are today more illiterate and more under-nourished people in the world and more human beings living in slums than ever before. Quite apart from the threat of a nuclear war this is really what the world looks like, the world in which we expect our children and grandchildren to live happily. This is their inheritance from us.

The strategy to tackle these enormous problems must be a global one which, in this context, means collaboration and co-ordination within and through the UN and its various Specialised Agencies. The planning for the Second Development Decade is now under way at the UN and at its various organisations like the FAO as reflected in its World Indicative Food Plan. The national co-operative movements, through contacts with their Governments, and the ICA, through its Consultative Status with the UN and its Specialised Agencies, have to support in all possible ways the planning for the Second Development Decade and the action which must flow from it.

The ICA has laid down policy guidelines for co-operative development through successive Congress decisions, starting with the Congress in Paris in 1954. At every Congress since then, the role of co-operation in promoting economic and social development in the lesser developed countries has been a very important theme in our deliberations, and that is the case also at this Congress. But it is quite clear that the role which the co-operative movement can play, and is destined to play, has now gained a general acknowledgement which we could have hardly foreseen fifteen years ago.

The report before Congress about our expanding and fruitful relations with the ILO, now commemorating its Fiftieth Anniversary, FAO, UNESCO and IFAP in respect of the promotion of co-operation in lesser developed countries speaks for itself. The resolution of the UN General Assembly passed unanimously in December last year on The Role of the Co-operative Movement in Economic and Social Development, and which mentions the ICA by name, is a landmark in the history of the World Co-operative Movement. The fact that

ECOSOC devoted a great deal of attention at its recent meeting to the question of implementing the UN resolution on co-operation in lesser developed countries is a further very encouraging fact. But it is not of much use if this resolution, and the UN activities to implement it, do not create the right response from Governments in both recipient and donor countries to the need for technical assistance in the co-operative field. National Governments and International Agencies could and should provide some of the important pre-requisites, among them sufficient finance, for massive technical assistance to co-operation in developing countries. But the critical element in this whole process of co-operative development, namely, the "*know-how*" can be provided only by the co-operative movements in the donor countries in closest collaboration with co-operators in the recipient countries. We can assist at seminars, provide experts in education, and last, but not least, second managerial talent and give assistance in managerial training.

Keeping in mind the magnitude of the problems of social and economic development of developing countries, it is clear that we will have to do far more through *practical* involvement than we have done hitherto. In this context we may remind ourselves what a long time it has taken us to implement the idea of regionalisation of our activities, planned already at the Zürich Congress of 1946. It was not until 1960 that we were able to inaugurate our Regional Office and Education Centre in Asia. Our Office for East and Central Africa only started last autumn, and our collaboration with the Organisation of the Co-operatives of America for an Integration Institute in Latin America has just begun. In the generally favourable climate now created for technical assistance in the co-operative field of a size which will make a real impact possible in the lesser developed countries, it is clearly our duty as co-operators to play our part in this big and exciting adventure and to play it well. The Congress will have the opportunity of strengthening the work of the ICA in this field, also of providing the increased support so urgently required for our Development Fund.

I started my remarks by reminding you of some important policy decisions which we have taken over the quarter of a century in respect of promoting co-operation in various parts of the world. Let me now sum up: we have urgent tasks before us in this field, not only at this Congress, but during the years ahead. We have to streamline our co-operative activity within all the different forms of co-operative enterprise we represent. To meet the challenge which the modern technological revolution presents to us we must develop large scale commercial units and integrate our activities within national boundaries and across them. But commercial efficiency is not an end in itself; it is a means to promote important economic and social interests of vast strata of the population in our countries, to protect, nationally and internationally, the consumer interest in the widest sense of the term as is illustrated in the Declaration of Consumer Rights which is before Congress.

The co-operative movement, owned and controlled democratically by large groups of citizens, has unique possibilities of achieving and maintaining increased efficiency to the benefit of its members and the community as a whole, and at the same time of upholding the democratic control which is inherent in our co-operative system, based as it is on the Principles inherited from the Rochdale Pioneers. These Principles which form the basis of our co-operative ideology still hold good and have gradually been adapted to fit into the present rapidly changing socio-economic structure. This adaption process will no doubt merit further studies in the future just as the whole of the co-operative form of enterprise has continuously to examine and improve its practical working methods in our dynamic society.

But our movements, because of their ideological inheritance, have still wider aims and aspirations. Professor Galbraith maintains that in the post-industrial development phase, which the industrialised society is about to enter, exclusive power will rest with the combined establishment of industrial technocrats and public bureaucrats and any efforts of the common people to participate in the development process, in shaping the economic and social structure and the future human environment, are likely to be frustrated. As co-operators and world citizens we cannot adhere to such a defeatist concept of development. Co-operation offers one of the best alternatives to transform the feeling of frustration and alienation, which has motivated some of the youth revolts, into constructive instead of destructive action.

The young generation which follows global events through modern mass communication media will never accept that the world shall be haunted by threats of nuclear war and be divided between those who have and those who have not, neither within nations nor between nations.

Co-operation, as an international democratic movement which stands for mutuality and self-help, and for peaceful collaboration across all national boundaries, irrespective of differences of race, religious creeds and political beliefs, must provide a unique appeal to all those who think the real issue today is *one* world or none. It is our duty as co-operators not only to extend and intensify our constructive co-operative endeavours, but also to assist energetically, nationally and internationally, in arousing world opinion for that concerted action which is urgently needed to eradicate ignorance, disease, want and war.

We are now to begin our Congress deliberations. May the policy decisions we are going to take be informed by the collective wisdom of the world co-operators for the rapid progress of the International Co-operative Movement.

### Reception of Fraternal Delegates and Guests

**The President:** It is a great privilege and pleasure to welcome here prominent representatives of both international governmental organisations and international non-governmental organisations with whom we have close collaboration, especially in the field of technical assistance to co-operation in newly-developing countries.

I first have the pleasure to welcome Mr Orizet, the representative of the oldest of the Specialised Agencies within the United Nations' family, the International Labour Organisation, which this year commemorates its Golden Jubilee. During its half-century the ILO has performed very important tasks aiming at raising the standard of living of workers of all countries. For us, as co-operators, the main interest is focussed on its activities to promote co-operation. From its very inception close working relations were established between the ILO and the world co-operative movement, represented by the ICA. These relations have not only been maintained but have gradually extended and intensified. It is sufficient to mention names such as Albert Thomas and Maurice Colombain to illustrate the community of our collaboration.

In recent years ILO's initiative to establish a set of guiding recommendations for the promotion of co-operative activities in lesser developed countries is a very commendable action. The same applies to its most recent initiative, to start co-operative centres in some developing countries, thus increasing the impact of co-operative technical assistance.

In welcoming you, Mr Orizet, I express the firm conviction that our collaboration will be still further strengthened in years to come.

I have also the honour to greet the representative of FAO, Dr Braid. The FAO is very much involved in the work of increasing the efficiency of agriculture, fishing and forestry in newly-developing parts of the world. As the co-operative form of enterprise is destined to play an important role in these vast fields of activity, it is quite natural that very close and fruitful relations have been established between the FAO and the ICA. Our Central Committee and Executive have, during the Congress period, been kept up to date about a number of projects initiated partly by the ICA and partly by the FAO in the close collaboration which has emerged. This pertains, for instance, to the integrated credit scheme based on a special enquiry which has now materialised in concrete projects in some lesser developed countries. I need not go into other examples because they are mentioned in the Central Committee report but, having regard to the prominent position of agriculture as the livelihood of dominant parts of the population in lesser developed countries, I would mention the great importance we attach to the collaboration between the ILO and FAO with the farmers' international organisation, IFAP, and the ICA in the promotion of co-operation.

I am very happy to welcome Mr Julin, who is representing the United Nations and also UNCTAD, a recently formed organ of the UN which has very important tasks to fulfil since economic and social progress in newly-developing countries ultimately depends upon co-ordinated and integrated efforts in respect of both aid and trade. The co-operative form of enterprise is an instrument which ideally can serve these two essential aims.

I extend a very cordial welcome to you, Mr Julin.

The ICA has enjoyed fruitful and practical collaboration with the Afro-Asian Rural Reconstruction Organisation, which is predominantly a regional and intergovernmental association, especially through the ICA Regional Office in New Delhi, and I am very pleased to welcome Mr Chand, its representative.



For a number of years we have enjoyed a practical collaboration with ICFTU in promoting co-operative development, supported by the trade unions, especially in the lesser developed countries. On certain world economic issues, such as the World Food Programme, we have also collaborated not only with IFAP but also with ICFTU in statements to the General Secretary of UNO and the Director General of FAO. I extend a sincere welcome to the representative of the ICFTU, Mr Makharjee.

The International Chamber of Commerce is represented by Mr Wilkins. ICC is the world organisation for the national chambers of commerce which, as we all know, have an influential position in many countries, representing private commercial interests. In the field of technical experience, especially applicable in distribution and transport, there is common ground for the ICC and the ICA, and I extend to you a very hearty welcome, Mr Wilkins.

CIRIAC, the International Centre of Research and Information on Collective Economy, is represented by our friend, Professor Lambert. Several co-operative member organisations of ICA actively support the important research work undertaken at CIRIAC and the ICA has maintained close and friendly relations with this international organisation.

I have now pleasure to turn to our specially invited guests of honour to this Congress.

First I greet very warmly Lord Rusholme, former President of the ICA. I need not tell you how happy we all are to see you among us, My Lord. Before and during the Second World War you rendered outstanding service to the International Co-operative Movement as General Secretary of the Co-operative Union of Great Britain and also as Vice-President of the ICA. It was thanks to the British co-operators that the maintenance of the ICA was possible not only during the last war but also during the First World War.

We are very pleased to see our former General Secretary, Miss Polley, who has served the ICA longer than anyone else. The quality of her work merits the highest possible acknowledgement, not least bearing in mind the fact that she was involved with the ICA during the very difficult war period. She has given us a long, faithful and efficient service over a great many years. I extend to you, Miss Polley, a very warm welcome.

We are also very happy to have as guests our former Director, Mr Watkins, accompanied by Mrs Watkins. I need not recall all the valuable work which Mr Watkins has put in for the ICA and for the international co-operative movement in general over the years, but one should emphasise the very great importance attached to his work during the reconstruction period of the German co-operative movement immediately after the war. He has now been entrusted with the task of writing a book about the history of the ICA and the world co-operative movement in connection with our forthcoming Seventy-Fifth Anniversary. I wish Mr and Mrs Watkins a hearty welcome.

We are privileged to have in our company another former Director, Mr Alexander, accompanied by Mrs Alexander. Mr Alexander's devoted work for the ICA is of such a comparatively recent date that I presume you are fully aware of it. I would only say that we owe him great thanks for his efficient way of organising our Secretariat to cope with the rapidly increasing volume of work, characteristic of his period of service. His penetrating analysis of the structure of the ICA in all its ramifications was also a most valuable contribution. During his relatively short period as Director he travelled extensively and, among many other things, assisted in preparing the ground for our office in East and Central Africa and in intensifying and extending our activities in Asia and Latin America. We are very happy to see you, Mr and Mrs Alexander, and I bid you a hearty welcome.

Now may I inform you that among the invited guests is the former Secretary of State, the President of the German Raiffeisen Verbund, Dr Sonnemann. In addition to our member organisations in Germany we have, over the years, received great hospitality, especially in relation to our Agricultural Conference, from our friends of the Raiffeisen Verbund. I have now to announce something which I look upon as a rather historical landmark in the history of the ICA – that two days ago the German Raiffeisen Verbund, at its board meeting, decided to apply for membership of the ICA. This means that in the exceedingly important field of agriculture and credit co-operation, our organisation will, to a still greater extent, be truly representative of world co-operation. The German Raiffeisen Verbund's affiliation means an increase in our membership of 3½ million individual members. I would ask you, Dr Sonnemann, to convey to your board our sincere satisfaction at the decision you have now taken.

It is the usual practice to ask the representatives of the inter-governmental agencies to address Congress, and it gives me great pleasure to call upon Mr Orizet, representing the ILO, and, after him, Dr Braid of the FAO.

#### **Greetings from the International Labour Organisation**

**Mr J. B. Orizet:** It is an immense pleasure and a great honour to take part in the work of the Twenty-Fourth Congress of the ICA as the representative of the ILO, and to convey, on behalf of the Director-General Mr David Morse, his profound regard for the admirable work of all those who devote themselves to the development and the promotion of co-operative institutions.

While conveying his sincere wishes for the success of your work, he also asked me to thank the President of the ICA most warmly for the discerning and generous thought on the part of its leaders who, in the ICA's message on the occasion of the 47th International Co-operative Day, drew the attention of co-operators throughout the world to the 50th anniversary of the creation of the ILO.

Also let me say how I appreciate the special honour of being asked to speak, as the representative of the ILO, after the solemn opening of Congress by the Mayor of the Hanseatic City of Hamburg which stresses again the importance which your Organisation attaches to the ILO's anniversary.

You are well aware of the numerous and varied manifestations which have taken place in Geneva and throughout the world on the occasion of the fiftieth anniversary. The world's largest organisations and the most eminent personalities have taken part in these manifestations to mark the importance they attach to all activities contributing to peace and social justice. Your own representative who was present has, I am sure, given a full report. I will, therefore, not dwell upon the subject, but I would emphasise that the anniversary has also been marked by the necessity of improving employment in developing countries, which means modifications in their methods of production and their structures. Here, too, the co-operative movement will have an important role to play in supporting the World Employment Programme which the ILO has just launched.

To celebrate the anniversary of the ILO was also to celebrate the many years of fruitful collaboration between our two organisations since 1922 when Albert Thomas, the ILO's first Director, vigorously encouraged the co-operative section, the creation of which he had advocated in 1920, to collaborate with the ICA, especially after the Alliance constituted its banking and insurance committees. Contacts between the ILO and ICA leaders as well as many national co-operative movements were already numerous, either in Geneva or when the Director was travelling abroad, or yet again in co-operative or inter-co-operative meetings at which the ILO was represented. In his book "Albert Thomas - Co-operator" Ernest Poisson relates with some humour how Albert Thomas, after speaking as Director of the ILO, would take his seat again with the French delegation before intervening as a simple co-operator.

This shows how the ILO, from its creation, has interested itself in the problems of the co-operative movement, because it felt that by the variety of their forms, by their flexibility of adaptation, co-operatives were social institutions unique of their type. They constitute in fact a veritable school of democracy and, therefore, help in the education of their members. But, as you all know well, their benefits do not stop there. Albert Thomas, in what is called his testament of a co-operator, wrote in 1932: "In essence, co-operation is a force which substitutes for the dispersed action of individual and autonomous forces the action of concentrated good will, and replaces the virtue of so-called natural laws by the virtue of reasoned organisation".

This truly prophetic statement has today become one of the most fervent conceptions of the developing countries which see, in co-operation, not only a way towards economic prosperity through increased production and its better distribution, but also an important means of helping the education, as well as the social and moral promotion, of the population.

There we have the reason why the ILO's co-operative section passed from the stage of pure study and research to that of practical activity, complemented by applied research projects. It also explains why the ILO, at its 50th session in 1966, adopted an extremely important international instrument on co-operatives. This was Recommendation Number 127

concerning the role of co-operatives in the economic and social development of developing countries, which has already had beneficial effects in a number of these countries. It explains, too, the resolution adopted by the United Nations at its 1968 General Assembly. There can be no doubt that this resolution, which was taken up by the Economic and Social Council of the United Nations at its 46th session in June 1969, will have favourable effects on the international strategy of development. May I say how I welcome the role played by the International Co-operative Alliance in the event, and the important place reserved for it in the preparation of the report requested of the Secretary-General of the United Nations with a view to making full use of the co-operative movement in the United Nations Second Development Decade.

I would like, in conclusion, to mention certain common features between the evolution of the ICA and of the ILO in the past, and to demonstrate, if such were needed, how in the future these two organisations have a common destiny. In the past ten years both have seen their fields of activity widened geographically and consequently in the numbers of their members; both resolutely undertake new responsibilities, such as action in rural areas; both demonstrate proof of realism by decentralising their activities through regional, sometimes even sub-regional, offices; both seek to develop research directed towards practical activities, both are increasing their activities in the field.

The ILO today has at its disposal 70 experts spread over almost 40 countries. Most of the technical assistance projects which, initially, were led by individual experts, have been replaced, progressively, by larger projects with greater scope, often covering the whole of the co-operative activities of a particular country, designed to establish a veritable plan of co-operative development of which a principal feature is, and will always be, co-operative training and education. These projects, designed to last 4 or 5 years, have a real impact on the economic and social development of countries where, under the name of centres of promotion of co-operative enterprises, they are in full activity, for example in Cameroon, the Ivory Coast and Tunisia. The complexity of technical assistance, and the necessity to avoid overlapping, have led the international organisations concerned to establish contact and often to undertake joint programmes.

This survey would not be complete if it omitted to mention the existence of a joint committee, now in the process of creation, and which will include the ICA, FAO, IFAP, the national federation of plantation workers and the ILO. This new organ, which is a bold conception, will be able to confer a greater degree of efficiency in technical assistance projects in the sphere of co-operation by associating its members in planning practical activities, and even in their execution. It will also permit the undertaking of tasks such as none of these organisations, acting alone, could have undertaken. An example is that of the study of the methods and means whereby an international financial mechanism may be prepared which, on a co-operative basis, would allow a rational distribution of credit to the co-operative movement.

This survey, perhaps rather lengthy, of the past and future activities of the ICA and the ILO was, I think necessary to understand better how our two organisations imbued with the same ideal of peace and social justice, work closely together and will, I hope, long continue in fruitful collaboration towards the successful attainment of that great task -- The making of Man.

#### **Greetings from the Food and Agriculture Organisation**

**Dr A. F. Braid:** It is an honour and for me a personal privilege to convey to this distinguished gathering the fraternal greetings of the Food and Agriculture Organisation of the UN and also the best wishes of the Director-General of FAO for a successful Congress.

It is a source of considerable satisfaction to the FAO that the bond between our respective organisations grows stronger year by year, and that today we are essential working partners in promoting economic and social justice for all, particularly for those who are denied the fruits of their labours through the opportunism of others and often through their own ignorance and inertia, or through certain ingrained negative forces of tradition. Our working partnership is indeed an extended partnership which includes the active participation of our sister UN agency, the ILO, and of the International Federation of Agricultural Producers. Our joint co-operative programme of technical assistance to co-operatives in developing countries, mentioned in various sections of the Congress reports, provides a basis for useful,

down-to-earth collaboration which, if pursued diligently and supported wholeheartedly, cannot but have salutary results.

The decision of the ICA to join forces with ILO, IFAP and FAO in providing technical assistance to co-operatives is indeed timely as it coincides with new challenges to the co-operative movements in developing countries, particularly in the field of agriculture. The magnitude of the challenge may be seen from FAO's estimates of expanding farm production and investment credit needs and projections for the next 15 years. By 1985, for example, the credit requirements of agriculture in developing countries will be five times what it was in 1962. Expressed in monetary terms, this amounts to the equivalent of 40 billion US dollars annually, roughly half of which will be required for fertilisers alone. In the case of medium and long-term credit for the purchase of farm machinery, processing equipment and storage facilities, by 1985 roughly the equivalent of 86 billion US dollars will be required.

These projections are based not only on the estimated needs of the developing countries but also on what is feasible from a technological standpoint. Several countries, for example, have already made a significant breakthrough in the production of high-yielding varieties of cereals, and the prospects for technological advances in other areas of agriculture are promising.

Such predictions, which, in the words of the Director-General of FAO, must be regarded with cautious optimism, depend of course not only on technological advances but also on the institutional requirements for the distribution of credit, farm supplies, and for marketing services, including the processing of agricultural products. This poses a compelling challenge to co-operative movements in the countries of rising expectations. To what extent will the new or adapted institutional arrangements be co-operative in nature? The challenge, you will agree, is not only for the co-operative movements in developing countries to take up, but is made to the world co-operative movement itself in no uncertain terms. I refer, of course, to the recent adoption by the UN General Assembly of a resolution stressing the role of co-operatives in economic and social development in the UN Second Development Decade, a resolution which calls on the ICA specifically to play a major role along with the UN Specialised Agencies in realising the implied objectives. The recognition by the UN General Assembly of the potential role of the ICA in promoting, through its affiliates, economic and social development at this crucial time is indeed a tribute to the past and present leadership of this world-wide organisation of co-operative movements.

In a similar connection may I mention the FAO's Second World Food Congress to be held in The Hague in June, 1970. That Congress will review the world situation in relation to population and overall development, and will consider a proposed programme of action in which co-operation will certainly have a place, particularly as regards the mobilisation of human resources for dynamic involvement in the developmental process. The participation of the ICA in this important event is looked forward to with anticipation and appreciation.

Finally, may I take this opportunity to express our gratitude for the assistance given by the ICA in organising and running FAO seminars and other meetings. In this respect the collaboration of the officers and staff of the Regional Offices in New Delhi and Moshi have been very much valued. I must also pay tribute to the Agricultural Committee of ICA, particularly to its able Chairman and Secretary, for the Committee's many constructive contributions to the development of the activities of FAO in the field of agricultural co-operatives.

In closing I again express the heartfelt greetings of the FAO to this parliament of co-operators, and extend our best wishes for a successful Congress.

#### **Greetings from the United Nations Organisation and UNCTAD**

**Mr V. A. Yulin:** I have the task of representing the United Nations and its component UNCTAD, which deals with economic development. I am particularly pleased to be among you here in Hamburg, whose population has contributed to many glorious pages of history in the fight for freedom and equality. Mankind is passing through a very important period in which there are many crises and when many dangerous situations exist. There are a number of problems which have to be solved, new problems arise which put us to the test.

What role has the international organisation and what are its chances of success? The international organisation must be at the level of requirement of contemporary life and

must be active in development. There are very important questions to be dealt with at your Congress, the solution of which would be a considerable contribution to the increase of economic and social development, in connection with aims which are the aims of the organisation. I wish you success in your work.

Mr M. Perez-Guerrero, Secretary General of UNCTAD, has entrusted me with a message which I will read:—

"I wish I could have been present to express personally my best wishes for a constructive and forward-looking Congress. We in UNCTAD are fully aware of the role of the International Co-operative Alliance as the principal international organisation representing the interests of large masses of consumers in the international arena. The UNCTAD Secretariat takes a great interest in the activities of your organisation and is aware of your growing concern for the welfare and economic advancement of the developing world. It, therefore, gives me particular pleasure to note that during recent years close contacts have been established between our two organisations. At the same time there is still great scope for further co-operation in a number of specific fields of common concern, including technical matters in which the co-operative movement has special expertise.

The importance of United Nations' relations with organisations such as yours was emphasised by the UN General Assembly which adopted Resolution 2459 (XXIII) on the role of the co-operative movement in economic and social development. Just as the Rochdale Pioneers spearheaded a movement which has since taken on worldwide dimensions and has made a signal contribution to social progress in many countries, so today the United Nations, including UNCTAD, its arm in the field of trade and development, is seeking to open up new vistas in international economic co-operation. We now stand at the threshold of a new UN Development Decade, to which all international organisations associated with the UN are expected to make their contributions to ensure its success. The above-mentioned General Assembly resolution has already established a direct link between the activities of the co-operative movement including, more particularly, your Alliance, for the preparation of the new Decade. Your role in promoting economic progress in developing countries is particularly important. Being founded on both self-help and mutual aid, you are well placed to enable the people in developing countries to mobilise their domestic resources, not only in the field of consumption but also in the field of production. In pursuance of this resolution the UNCTAD secretariat will remain mindful of the need for intensifying co-operation with the ICA. No doubt many difficulties will have to be overcome before the objectives of the Decade will be fulfilled, but we shall persevere. We know from the history of your movement that great things can be achieved from modest beginnings with patience, persistence and endeavour.

One of the most important lessons to be learned from the Second UNCTAD Conference is the need to persuade people in the developed countries that their future prosperity and security is inextricably linked with the wellbeing of people in developing countries. Now that the UN system of organisation is preparing to embark on an ambitious project of evolving international development strategy for the next decade in which UNCTAD has an important role to play, it is more important than ever to do everything within our power and means to help create that receptivity to UN objectives and policies which is as yet so seriously lacking.

The ICA with its long tradition of educational work, dating back to your founding fathers, can be particularly useful in generating greater support of large numbers of people from various sectors of the community in the pursuit of international policies of concerted measures aimed at accelerating economic growth and social progress. I have no doubt that your movement will prove equal to this new challenge".

#### **Greetings from the Afro-Asian Rural Reconstruction Organisation**

**Mr K. Chand:** As you know, the Afro-Asian Rural Reconstruction Organisation is of recent origin and came into existence as more and more countries in Asia and Africa became independent. It was felt that there was need for these newly independent countries to do much more collectively to identify their problems with a view to their solution by their own efforts, and to bring them to the notice of the UN Agencies. The Organisation came into existence in its present form in 1965 as a result of an understanding with FAO which recognised that AARRO has a useful role to fulfil. It has twenty-seven countries in membership. Rural

reconstruction is a wide term but the components with which we concern ourselves have to be carefully selected. We realised that, to start with at least, the main components should be co-operatives, community development and youth work.

As soon as I took over in August 1965, in Delhi, I called upon Dr Saxena who guided me in my collaborative efforts with ICA. He gave me his instantaneous response and that encouraged me to meet Mr Alexander in London and the distinguished President in Sweden. We all agreed broadly on the need for close collaboration, which has taken concrete and active form. We collaborated on the study of a multi-purpose co-operative society in Ceylon; we participated in the International Conference on Co-operative Education in June 1967 and the Third Asian Agricultural Co-operative Conference in Delhi in February 1968; we are going to have a joint seminar in Nepal in November next.

To show the importance the organisation attaches to co-operatives in the totality of our programmes, we established a Training Centre in Japan where thirty-seven leaders from Africa and Asia have been trained. We received all possible help from the Central Union of Japan in this task. The entire cost of the fellows from Asia and Africa, institution fees, board and lodging and travel, is met by AARRO. We hope that ICA will be able to give technical guidance to the seminar which is held once a year in Japan to make it useful and purposeful. Through AARRO the government of India awards in the field of co-operatives, including handicrafts training, a few long and short duration observation tour fellowships, and meets all internal costs.

We have a full-time director of co-operatives, assisted by a supporting technical team, and within the limitations of our meagre resources we have tried to make our contribution to the spread of the ICA message for co-operative development. Much more has to be done; there is no room for complacency and no time to be lost. I suggest for your consideration that ICA should, as a catalytic agent, consider securing matching contributions from the recipient countries. Where they are prepared to help themselves, aid should be forthcoming more abundantly. We should also be happy to render our assistance in this task by persuading our member governments to make more generous allocations in their national plans and budgets. Once such allocations are made in national plans the task of securing money becomes much easier.

I look forward to still closer co-operation in the future.

**Greetings from the President and Ministers of  
the Federal Republic of Germany**

The President announced the receipt of the following telegrams:—

*FROM THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY, DR G. HEINEMANN:—*

Greetings to the delegates and guests to the 24th Congress of the International Co-operative Alliance. I bid you all welcome to our country which has witnessed the pioneering days of the co-operative movement. In our era the idea of mutual self-help has not lost its original meaning. Quite apart from the economic promotion, we have, through the co-operation of the co-operative movements, tried to enhance a sense of responsibility of the individual in the community. The main theme of this Congress is Contemporary Co-operative Democracy which indeed once more emphasises this very important idea and principle. We are very grateful to the ICA for extending its activities to cover the entire world; in particular, its efforts dealing with the promotion of the co-operative movement in the developing countries are laudable. There in the newly developing countries there is scope for the co-operative movements and they can assist considerably in an improvement of the living standards and working conditions. I wish the International Co-operative Alliance a very successful Congress and I hope its activities and work will be crowned with success in the future, as it has been in the past.

*FROM THE DEPUTY PRIME MINISTER OF THE FEDERAL REPUBLIC OF GERMANY, MR WILLY BRANDT:—*

Dear Mr President, I would like to wish you and all the participants of the 24th Congress of the International Co-operative Alliance the best expressions of friendship and solidarity.

Delegates from sixty countries of the world have gathered for the second time in the history of this worldwide Alliance in Germany and have decided to hold a Congress in Hamburg. Regardless of different political conditions and systems the delegates, of whom there are more than 500 and who represent all parts of the world, are interested in discussing meaningful relationships of a friendly character between peoples of the world. All of you know that peace and progress are today, more than ever, interrelated. The endeavours made by the ICA are fully supported by all men who feel intensified international co-operation and closer contacts across frontiers lead to a reduction of international tension. I wish the best of success to your Congress.

*FROM THE MINISTER OF ECONOMIC AFFAIRS OF THE FEDERAL REPUBLIC OF GERMANY, DR KARL SCHILLER*

I would like to convey my personal best greetings to all participants in the 24th Congress of the ICA. During its 75 years of existence the ICA has unceasingly propagated the co-operative idea throughout the world. Its activity has largely contributed to the international co-operative movement's increasing importance in regard to the economic and social development of the newly emerging nations. May this year's Congress help to promote and strengthen world-wide co-operation. I would like to extend my best wishes to the ICA for the success of its future work.

*FROM THE MINISTER OF HOUSING OF THE FEDERAL REPUBLIC OF GERMANY*

Unfortunately I have been prevented from attending the 24th Congress of the ICA in Hamburg. Therefore, I wish to take this opportunity to send the Congress my wishes for very successful deliberations. I also venture to express the hope that the Congress will do everything in its power to contribute to the flourishing of new ideals. My best regards.

**The President:** I will ask the Secretariat, in consultation with our German friends, to send appropriate acknowledgments of these very fine messages of good will and good wishes to Congress.

#### **Appointment of Congress Committee**

**The Director:** The Central Committee has recommended the following six representatives to serve on the Congress Committee. The first three are from the Central Committee — Mr Podlipny, Czechoslovakia, Mr Puri, India, and Mr Rondeau, United States, the other three are Congress delegates — Mr Melvin, Canada, Mr Kérinec, France, and Mr Janczyk, Poland.

**The President:** I take it that these representatives are unanimously elected to serve on the Congress Committee?

**Congress agreed.**

#### **Appointment of Tellers**

**The Director:** The names of the Tellers recommended are Mr Hilditch, Great Britain, Dr Ruf, Switzerland, Mr Sobieszczanski, Poland, Mr Kondratov, USSR, Mr Groenvegen, Netherlands, Mr Clerides, Cyprus, Mr Masunde, Kenya, Mr Särkkä, Finland, Mr Harding, Canada.

**The President:** Is that list agreed?

**Congress agreed.**

# Report of the Central Committee on the Work of the International Co-operative Alliance 1966-1969

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## Introduction

Since the last Congress of the International Co-operative Alliance in Vienna, a full programme of work has been carried out. This covered not only the regular activities of the Alliance with expansion and some modifications, but some additional ones were undertaken. Appropriate action was taken to follow up the Resolutions adopted by the Vienna Congress a short account of which is given later in the Report. Briefly, the Resolutions on Co-operative Principles, Technical Assistance and the Structure of Co-operatives were brought to the attention of the affiliated Organisations and the other Resolutions were forwarded to the United Nations for their attention.

The Central Committee, at its meetings in 1967 and 1968, dealt, *inter alia*, with two major themes, namely, Co-operatives and Monopolies in Contemporary Economic Systems and the Structure of the ICA, respectively. It may be recalled that the subject Co-operatives and Monopolies in Contemporary Economic Systems was not discussed at the Congress on the understanding that this would form the theme of discussion at one of the Central Committee meetings. A background paper was prepared and the subject was introduced at the meeting by Professor Paul Lambert.

The Central Committee, at its meeting in Glasgow in 1968, considered the Memorandum on the Structure of the ICA which was prepared by the outgoing Director. Some aspects of the discussion were then referred by the Central Committee for further consideration by the Executive at its meeting in London in January 1969. The findings of the Executive were then reported to the Central Committee at Oslo in April 1969.

In addition to the above, some of the major highlights of the preceding three years can be summarised as under.

A Consumer Conference was held in Vienna on European Co-operatives in the Service of Consumers in which a large number of consumer specialists participated, and some details of which are given later in the Report. In the field of publications, the *Review of International Co-operation* has been appearing regularly in Spanish and has become an effective mouthpiece of the International Co-operative Movement, particularly in Latin American countries. The work in the field of agricultural co-operation has continued to expand and the setting up of the Liaison Committee in which the FAO, IFAP and ICA are participating, with the possibility of ILO joining in, has provided a new platform for collaboration in the field of technical assistance. The ICA for the first time organised a Travel Conference in May 1968 in London and its results appear to be very promising in terms of activating co-operative interests in the business of travel and tourism.

The Central Committee, at its meeting in Glasgow in September 1968, approved the setting up of the ICA Office for East and Central Africa which began to operate on a modest scale with effect from 1st October, 1968. Substantial financial support towards its costs was provided by the Foundation "Without Boundaries" and its educational programmes are sustained by contributions from the Swedish International Development Association. A Co-operative Council is being constituted and will have the task of devising the work programme of the ICA Office in Africa.

In South-East Asia, the fact-finding mission on co-operative trade was completed by Mr W. Eisenberg and the report, issued in three volumes, has led to a substantial amount of follow-up work in the field of international inter-co-operative trade. The Regional Office has acquired a modern building of its own with contributions from the Development Fund of the



ICA, the Central Union of Agricultural Co-operatives, Japan, the Swedish Foundation "Without Boundaries", and the SIDA.

In connection with the inauguration of the new building, the President and the former Director visited New Delhi, following visits to three East African countries and Pakistan. With the Regional Officer, they then visited Thailand and Japan and the President concluded his trip by visiting Australia where he had the opportunity of speaking about the ICA and its work in an effort to involve increasingly the Australian Co-operative Movement in the work of the ICA.

It was found necessary to form a small company, ICA Domus, Limited, in order that the ICA might own land and buildings outside the United Kingdom.

In its work for the development of co-operatives in Latin America, the Alliance agreed to support the Integration Institute which is being set up by the Organisation of the Co-operatives of America.

As will be seen later in the Report, collaboration with the United Nations has been deepened and extensive support is provided for the activities of the United Nations all the world over by the ICA through its officers and permanent representatives. The recent adoption of Resolution 2495 (XXIII) on The Role of the Co-operative Movement in Economic and Social Development by the United Nations General Assembly strongly underlined the role of co-operation in social and economic development. This is likely to generate additional pressures on the Alliance for increased support to the United Nations for the realisation of the objectives of the Resolution.

## Membership

Membership continues to increase and the geographical spread of the Alliance is wider each year.

New member organisations admitted since the 23rd Congress in Vienna are:

### Europe

National Federation of Producers' Co-operatives, Hungary (OKISZ)  
Central Union of Artisanal Co-operatives, Roumania (UCECOM)

### Asia

Bank Zerubabel, Israel  
Central Organisation for Rural Co-operatives of Iran, Iran  
Provincial Fishermen's Co-operative Society, Limited, East Pakistan  
Turkish Co-operative Association, Turkey

### Africa

Alliance of Ghana Co-operatives, Ghana  
Mid-Western Nigeria Co-operative Federation, Limited, Nigeria

### Americas

Asociación Argentina de Cooperativas y Mutualidades de Seguros, Argentina  
Organisation of the Co-operatives of America, Puerto Rico, West Indies  
Uniao Nacional das Associações de Cooperativas, (UNASCO), Brazil  
Inter-American Finance and Co-operative Development Society, (SIDEFCOOP), USA  
Caisse Populaire Dominique Savio, Haiti, West Indies  
Cooperativa de Seguros del Peru Ltda., Peru  
Cooperativa de Seguros Inca Ltda., Peru  
Cooperativa Sodimac Ltda., Chile  
Federation of Credit Co-operatives, Argentina

## Oceania

### Federation of Native Associations Ltd., Papua, New Guinea

The following table shows the composition of membership in 1967 (the latest year for which estimated figures are available) compared with 1964, according to types of societies, data for which was supplied by 143 affiliated organisations in 60 countries:

Type of Society	Countries		Societies (thousands)		Members (thousands)	
	1964	1967	1964	1967	1964	1967
Agricultural	36	40	120.3	154.0	23,542.8	38,497.8
Consumers	41	42	53.3	56.5	107,298.3	113,410.5
Credit	28	30	301.4	269.2	66,634.1	69,358.6
Fishery	15	14	10.0	8.7	1,080.7	1,481.2
Housing	25	25	23.6	31.9	4,637.3	5,531.8
Workers' Productive and Artisanal	21	18	63.2	52.4	4,875.8	3,950.6
Miscellaneous	14	10	3.4	5.2	5,908.3	6,286.2

In 1967 information was received from 59 insurance societies and 38 banking organisations in 20 countries.

A more detailed study of membership figures is published in the annual statistical report.

## Committees of the ICA

The basis of representation on the Central Committee has remained unchanged, the maximum representation of one country or union of countries continues to be eight members and the entitlement to additional representatives is related to each complete £400 of subscription. On this basis, the Central Committee now comprises 144 members representing affiliated organisations in 41 countries.

The Central Committee met in Prague in 1967, in Glasgow in 1968 and in Oslo in 1969. It will hold its statutory meeting in Hamburg before the Congress.

The Executive elected in Vienna met immediately following its election and has subsequently met in 1967 in London, Ottawa, Prague; in 1968 in London, Warsaw, Glasgow; in 1969 in London, Oslo, and will meet at Hamburg.

Two Sub-Committees appointed by the Executive are concerned with technical assistance and financial matters, respectively.

## The Auxiliary Committees

The Reports of the Auxiliary Committees, which follow this Report, contain information about their highly useful work since the Congress in Vienna. Established under Article 4 of the Rules of the Alliance, these Committees are specialised platforms for different sectors of the Co-operative Movement and help the Alliance in achieving its objects. Present Auxiliary Committees and dates of inception are as follows:

- International Co-operative Insurance Committee: 1921
- International Co-operative Banking Committee: 1922
- International Committee of Workers' Co-operative Productive and Artisanal Societies: 1947
- Agricultural Committee: 1951
- Housing Committee: 1952
- Co-operative Wholesale Committee: 1956
- Committee on Retail Distribution: 1958

There are, in addition, a Fisheries' Sub-Committee formed in 1966, also a Sub-Committee for Agricultural Co-operation for South-East Asia formed in 1967 which is serviced from the Regional Office in New Dehli.

In the discussion on the structure of the ICA, considerable attention was given to matters relating to the Auxiliary Committees, particularly their relations with the Secretariat, the presence of their representatives at Congresses and inter-auxiliary relationships. On the whole, the discussion revealed that the present form as it had evolved over the years was a satisfactory one, that closer association with the Secretariat should be considered when expressly desired by the Auxiliaries, that although no systematic channel existed for contacts between Auxiliaries, these came about mainly as a result of specific situations.

At the time of writing the Report, a joint committee has been considering the best ways of amalgamating the Co-operative Wholesale Committee and the Committee on Retail Distribution.

## Working Parties and Other Groups

**The Consumer Working Party** met six times between the Congress in 1966 and February 1969. At its meeting in London in May 1967, it decided to prepare a brochure on consumer affairs for submission to the ICA Executive in January 1969.

The November 1967 meeting in Hamburg was followed by a review of the way in which the needs of the consumer are being met by the Co-operative Movement in the Federal Republic of Germany.

At its 1968 meetings the CWP prepared proposals for its own future activities which provided that it should meet less frequently, perhaps once or twice a year and appoint two specialised sub-committees to work on national consumer policies and relations with international consumer organisations. These proposals were submitted to the ICA Executive in January 1969 who decided that they should be submitted again at the April meeting.

Between September 1966 and September 1968, Mr Th. Viergever, Mr R. Oger, Dr C. J. Bock, Mr F. Lambert, Mr F. Custot and Mr T. Naess resigned from the Consumer Working Party; Mr G. G. Groenewegen, Mrs J. Soyez, Mr J. Semler-Collery, Dr W. Gebauer and Mr R. B. Torkildsen became members. In January 1969, Mr P. Derrick was appointed Secretary to replace Mrs L. Stettner.

The CWP has continued to advise and assist in the organisation of the Consumer Conference. At its January meeting it suggested that the ICA Secretariat should prepare an International Declaration of Consumer Rights for discussion at Congress.

At its eighth meeting in Stockholm, November 1966, the **Research Officers' Group** discussed co-operative retailing on the basis of papers from France on the Structure of the Network of Shops, from the Federal Republic of Germany on Co-operatives and their Competitors, from Sweden on Cars, Shops and Buying Habits and The Flow of Capital to and from Members.

At the meeting in September 1967 in Manchester, Mr Fred Lambert described some computer work undertaken by the CWS in connection with regional warehouse planning; and Mr J. T. Meeson described the computer bureaux services of the CWS. At another session, Mr J. Busse spoke of electronic data processing in the Federal Republic of Germany, and a paper from Mr J. Semler-Collery discussed the prospects for the use of computers by co-operatives in France. Interesting papers were also given on the use of computers by co-operatives in Sweden.

The theme of the meeting at Rome, September 1968 was Planning the Shop Network and papers were presented from the United Kingdom, Sweden, Norway, Finland, France and Italy. It was agreed that the theme at the meeting at Helsinki in August, 1969, should be Research Techniques for Analysing the Co-operative Image.

**The Working Party of Co-operative Librarians and Documentation Officers** includes 53 members in 23 countries; it meets biennially, and in the interim its recommendations and decisions are implemented by a working committee. Since the last Congress the Working Party has promoted the exchange of accessions lists; issued a bi-monthly review entitled *Libradoc* which now has a circulation of 150 copies, not only within the Working Party, but also to other

libraries connected with co-operative organisations and educational establishments, particularly in developing countries. A bibliography of co-operative literature is distributed with each issue. The Working Party has also collected information for an International Co-operative Bibliography; discussed the creation of an International Co-operative Reference Centre. A sub-committee has been working on a draft vocabulary of co-operative terms, since its completion the whole matter has been dealt with within the ICA Secretariat. Contact has been made with the Freier Ausschuss Deutscher Genossenschafts-Verbande to discuss the possible joint publication of its co-operative glossary and the ICA's Vocabulary.

The Working Party has been increasingly concerned with technical assistance to, and the promotion of, libraries in developing countries. Mr C. Kamp, Chairman of the Party and Librarian of CO-OP Nederland, went to Tanzania in 1967, at the request of the Co-operative College, Moshi, to advise on the provision and development of library facilities at the College. CO-OP Nederland assisted in this visit. Mr Kamp issues a quarterly *Documentation Bulletin* for co-operative organisations in South-East Asia which contains abstracts of important articles and is circularised to co-operative organisations and institutions in Asia; also to the members of the Party.

Since the decision of the Bournemouth Congress in 1963, the Working Party has assisted the International Jury, by recommending books on the Co-operative Movement to be considered for the Award of the ICA Jubilee Triennial Prize.

As in previous years, the ICA Secretariat has provided secretarial and translating services for the Working Party, and the ICA Librarian was elected Joint Secretary to the Party in 1966.

## Organisation of Secretariat

Dr S. K. Saxena took over as Director with effect from 1st October, 1968, after having understudied Mr W. G. Alexander for about two months. The out-going Director continued to give assistance to Dr Saxena and gave freely of his time and advice.

Mr J. Gallacher relinquished his post as Secretary for Administration and Mr R. P. B. Davies took over that position with effect from 12th February, 1968. Mr Gallacher continued to make his advice available. Mr Davies is also Joint Secretary for the Housing Committee.

Dr L. Sieber was appointed Secretary for Education and Technical Assistance with effect from 1st August, 1968, but in fact took up his post on 3rd September.

Dr J. H. Ollman continues as Publications Editor and is supported by two assistants.

Mrs L. Stettner, Secretary for Research, Statistics and Documentation and of the Research Officers' Group, is assisted by Mr P. Derrick, recently appointed Secretary of the Consumer Working Party.

Mrs G. E. Stanford has been re-designated as Administrative Assistant with wider administrative functions, and continues to be in charge of statistics.

The Librarian, Miss A. Lamming, is Joint Secretary of the Working Party of Co-operative Librarians and Documentation Officers.

The Agricultural Secretary, Mr B. Zlataric, is Secretary of the Agricultural Committee and of the Fisheries' Sub-Committee.

The Secretary for Women Co-operators, Mrs M. J. Russell, is Secretary to the Women Co-operators' Advisory Council, and advises the Director on matters concerning Youth.

Mr L. E. Woodcock represents the ICA at the United Nations in New York and Dr M. Boson, in Geneva. Mrs R. Kaur is the United Nations assistant at ICA Headquarters responsible for all UN documents, in addition to assisting the Librarian.

Mr P. E. Weeraman succeeded Dr S. K. Saxena as Regional Officer for SE Asia with effect from 6th August, 1968. The Regional Office now includes two Ceylonese, one Japanese and one Swedish national.

Mr Arne Holmberg is the ICA Officer for East and Central Africa at Moshi, Tanzania.

## Finances

The ICA Balance Sheet and Accounts for the years 1966/1968 show total income and expenditure for these three years as follows:

	<u>Income</u>	<u>Expenditure</u>
1966 .. .. .	.. 108,440	91,999
1967 .. .. .	.. 109,448	100,811
1968 .. .. .	.. 119,085	116,503

It is evident that income is not keeping pace with expenditure although every effort is made to keep expenditure to a minimum. At the Congress in Vienna, it was reported that the Executive had considered the possibility of devising an alternative basis of subscription which would be related to turnover in order to give some protection to the Alliance against the effects of continued inflation on a fixed income, but had decided against pursuing the matter. Congress was warned, however, that it might be necessary to reconsider this question in the future.

In addition to salary increases each year, administrative costs are affected by increases in postal and telephone charges, printing, etc. With the increased volume of work it is inevitable that there will be higher postage, travel, etc. In January, 1969, the Executive considered the finances in detail and saw no alternative to higher rates of subscriptions, and in April, 1969, the Central Committee agreed to an increase of 10% in 1970 and a further 10% in 1971.

The Secretariat is engaged on a survey of resources and expenditure covering the next five years which, in due course, will be considered by the Central Committee.

The Alliance is again indebted to the Swedish Movement for its contribution to the costs of the Regional Office and Education Centre for South-East Asia, and for its secondment of Mr Arne Holmberg to be ICA Officer for East and Central Africa from 1st October, 1968, with consequent financial commitments.

## Publications

### General

The struggle to keep publications solvent against ever-rising costs is a chapter on its own in the history of co-operative publishing everywhere and the Alliance with its multi-lingual publications is no exception. Within the strict budgetary limitations, an adequate service of news and information has been provided to co-operators through various journals and occasional publications. Our object continues to be to ensure that co-operation, more particularly in its international aspects, is made known and understood by all. While much remains to be done, people using our information services have continued to increase, and greater use has been made of our press services, reports and articles.

### *Review of International Co-operation*

Sixty-two years of unbroken publication of the *Review of International Co-operation* at a time when at every juncture we see the demise of well-loved periodicals around us is, for the International Co-operative Movement, a time for thanks-giving and also reflection. Over the years and to our own day, the *Review* continues to provide an exposition of the diverse facets of the co-operative movement. It is now appearing in four major world languages and its primary function is obviously to be the mouthpiece of the International Co-operative Movement; but it serves also to depict the development of the co-operative idea throughout the world. The objectives are wide and the audience varied. To a new reader we always must explain in simple terms what may elsewhere be taken for granted.

The situation reported to Congress in 1966, namely, the reduced readership due to amalgamations resulting from structural changes of the national Movements, has not yet eased; it is still true that the subscription to the *Review* seems to be the first casualty on an official's change of position; on the other hand, new subscriptions have been received reflecting the expansion of ICA membership since Vienna.

The rise in the price of the *Review* in 1968 by 5s. 0d. per annum has proved a wise decision and has helped to maintain the earlier balance between revenue and expenditure. However, recently the printers have been constrained to ask for a rise of 25% in printing costs and this may force us to revise the rate of subscription.

Again, attention is drawn to the availability of advertising space for national movements. This has proved successful for some advertisers in the past and the *Review* could certainly be a good media for accelerating international co-operative trade.

At Vienna we reported that an estimate had been obtained for publishing a Spanish edition in South America and we report now the publication of the *Revista de la Cooperación Internacional*, which began with No. 1, 1968. The beginning has been promising, 500 subscribers were enrolled by the end of the year and it is expected to increase the number to 1,000 early in 1969. Thanks to the generous donation from the Austrian Co-operative Movement, it was possible to help financially in the publication of this international co-operative voice in Latin America.

We draw attention to the need for increased subscription orders to keep this important ICA impact in a healthy financial position.

#### *Consumer Affairs Bulletin*

From its inception in 1962, *Consumer Affairs Bulletin* has steadily advanced in its object to arouse interest in consumer questions and has provided an ever-increasing volume of material on consumer information and protection. Naturally, it concentrates on matters of primary interest to consumers as members of co-operative societies, but it is also often read and consulted by people outside the Movement who are interested in consumer, monopoly and other questions affecting consumers generally.

The increase in price reported to the 23rd Congress has in no way reduced subscriptions and both editions, English and French, have widened their subscribers. Issuing the *Bulletin* monthly has been generally appreciated.

#### *Co-operative News Service*

This mimeographed monthly publication continues as a useful medium for reporting factual news and information and has been expanding its circulation. Its contents are naturally primarily for editorial offices of the co-operative movements throughout the world, but it is also widely read in government departments and by many others interested in co-operative activities. Its actual news content could further be improved if the affiliates, and other organisations, could let the ICA have notice of events of importance in their movements well in advance of their printed magazines. Increased collaboration has been achieved between our CNS and the ILO *Co-operative Information*.

#### *Agricultural Co-operative Bulletin*

The *Bulletin* continues to provide useful news and comments on problems of agricultural co-operation and the addition of a summary of contents in French has enhanced its value.

#### *Film Bulletin*

A new edition was compiled in 1968 and published at 5s. 0d. in English, available from ICA Headquarters.

#### *Congress Reports*

*Congress in Brief* covering the proceedings of the Vienna Congress appeared in English, French and German as the No. 1, Vol. 60 (January 1967) issue of the *Review of International Co-operation* and its early availability was greatly appreciated.

*The Report of the 23rd ICA Congress* was published in 1967 and is available at £4 per copy. English only.

### *International Co-operation*

This publication, as successor to *International Co-operation Vol. V, 1949-1957*, in the form of a two-volume loose-leaf edition, published in English, was launched in September 1968. It includes accounts of the co-operative movements of all countries in which we have affiliates, as well as some others, and of supra-national co-operative organisations. The intention is to cover all aspects of co-operative activity, consumer, agricultural, productive and artisanal, housing, credit, thrift, banking and insurance as well as educational activities, between 1959 and 1965/66.

The subscription is £5 5s. 0d. for which the reader will receive two binders with reports of countries so far completed, already punched for alphabetical insertion into the binders. Over a three-year period the subscriber will receive accounts of all countries' co-operative movements, as well as revisions which may be interchanged in the loose-leaf binding system. It must be emphasised that the success of this publication must depend very largely on the readiness of our affiliates to supply us with the relevant information.

### *The Rôle of Co-operation in Social and Economic Development*

This book, being the proceedings of the Regional Conference at Tokyo, Japan, 10th to 26th April, 1964, was published at the end of 1966 and has proved a most valuable tool for those studying the broad rôle of co-operation in social and economic development. Publication was made possible through the generosity of Norges Kooperative Landsforening, Norway.

### *Co-operation in the European Market Economies*

Designed as an introductory book for students from developing countries studying the movements in Europe, this publication was produced under the editorship of W. P. Watkins, by contributors such as R. Hewlett, L. Smith, E. Mondini, W. Ruf, Professor R. St. Alary, the Fisheries' Division of the FAO, and Deutscher Genossenschaftsverband. Different sectors of co-operative activity were presented with special reference to economic and social background of consumer, agricultural, workers' productive and artisanal societies, people's banks, fishery, housing and education, as well as the relationship of state and co-operation. Costs of publication were shared between IFAP and ICA and the surplus, if any, will be divided equally between the two organisations.

### *Trading of Co-operatives — South-East Asia (Eisenberg Report)*

This important report of the fact-finding survey on the possibilities of increased co-operative trade across national boundaries in South-East Asia is now available and its publication has aroused great interest. Sales have been very encouraging in spite of the comparatively high cost of £3 3s. 0d.

### *Report of the ICA Commission on Co-operative Principles*

The final report of the Principles Commission in English, French and German, with the Congress Resolution on the report and a foreword by the then Director of the ICA, has been printed and copies, at a cost of 10s. 0d., are available from the ICA. The report has been selling steadily.

### *Co-operatives and Monopolies in Contemporary Economic Systems*

A Resolution at the 23rd Congress on Monopolies was withdrawn on the understanding that the subject matter would be discussed by the Central Committee. The present publication contains the paper presented to the Central Committee at its meeting in Prague in 1967, by Professor Lambert as well as his speech of Introduction and the text of the Resolution approved by the Committee. Also included are extracts from speeches by members of the Committee.

The cost is 10s. 0d. and this publication is available in English and German only, the French edition having been sold out.

### *Press Committee*

The ICA Press Committee met in Paris in April 1968, at the invitation of the Fédération Nationale des Coopératives de Consommation, and agreed on the theme How can the Co-operative Press become an Effective Mass Medium for Co-operators and what Principles should guide it in deciding its choice of Information and the Extent of its Exclusiveness in Co-operation, for the International Conference of the Co-operative Press to be held in Hamburg on 28th September, 1969. Mr R. Kérinec of the FNCC, France, agreed to be Chairman of the Conference.

### **75th Anniversary of the ICA, 1895-1970**

#### *Publications to commemorate this event*

*The ICA 1895-1970* by Mr Watkins. After the meeting of the Central Committee in Glasgow, the ICA signed an agreement with Mr Watkins to have the manuscript ready towards the end of 1969, for printing and publication in July 1970. The book will be published in English (2,500 copies), French (1,000 copies) and German (1,000 copies), with the hope of an edition in Spanish to be offered to Intercoop Editora Cooperativa Limitada, Buenos Aires, printers of the *Revista de la Cooperación Internacional*.

The contents of the book were discussed by Mr Watkins with the former and present Directors and the ICA Editor and agreement was reached that it should be as comprehensive as possible. The intention of the ICA is to invite subscriptions for numbered copies of the first edition. The book should sell at £2 10s. 0d.; cost of production for all three languages will amount to approximately £7,000.

*A Brochure* of approximately 5,000 words to be published in the languages of the ICA, with a remittance form to the ICA Development Fund, is likely to be ready early January 1970. It will be issued free to all affiliates and those interested in co-operation throughout the world.

*An Article* on the history of the ICA with photographs will appear in the *Review of International Co-operation*. It will be available for translation into any language desired by affiliates, who would, on request, be supplied with the photographs for use in their own papers some time during 1970, the Anniversary year. No fee will be charged for the use of the article and photographs, but users will be requested to make a plea for contributions to the Development Fund at the end of the article.

## **Research and Statistics**

The Research Section of the Secretariat has continued to help in co-ordinating the research of national movements by compiling joint research returns from the group of Research Officers; the Secretary for Research and Statistics is also Secretary of the Research Officers' Group. The Section produces the monthly *Consumer Affairs Bulletin* and contributes articles to the *Review of International Co-operation*, including a six-monthly review of structural changes in the movements in various countries.

The Section has been concerned with the planning and organisation of the Consumer Conference in Vienna, with the preparation of material for Congress as well as for the Central Committee and Executive, and for *International Co-operation*. It prepared a directory of co-operative travel organisations and helped to organise the Co-operative Travel Conference in May 1968. In 1967, it prepared a report on Co-operatives and Monopolies in Contemporary Economic Systems and during late 1968 and early 1969 it was working on a report for the ILO on The Rôle of Co-operatives in the Industrialisation of Developing Countries.

Since the last Congress, there have been some changes in the presentation of statistics of Affiliated Organisations. Fuller information has been provided on co-operative trade and co-operative employees; and it is hoped to make further changes in consultation with certain of the Auxiliary Committees to ensure that the figures from all countries are reasonably comparable.

The completeness of the statistics necessarily depends upon the regularity with which affiliated Organisations respond to the questionnaires. It is hoped to work more closely with the ILO to ensure that there are no discrepancies between the ICA statistics and those published by the ILO.



## Education

The main regular events in the field of education organised by the ICA have been the annual International Schools, since 1967 called Seminars.

The 35th School was held in Rouen, France, in 1966, with the theme Democracy and Efficient Management in the Co-operative Movement. There were 51 participants from 17 countries.

The 36th School was held in Jablonna, Poland, in 1967, with the theme Collaboration of Co-operative Organisations, Locally, Regionally, Nationally and Internationally. There were 57 participants from 16 countries.

The 37th Seminar held at Søhus, Denmark, in 1968, had as its theme Problems and Achievements Arising from Recent Structural Changes in Co-operatives. There were 53 participants from 17 countries.

The 38th Seminar will take place immediately after the Congress, at Suchdol, Czechoslovakia, and will consider the position of the member in a Co-operative Society.

These Seminars have been very successful in bringing together representatives of co-operatives of different kinds, mainly from European countries. In recent years the policy of the ICA has been to lower the age limit of participants to 45 years, giving priority to members of co-operative staff earmarked for promotion. Member Organisations have not always respected this requirement in selecting their representatives and as a result there have usually been considerable differences between the experience, knowledge and educational level of the participants. The ICA cannot be very optimistic about improvements in this respect, unless member Organisations take the selection criteria strictly into account.

The problems discussed at the Seminars have been of interest mainly to co-operative movements of European market economy countries, whose representatives have always accounted for an overwhelming majority of the participants, among whom representatives of consumer co-operatives have predominated. In view of this fact, the Central Committee has agreed with the Director's suggestion that in future the Seminars should be regarded mainly as regional events with special significance for European countries, and has authorised him to consider, whenever appropriate, the possibility of organising similar Seminars in other regions where the ICA has affiliated Organisations.

The Central Committee shares the opinion expressed at the International Conference on Technical Assistance to Co-operatives, held in Denmark in November 1968, that the themes chosen for International Seminars should be more specialised than in the past.

Another event of major importance was the Conference on Education organised in New Delhi in February 1968, in collaboration with UNESCO and the National Co-operative Union of India, some details of which appear later in the Report.

Apart from organising educational events of its own, the ICA has made encouraging progress in co-ordinating the wide-scale educational activities of the affiliated Organisations, mainly through its annual publication of the *Calendar of Technical Assistance*, one part of which has been reserved for co-operative seminars and training courses for students from developing countries.

Progress has also been made in sponsoring study tours of co-operative education leaders within the framework of the activities of UNESCO. Grants from UNESCO for such tours enabled several groups of leaders to visit the movements of other countries.

The ICA has intensified its collaboration with UNESCO. Its observers attended all meetings of interest to co-operatives, including the 15th General Conference held in Paris in October and November 1968. Furthermore, a representative of the ICA has been elected to the UNESCO Standing Committee for Non-Governmental Organisations.

## Technical Assistance and The Development Fund

This part of the Report is divided into two sections. Section 1 deals with technical assistance and, after drawing attention to some considerations which affect ICA's approach to technical assistance, indicates the broad lines of the work in this field by the Alliance. Section 2 gives a background of the Development Fund and takes a look into the future in terms of its objectives, size and activities.

## Section 1: Technical Assistance

The policy of the ICA in the field of technical assistance to co-operatives in the developing countries has been determined by the specific role and position of the ICA, the main aspects of which are:

a. As an organisation of **Co-operatives**, the ICA continues to pursue the aim of promoting the establishment and development of co-operatives of all kinds, being convinced that co-operatives represent one of the most suitable and efficient forms of organisation to raise the material and cultural standards of living of wide sections of the population in general and in the developing countries in particular.

b. As a **world wide** organisation, the ICA is aware of the possibilities arising from this fact, i.e., helping to co-ordinate projects with its affiliated Organisations, besides collaborating with other international organisations.

c. As a **voluntary non-governmental organisation**, the ICA has had to confine the scope of its projects to the limited funds available through voluntary contributions of the affiliated Organisations.

Therefore, its policy has not been, and cannot be, to substitute in any way the efforts made by the governments of either recipient or donor countries and international organisations, whether governmental or non-governmental. Rather, its aim has been to supplement such assistance in the specific way which characterises the co-operative movement, i.e., by concentrating on those aspects which would release the powerful forces of self-help and ultimately render external technical assistance self-liquidating. For this reason, the main focus of attention of the ICA has been on education in the broader sense of the word, i.e., the sense which recognises that the creation of an efficient and economic co-operative institution is the best educational laboratory for which the members of a co-operative society could wish.

The attempts of the ICA to achieve rationalisation in the programmes of technical assistance by compiling relevant information, co-ordinating with other international organisations, initiating significant research and surveys, as well as holding Conferences and Seminars on various topical problems, may be illustrated by the following examples:

a. The ICA has issued annually, since 1966, a *Calendar of Technical Assistance* with the aim of obtaining necessary information on educational facilities and co-operative projects and making it available to interested organisations.

b. The ICA has kept in constant touch with the co-operative programmes of other international organisations, lending them support with its means and competence.

c. The Liaison Committee which has already been referred to in the Introduction of this Report. There are indications that several specific projects dealing with international financing of co-operative enterprises, co-operative trade in Africa, preparation of a Co-operative Vocabulary, etc., are likely to emerge out of the deliberations of the Liaison Committee.

d. Significant organisational models, such as that of a multi-purpose co-operative society, are being studied in Ceylon with a view to obtaining clarity as to their relevance at the primary level.

e. Supporting assistance is being provided from the Development Fund for the creation of an Integration Institute for Latin America to initiate structural reforms in the co-operative movements.

f. ICA representatives took part in the Second International Conference on Technical Assistance to Developing Countries in the Co-operative Field, held at Holte, Denmark, 10th to 13th November, 1968.

## Section 2: The Development Fund

### Purpose

The Rules of the ICA make it clear that one of its main aims and overall purposes is to substitute for the profit-making régime a co-operative system organised in the interests of the whole community and based upon mutual self-help.

To many millions of people, however, the co-operative idea is still unknown, strange or new. Many who have heard of it do not realise what it can offer as a practical alternative to the profit system. This is a great gap that the ICA must fill. To do so, however, it needs not only a programme and goodwill, but also the means.

The need for help is felt most strongly in the economically under-developed parts of the world, accounting for more than half the population of the earth. This fact, of course, is realised not only by the ICA, but also, in particular, by the United Nations and its Specialised Agencies, as well as by many national governments and international organisations of various types. The role of the ICA, therefore, is not to substitute the efforts made by all these organisations and institutions, but to contribute in the specific manner for which it has the pre-requisites.

Being a world-wide organisation of co-operatives, it could make a most important contribution towards the general uplift of the poorer parts of the world by making wide sections of the population realise that co-operation offers a method through which they can do a great deal by helping themselves. In this way it would be possible to make use of the great potential strength of the "hidden reserves" waiting to be awakened in the form of arousing initiative and purposeful efforts on the part of millions of people whose greatest impediment so far has been that they do not know what to do for the betterment of their living conditions.

Being an international organisation, the ICA is in a favourable position to help significantly in co-ordinating various projects of technical assistance to co-operatives in the developing countries, as well as collaborating with other international organisations. Some efforts made in this direction have been mentioned in Section 1.

#### **Nature and Extent of the Utilisation of the Fund**

The history of the Development Fund goes back to the 19th Congress in Paris in 1954, where considerable attention was paid to the need for technical assistance to co-operatives in the developing countries and the following motion was passed:

"This Congress resolves to establish an international fund under the auspices of the International Co-operative Alliance, to foster, encourage and develop co-operative activities and enterprises in under-developed countries."

During most of the following fifteen years, the Fund was used partly for supporting small educational projects, but mainly for outright grants for various items donated to co-operative organisations in the developing countries, for example printing presses, audio-visual means of communication, etc.

The decisions to donate such items have always been motivated by the realisation that, in view of the limited funds available, technical assistance expenditures could only be worthwhile if they had a multiplier effect in recipient countries.

By the time of the 20th Congress at Stockholm in 1957, the Fund reached nearly £46,000 and payments out of it had been made for a mobile film unit to Ghana, a printing press to Eastern Nigeria, the Jamaica Project and for financing the ICA Mission to South-East Asian countries.

During the three years that followed, contributions of less than £2,000 were received, while payments totalled nearly £20,000.

The generosity of contributors continued to decline even further between 1960 and 1963, during which period contributions totalled less than £600.

By the time of the 23rd Congress at Vienna in 1966, contributions since 1963 totalled approximately £24,000, a considerable proportion of which represented 10 per cent of the funds raised by Konsumverband, Vienna; Co-operative Union of Canada, Ottawa; Verband schweiz. Konsumvereine, Basle; Co-operative League of USA, Chicago.

From 1966 to December 1968, contributions totalled £39,626; from Australia, Canada, Netherlands, Norway, Japan, Sweden, Switzerland, United Kingdom, USA. In addition, there were special contributions of £17,447 from the Federal Republic of Germany for the Bhor Dairy Project in India; £2,265 from the International Co-operative Women's Guild on disbandment; from the IFAP £803 towards publication of a text book Co-operatives in Market Economy Countries of Western Europe; from Canada, United Kingdom and USA, a total of £413 towards the English translation of the book awarded the Jubilee Triennial Prize in 1966

Co-operation in the Developing Countries by A. Ghanie Ghaussy. The total income during this three-year period was £60,554, and the balance in the Fund at 31st December, 1968, was £72,300.

Total expenditure in the period was £37,324. Of this £3,373 was given as grants towards the cost of publications and £1,150 towards accommodation costs of co-operative personnel visiting Europe, mainly during their stay in the United Kingdom. Apart from the £17,447 given at the direction of the Co-operative Movement of the Federal Republic of Germany from its deposits with the ICA, the biggest grant was £4,239 for financing the Eisenberg Mission to South-East Asia. Grants were also made for a Land Rover and furniture for the Co-operative College in Tanzania; a printing press in Kenya; projectors and text books in Botswana. Half the cost of the ICA Regional Seminar on International Co-operative Trade in Tokyo £2,166 was met from the Fund. Assistance was given to two FAO studies on Karachi Fisheries and Processing of Agricultural Produce and the advisory mission to Tanzania of Mr Kamp of Co-op Nederland on co-operative library facilities was aided by £551. Grants were made to supplement UNESCO bursaries awarded to co-operators and the costs of the study tour to Europe of the Officer of Technical Assistance and Trade in the South-East Asian Office was met from the Fund, £1,750.

Commitments in the near future, already approved, are OCA/KF/ICA Integration Institute for Latin America, £2,000 p.a. for 3 years; Study on Guarantee Funds to Promote International Financing of Co-operative Enterprise £3,000; 2nd Consultation of Experts on Agricultural Marketing in Kenya £1,000.

Taking these commitments into account and the income received up to March 1969, the total effective amount in the Fund is £64,500.

It is clear from the above that resources in the Development Fund have had to be confined to a very modest scale, thus considerably limiting ICA's possibilities to provide efficient technical assistance in all fields of activity for which it has unique and unparalleled pre-requisites.

### **Changing Strategy**

Since the Vienna Congress there has been a deliberate change in the strategy of utilisation of the Development Fund. Although small projects have continued to be supported, it has been realised that concentration on sizeable, meaningful projects would heighten the impact of technical assistance to developing countries. This approach has given an advantage to the Alliance in successfully inviting collaboration from other organisations. Three examples may be cited to illustrate this approach.

When the ICA decided to survey the situation of co-operative trade in South-East Asia and expressed its readiness to back up the project financially, it was most encouraging to see that substantial assistance was forthcoming from the English CWS. A similar example was ICA's preparedness to back a Spanish edition of the *Review of International Co-operation* and the very generous support which followed from the Austrian Movement. More recently, when the Executive earmarked £3,000 for the study on Guarantee Funds to Promote International Financing of Co-operative Enterprise as an earnest of its intentions, the International Co-operative Bank in Basle came forward with a magnificent promise of support. It is likely that the FAO and the ILO might also extend support to the study.

The purpose of the change in strategy is then two-fold; first, to deepen the impact by concentrating on carefully selected sizeable projects without, of course, sacrificing smaller ones especially those that have a multiplier potential, and, secondly, by providing the initiative backed by the promise of covering the costs to an extent larger than hitherto, to evoke support from other organisations. It is worth noting that this approach often meant that the ICA actually spent less than what it had originally accepted to spend on a particular project.

### **A Look into the Future**

The ICA is on the threshold of 1970, when it will be celebrating the 75th Anniversary of its foundation. A great deal has changed in the world since then, but the aims of the ICA have remained practically identical. While one part of the world is undergoing a scientific and technical revolution, the greater part of the world still lives on the brink of starvation and in

primitive conditions. Many of the problems faced by the less fortunate sector of mankind could very well be solved or facilitated through co-operation. This fact was realised by the General Conference of the ILO, in 1966, as a result of which a significant document (No. 126) was adopted recommending governments of the developing countries to encourage co-operative development. The role of co-operation was also emphasised by the General Assembly of the United Nations in its Resolution No. 2459 (XXIII) unanimously adopted in November 1968, which asked the International Co-operative Alliance by name to help in realising the objectives of the Resolution.

Consequently, the need for efficient co-operative action in the field of technical assistance to the developing countries would continue to grow in importance, and the ICA, in that context, holds a pivotal position. However, in its present activities and plans for the future, the hands of the ICA are tied by an absolute insufficiency of adequate funds which is exemplified in the following situations:

a. Wherever any projects are to be launched jointly with other international organisations, it is expected that the ICA will provide not only the know-how, but also part of the finances needed. The limited possibilities created in this respect by shortage of finance are obvious.

b. As will be recollected, particularly in connection with its 75th Anniversary, one of the main roles to be played by the ICA is educational, in the broadest sense of the word. It would, therefore, appear logical that it should be able to do more than hold occasional seminars and conferences and give advice here and there; it should be able to produce educational aids on its own, text books, audio-visual aids, etc.

c. While individual affiliated national organisations have very good schools, colleges and research institutes and are doing excellent work in providing training for co-operators from developing countries, there is considerable scope for the ICA to perform a co-ordinating action.

d. The Regional Office and Education Centre for South-East Asia and the Office for East and Central Africa depend almost to the extent of 80 per cent on the support of one affiliated organisation Kooperativa Förbundet, Sweden. The voluntary contributions from Swedish co-operators now amount to more than £200,000 p.a. There are other areas in developing countries where ICA initiative is urgently required.

e. More resources would also be needed for helping the creation of economic projects in developing countries, which could serve several purposes: besides helping the local people materially they could also prove most valuable educationally. Examples can be found in various planned projects such as helping to establish fish canneries, fruit processing factories and other kinds of enterprises.

f. In frequent instances it would also be highly desirable for the ICA to give material assistance to co-operative organisations, either in the form of equipment or even, sometimes, in the form of grants. The latter has recently become increasingly appropriate because organisations in developing countries are often in a position to launch co-operative projects without outside advice, for they already have all the necessary know-how, but are simply hindered by lack of funds in foreign exchange.

The above examples are not meant to suggest that the ICA should become a major financing organisation; rather, the purpose is to ensure that, if necessary, it should be able to provide that marginal critical element in assistance which could make the difference between success and failure of a project. We are now in the paradoxical situation where the moral prestige of the ICA in the world is increasing and its practical possibilities are limited to merely a fraction of what it could contribute to the present day world due to the inadequacy of the Development Fund.

The future activities, programme and significance of the ICA, therefore, depend to a great extent on the decision of this Congress about providing adequate resources to the Development Fund. The Central Committee urges the Congress to realise the responsibility for this decision for it may be said without exaggeration that, while preparing to celebrate its 75th Anniversary, the ICA is standing at the cross-roads decisive for the role which it will be enabled to play in the international field in responding to some of the most urgent needs of mankind.

## **Resolutions of the Vienna Congress**

Resolutions of the Vienna Congress were concerned with Co-operative Principles, technical assistance and questions of structure. At its meeting in London in 1967, the Executive asked that copies of the resolutions should be sent to member Organisations for information and action, if necessary. Other resolutions relating to co-operative housing, international trade, peace and Vietnam were sent to the Secretary-General of the United Nations. They were acknowledged and it was indicated that they were being brought to the notice of the appropriate organs of the United Nations.

Member Organisations gave publicity to the resolutions. The Executive considered the resolution on Co-operative Principles and authorised its publication together with the original Report of the Commission and an introductory statement. This document is available in three languages.

The follow-up action on the Resolutions was reported to the Central Committee at its meeting in 1967.

Their subject matter continues to engage the attention of the Secretariat. The resolution on Co-operative Principles has led to the acceptance by the Central Committee of certain changes in the Rules of the Alliance. Matters concerning technical assistance have continued to occupy a prominent place in the work of the ICA and a rather extended discussion on the Development Fund is presented elsewhere in the Report. The discussion on Contemporary Co-operative Democracy at the present Congress is a logical outcome of the discussion on structural changes at Vienna.

## **The ICA and the Regions**

### **Regional Office and Education Centre for South-East Asia, New Delhi**

The Regional Office for South-East Asia established in 1960 covers the Movements of the following countries: Australia, Ceylon, India, Iran, Japan, the Republic of Korea, Malaysia, Pakistan, Papua and New Guinea, the Philippines, Singapore and Thailand.

The functions of the Regional Office have continued to be those reported to the Congress in Vienna, and the Swedish Movement has continued to contribute the major part of the finances, about four-fifths of the funds required, the balance being made up by the Alliance. There is a growing awareness among the movements of the Region of the need to contribute increasingly towards financing the activities of the Regional Office and Education Centre.

The Advisory Council has continued to guide the Regional Office and Education Centre, also to function as the Board of Advisers of the Institute for the Development of Agricultural Co-operation in Asia of the Japanese Agricultural Co-operative Movement. Professor D. G. Karve, who was Chairman of the Advisory Council, died in December 1967, having rendered distinguished services to the Regional Office. Mr B. Venkatappiah, member for Agriculture in the Planning Commission of India, was nominated Chairman in July 1968. Within the period under review the Council held four meetings, at Manila, Tokyo, Kuala Lumpur, and Teheran, in October 1966, November 1967, November 1968, and March 1969, respectively.

The Regional Office and Education Centre moved into its own new buildings on 16th February, 1968. They were inaugurated by the President of the Alliance, Dr Mauritz Bonow, in the presence of a large gathering including the Minister for Food, Agriculture, Community Development and Co-operation of the Government of India. The buildings cost nearly 3 million Rupees, and in addition to a contribution from the ICA Development Fund, much appreciated assistance was received from the Central Union of Agricultural Co-operatives, Japan, the Swedish Foundation "Without Boundaries" and the SIDA. The Government of India has extended valuable facilities to non-Indian Officers working with the Regional Office and to the Office itself for import of equipment that is not indigenously available.

A significant development of the period was the appointment in January 1967 of a South-East Asian Sub-Committee of the ICA Committee for Agricultural Co-operation. The Sub-Committee has held meetings in Tokyo, Kuala Lumpur, and New Delhi, in November 1967, November 1968, and February 1969, respectively. The Regional Office provided the necessary secretarial assistance.

Dr S. K. Saxena, on his appointment as Director of the Alliance, was succeeded as Regional Officer in August 1968 by Mr P. E. Weeraman, former Commissioner for Co-operative Development, Ceylon.

Mr Alf Carlsson, Director of the Education Centre from 1966, left in June 1968 to resume duties as Director of the Swedish Co-operative Centre and was replaced by Mr J. M. Rana, until then Co-Director of the Centre.

The Regional Office and Education Centre was reorganised in January 1967 by the addition of separate sections for technical assistance, including trade, and administration, with a Joint Director in immediate charge of each.

During the period there has been a greater involvement of the Movements of the Region in the work of the Regional Office and Education Centre as will be seen from the detailed accounts which follow, and greater appreciation of the work of the Alliance may be inferred from the willingness of the Movements to bear the local costs of seminars, conferences, etc., to a greater degree than in the earlier period.

A comprehensive programme of seminars and conferences during the period comprised twenty-one short-term education programmes, with 675 participants.

*Matters worthy of special mention are given below*

*International Conference on Co-operative Education*

A Conference on Co-operative Education held in New Delhi in February 1968 was directed by Mr W. G. Alexander, the then Director of the Alliance, and had the full-time participation of the President of the Alliance. The participants, who were received by the President of the Republic of India, included nearly 50 delegates and observers from 15 countries both within and outside the region. The Conference brought together specialists in co-operative education from International Co-operative Training Centres and top-ranking leaders of the movements. Its purpose was to make better known the programmes for co-operative education and training provided by advanced co-operative movements, to bring about greater understanding of the requirements of the movements in the region in respect of co-operative training, to arrange for the proper communication of such information, and to assist in the adaptation of programmes of training centres outside the region to suit the students from the region.

The Conference considered the desirability of establishing an international co-operative training institute at apex level for the training of teachers on a more permanent basis and suggested that the Regional Office and Education Centre should co-ordinate the training needs of the movements in the region and help them in developing study circle techniques, disseminating techniques of writing text-books, using relatively inexpensive visual aids, formulating syllabi and evaluating international training programmes.

*Regional Conferences*

Two Experts' Conferences which had as their themes Co-operative Marketing and Co-operative Member Education, proved to be valuable consultative forums as well as educational programmes for the top leadership of the movements, and their reports afforded valuable study material for national seminars designed to follow-up the recommendations made therein.

A Conference on international co-operative trade was held in Tokyo in June 1968 in pursuance of the recommendations of the Regional Conference of Co-operative Ministers and Officers held in April 1964, referred to in the report to the last congress, and those of the Third Asian Agricultural Co-operative Conference held in New Delhi in January 1967. The Conference made a number of recommendations for strengthening the role of the ICA as a clearing house for trade promotion activities and suggested that the Agricultural Sub-Committee for the Region should also deal with problems of international co-operative trade.

*Regional Seminars*

Seven regional seminars were held on the following subjects: Organisation and functioning of co-operative unions; Consumer co-operation in a competitive setting; How to establish a co-operative processing plant; Co-operatives in agriculture: An integrated approach; Co-operative training; Retail management in consumer co-operative movement and; Follow-up of ICA Fellowship Programme.

### *National Seminars*

The Regional Office and Education Centre assisted member Organisations in organising nine national seminars as a follow-up to previous regional seminars.

### *Fellowship Programme*

Six fellowships were awarded to participants from Ceylon, India, Iran, Japan and Korea. The subjects of their study were member education 1966-67 and supervised agricultural credit 1967-68. A follow-up seminar was held in March 1968 to evaluate the fellowship programme and to provide an opportunity for the exchange of ideas and experiences between former Fellows.

### *Teachers' Exchange Programme*

On the recommendation of the Advisory Council in 1968, a programme for the exchange of teachers was followed. Three teachers from co-operative training centres visited other training centres/co-operative organisations within the region on lecture-cum-study assignments.

### *Research*

The Regional Office and Education Centre and the Afro-Asian Rural Reconstruction Organisation jointly sponsored a study on Multi-purpose co-operatives in Ceylon by Professor Jacen T. Hsieh of the Nanyang University of Singapore.

A study of personnel management in selected co-operative super bazaars of India is being carried out by a joint Director of the Office.

### *Publications*

In addition to reports of conferences and seminars mentioned above, the following books were published by the Regional Office: Agricultural Co-operative Credit in South-East Asia; Education and Voluntary Movements; Co-operative Trade Directory; Economics of Consumer Co-operatives, 2nd Edition; Manual for Study Circle Leaders, revised edition; Farming Guidance in the Co-operative Movement in Japan.

### *Publicity*

The Regional Office participated in several co-operative exhibitions and has continued to publish the *Information Bulletin*, now a quarterly.

### *Technical Assistance from the ICA*

There has been a considerable increase in the activities of the Office in the field of technical assistance since the last Congress. With the establishment of a separate section, technical assistance including trade, the movements in the region have not been slow to avail themselves of these services. Several requests have been made and action is under way to meet most of them.

### *Consultative Services*

Increased consultative services were made available to co-operative organisations in the region. The National Co-operative Consumers' Federation of India and the Government were assisted with a view to improving the working of consumer co-operatives.

### *Gifts of Books and Equipment*

One hundred and nine books worth about £80 were given to the East Pakistan Co-operative Union and 104 books on co-operation, valued at £75, were given to the Karachi Union. Books and literature published by the Office were also supplied to the Philippines Co-operative Credit Union League and the Gerakan Koperasi Indonesia. Efforts are being made to obtain books in English on co-operation and equipment for the library of the College of the National Agricultural Co-operative Federation of the Republic of Korea.

The Technical Assistance Sub-Committee recently made a gift of audio-visual equipment worth £588 to the Co-operative Federation of Ceylon for its educational activities.



#### *Assistance for Developing Movements*

Following the resolution of the 22nd Congress at Bournemouth in 1963, the Office has been dealing with projects for the establishment of a multi-commodity fruit and vegetable processing unit by the Agricultural Co-operative Marketing Federation of India: a consolidated fruit processing plant by the Agricultural Co-operative Federation of the Republic of Korea; a cattle feed plant by the Koyna Co-operative Milk Producers in the State of Maharashtra, India; a fruit processing plant and a fish canning plant by the Co-operative Consumers' Union of Ceylon and a fertiliser mixing and granulating plant by the Central Co-operative Exchange of the Philippines.

Final arrangements are under way for the Bhor Co-operative Dairy Project which is to be established with the assistance of the Consumer Co-operatives of the Federal Republic of Germany. Building operations are due to commence in March whilst the machinery required is on order. The project should be completed by the end of 1969.

The Regional Office obtained a gift of a 16 mm projector from Histadrut of Israel for the Philippine Co-operative Credit Union League and books on Co-operation from the Central Union of Agricultural Co-operatives of Japan for the Agricultural Co-operative College of the Republic of Korea.

The visit of an expert to complete a feasibility study of a Fish Canning Project in Ceylon is to be financially assisted from the ICA Development Fund and the Caisse Centrale de Crédit Coopératif, Paris.

#### *Promotion of International Co-operative Trade*

The promotion of economic relations among co-operative organisations was pursued on the lines recommended by the Tokyo Ministers' Conference and Mr Walter Eisenberg worked with the Regional Office for one year. The report of his survey, as well as the Trade Directory and other documents published by the Regional Office, appear to have created an awareness of the potentialities of international co-operative trade between co-operative trading institutions of the region.

The Regional Office has continued to function as a clearing-house for marketing information and guidance to co-operatives. It assisted the National Co-operative Union of India in organising the Third Asian Agricultural Co-operative Conference, the main theme of which was international co-operative trade.

#### *Collaboration with International Organisations*

The Regional Office has continued to collaborate with UN Agencies in several fields such as participation in the ECAFE Annual Sessions and Committee on Trade, FAO and ILO Regional Conferences, and the 2nd UNCTAD. The Director of the Education Centre gave a lecture at the ILO Inter-Regional Seminar held in Denmark in 1968. Collaboration has also been maintained with other non-governmental international organisations.

#### *Library*

The Library of the Regional Office and Education Centre has steadily grown and at present has over 7,000 books and 3,000 booklets. It publishes a half-yearly supplement to its annotated bibliography of literature produced in English and the national languages by the Movements of the region. The Office issues a quarterly annotated bulletin of articles on Co-operation and allied subjects, with a classified list of additions to the Library. Through the support of CO-OP Nederland, Mr Kamp visited and advised co-operative libraries in Pakistan, India and Ceylon. The quarterly documentation bulletin compiled by the Chairman of the ICA Working Group of Co-operative Librarians and Documentation Officers is reproduced and circulated in the region.

#### *Contacts with Member Organisations*

Mr Weeraman undertook a six-weeks' tour of the region, covering Japan, the Republic of Korea, Malaysia, the Philippines, Singapore and Thailand, in November-December 1968. He made valuable contacts with the leaders of the movements, studied the local situations and discussed outstanding problems with some of the governments concerned.

## **ICA Office for East and Central Africa, Moshi, Tanzania**

### *Location*

Consequent upon the decision of the Central Committee at its meeting in Glasgow, September 1968, the ICA Office for East and Central Africa started to function on 1st October, 1968, in a room at the Co-operative College, Moshi, Tanzania, but accommodation has since been acquired at the Kilimanjaro Native Co-operative Union, as a donation from the Co-operative Union of Tanganyika.

The present staff consists of the Regional Officer, Mr Arne Holmberg, a short-hand typist and a messenger/driver. An assistant director will be engaged in the near future.

The Swedish Co-operative Foundation "Without Boundaries" has donated three houses in Moshi, to be used by the senior staff of the Office.

### *Activities*

At the time of writing this Report, most of the educational activities were in the planning stage. During 1969, a meeting of committees of the ICA member Organisations in Kenya, Tanzania and Uganda is foreseen and such a meeting is likely to be held at least every third year.

A Co-operative Council will supervise the work of the Office, and is scheduled to meet at least three times a year. The first Meeting is to be held on 25th February, 1969. The Council will also consider expansion of the Office activities to co-operative organisations outside Kenya, Tanzania and Uganda.

### *Seminars and Working Parties*

Several Seminars are being planned for 1969; two or three for teachers at Co-operative Colleges; one on marketing problems and, possibly, one on inter-co-operative trade. A Seminar on co-operative policy on savings, thrift and credit is also being considered.

### *Visits of the Regional Officer*

The Regional Officer has undertaken several visits to the three countries over the past months, has endeavoured to participate in all committee meetings of member organisations and attended the annual general meeting of the Kenya National Federation of Co-operatives. A series of discussions have taken place on the future work of the Office with representatives of the movements and the governments.

At the end of last year, the Regional Officer, as part of his holidays, visited Sweden and had business discussions in Sweden, United Kingdom and Italy. Contacts were established with the FAO and the IFAP.

### *Representation*

The Regional Officer represented the ICA at a Conference in Nairobi, September 1968, when the Africa Co-operative Savings' and Credit Association was formed and participated in talks about its formation and future development. He was invited to the annual meeting of the Tanzania Savings' and Credit Societies League in October, to the conference of the Nordic Kenya co-operative project and the inauguration of the training shop at the Co-operative College, in October.

He is a member of the Board of Governors of the Co-operative Education Centre, Moshi.

### *Information and Public Relations*

Several articles and interviews have appeared in newspapers, there has been a special education programme on the ICA over Radio Tanzania and "Voice of Kenya" broadcast an interview with the Regional Officer. Lectures have been held at the Co-operative College and other Institutions.

The issue of a *Co-operative News Bulletin* for East Africa is being considered, also the possibility of joint arrangements for International Co-operative Day on 5th July, 1969.

## **Contacts with OCA in Latin America**

### *Goals*

Since its second assembly at Viña del Mar, Chile, in 1967, where stock was taken of the work accomplished and plans for the future were analysed and re-orientated, the OCA programme has been concentrated on the following areas of action:

- a. Developing a clearer image of its aims and purposes among members and acquaintances.
- b. Increasing membership, thus providing the financial resources for the organisation.
- c. Stimulating more local participation in its work through advisory councils in each country.
- d. Strengthening SIDEFCOOP as the institutional arm to research, organise and assist financing programmes for co-operative societies.
- e. Improving existing co-operative training centres.
- f. Enacting new or improving co-operative laws.
- g. Promoting the establishment of upper level co-operative organisations, federations and confederations.
- h. Fostering co-operative trade at national and international levels.
- i. Rendering technical assistance to co-operative projects of national impact.
- j. Developing awareness of the need of incorporating co-operative development as a component of national economic and social programmes.

To implement this programme OCA uses an operational structure with headquarters in San Juan, Puerto Rico, and regional offices in Costa Rica, Colombia, Brazil, Chile and Argentina. In September 1968, a national office was opened in Panama.

### *Major Accomplishments (1967-1968)*

Membership increased from 122 in December 1966 to 256 in December 1968, of which 58 were second or third level institutions, unions, federations and confederations. Nine of eleven third grade associations in America, national confederations, are members of OCA.

### *Advisory Councils*

Groups representing OCA members in a given country are organised to help the regional agents in planning and conducting work plans in each area. Up to December 1968, councils have been organised in Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Bolivia, Peru, Venezuela, Dominican Republic, USA, Panama and Puerto Rico. Where the number of OCA members was not large enough to organise an advisory council, national promotion committees have been established. These operate in Honduras, Guatemala and El Salvador. OCA provided economic support to these committees on a sharing basis, local co-operatives providing an equal amount.

### *Co-operative Financing Institutions*

Through SIDEFCOOP, a sister organisation, OCA had assisted in setting up co-operative financing institutions prior to 1967 in Ecuador, Argentina, Chile and Peru. In 1968, assistance was given to the incorporation of an institution in Colombia and to feasibility studies conducted in Venezuela, Central America and Panama.

### *Co-operative Education*

A preliminary survey conducted in 1967 aimed at identifying and locating co-operative training institutions in America. In 1968, a more complete study was started to evaluate teaching programmes and their effects in the 38 institutions identified through the 1967 survey.

Over 130,000 copies of promotional and educational material were produced during 1967-68, among these 60,000 copies of *Co-operative America* the organisation's newsletter edited in Spanish, English and, up to July, also in Portuguese; 50,000 copies of a basic series on co-operative education; a yearbook and two training manuals.

Twenty scholarships were granted to Latin American leaders and/or students to receive secondary country training. More than 6,000 people participated in local co-operative training activities sponsored, wholly or in part, by OCA regional field offices.

#### *Co-operative Laws*

During 1967 and 1968 the following countries were assisted in improving their co-operative legislation or in enacting new laws: Chile, Colombia, Ecuador, Peru, Venezuela, Costa Rica, Dominican Republic and Brazil. With the collaboration of the University of Los Andes in Venezuela, OCA has started action to hold an Inter-American Conference on co-operative law late in 1969.

#### *Co-operative Integration*

OCA assistance was instrumental in helping the establishment of second and third level co-operative associations in Argentina, Chile, Ecuador, Colombia, Brazil, El Salvador, Costa Rica and Panama.

Towards the end of 1968, the OCA Latin American Technical Institute for Co-operative Integration was organised with assistance from Kooperativa Förbundet, the ICA, and the USA Fund for International Co-operative Development. The Institute started operations in February 1969, assisting co-operatives within a given area in consolidating their activities to obtain maximum output from their human, technical and economic resources. Its initial task will be the organisation of pilot projects in different countries of Latin America, thus getting practical experiences that will be used in expanded operations.

Prior to the establishment of the Institute, OCA conducted an intensive campaign through seminars, lectures and group discussions motivating co-operative leaders on the need for integration.

#### *Co-operative Trade Interchange*

This task, because of its specialised nature, has been looked at with special care. Cautious approach has been followed to avoid costly errors. First step was the creation of a special committee to analyse the situation and advise the OCA board of directors. This committee has collected information on the problems of trade among co-operatives at international levels, and in 1967 suggested a survey to determine potentialities and ways for starting and/or increasing trade. OCA has presented official requests to the Inter-American Development Bank and to the Agency for International Development for technical assistance to carry out the survey.

On the practical side, some actions were initiated in 1968 among co-operatives in Argentina, Chile, Venezuela and Puerto Rico towards trade relations.

#### *Technical Assistance*

To get maximum results in this activity, OCA concentrates its technical services on programmes and projects of regional or national impact rather than to individual societies. The following are major projects in this category sponsored by OCA: A survey and subsequent development plan of action about agricultural co-operatives in Costa Rica; Preparation of a centralised accounting and auditing service for co-operatives in Brazil; Planning the organisation of an integrated consumer co-operative chain in Colombia; Promoting insurance and health co-operatives in Peru, Colombia and Bolivia; Assisting, organising and directing school co-operative work shops in Argentina; Reorganisational plan to strengthen consumer co-operatives in the Dominican Republic; Assisting the administration of a co-operative revolving fund in Chile.

### *National Co-operative Programmes*

Very few Latin American countries have co-operative development incorporated as part of their socio-economic programmes. OCA is trying to create interest and awareness among the government sectors about the role of co-operatives as a development tool. One result of this was the Co-operative Conference in November 1968, in Buenos Aires, where the role of co-operatives and government were discussed and resolutions were approved asking the public sector for less rhetoric and more action on co-operative support. OCA also attended an international meeting sponsored by the ILO in Geneva with a similar agenda.

Preliminary steps towards designing national co-operative development programmes have been taken in Colombia, Chile, Panama, Costa Rica and Puerto Rico. The creation of a programming team by the Co-operative League of the USA to be used under close co-ordination with OCA fieldmen and advisory councils to survey and plan co-operative programmes for Latin American countries requesting this assistance, is a major thrust towards this goal.

In 1967, OCA collected statistics from 23 countries and up-dated data collected in 1962, pointing out growth patterns and useful comparisons between different co-operative sectors. One direct outcome of its influence is the improvement of data collecting procedures and standardisation of classification criteria.

### *International Relations*

Besides the working relations maintained by OCA with the international agencies sponsoring co-operative development like AID, CUNA International, Foundation for Co-operative Housing, National Rural Electric Co-operative Association, Association for International Co-operative Development and others, OCA has maintained institutional relations with ICA to which it is affiliated since 1967, and serves as an adviser in matters concerning co-operative development in Latin America. Relations are also maintained with Kooperativa Förbundet, Obra Sindical Cooperación (the Spanish agency for co-operative development) Raiffeisen International Union, the ILO, FAO, the Organisation of American States, and others.

## **Women Co-operators**

Since the 23rd Congress, four new members have joined the Women Co-operators' Advisory Council (WCAC), which now has 22 members representing: Austria, Belgium, Bulgaria, Canada, Czechoslovakia, Denmark, Finland, Federal Republic of Germany, Hungary, India, Israel, Italy, the Netherlands, Norway, Pakistan, Poland, Sweden, Switzerland, United Kingdom, USA, USSR, Yugoslavia. It is normal to have an attendance of 18 or 19 members.

The Chairman is Mrs S. Räikkönen, Finland and the Vice-Chairman Mrs M. Lonsdale, UK.

In 1968 the ICA Central Committee agreed to invite an observer from the WCAC to its future meetings. The Council appointed its Chairman, who attended her first meeting in Glasgow in 1968.

A Women Co-operators' Conference was held prior to the ICA Congress and Council meetings have been held annually.

A small Working Party of women interested in agriculture was set up in 1967, as a result of a meeting in Rome on 17th and 18th June 1966, with the kind assistance of Lega Nazionale. Information has been collected and circulated by the Working Party and increasing collaboration has been achieved with the ICA Agricultural Committee.

The Council continues to maintain its interest in consumer affairs and reports have been received from many countries of the activities of women co-operators in promoting and supporting programmes of consumer education and protection. A questionnaire answered by 16 countries showed there was still much scope for involving women members in consumer programmes.

A bi-monthly newsletter has been circulated to members and their deputies, which serves as a link between the Council and the Secretary and distributes items of news and comment not covered by ICA publications.

An enquiry among women living in housing co-operatives in Austria, Canada, the Netherlands, Poland, Sweden, Switzerland, and the USA produced sufficient data to warrant a paper. This was received by the ICA Housing Committee at its meeting in Rome and has led to a useful exchange of views between the two bodies with proposals for subsequent action.

Much work was put into the preparation of a seminar to be held in Warsaw in February 1969 and generous efforts were made by the Polish co-operators. Unfortunately, the response was not adequate and the event had to be postponed. The seminar on policy and management in co-operatives would have provided a training ground for women and shown the way to further possibilities.

Approaches have been made to some UN Specialised Agencies for closer collaboration. The ICA was represented by observers at seminars arranged by the Status of Women Commission on the Political and Civic Education of Women in the Philippines, Finland and Ghana.

A number of women were included in UNESCO travel grant schemes, and where necessary expenses were supplemented by grants from the ICA Development Fund and various national funds.

The Secretary for Women Co-operators was invited by UNESCO to join its newly constructed International Advisory Committee for Out-of-School Education, which dealt with the impact of the concept of *life-long integrated education and adult education*, youth activities and literacy programmes.

Contacts have been maintained with other organisations through membership of the Liaison Committee of Women's International NGOs, The ICA was represented by an American woman co-operator at the Triennial Conference of the Associated Country Women of the World in Michigan, USA, in August 1968.

The Chairman took part in a seminar arranged by the Swedish Women's Guild in Musoma, Tanzania, in June 1968. The theme of the seminar was *Steps towards a Better Future* and it was attended by women in leading positions in social welfare ministries and organisations in Tanzania, Kenya and Uganda, also by some Swedish women co-operators. It is gratifying to note the direct help given to developing countries by women co-operators in several member countries.

During the last three years, the Secretary has been received at annual conferences in Canada, Federal Republic of Germany, Hungary, the Netherlands, Poland, Switzerland and the USA, and has used the occasions to extend her knowledge of the movements.

Continued contact has been maintained with the South-East Asia Regional Office which produced a useful booklet entitled *Balanced Diet*.

## Youth

Arising out of a meeting in Vienna in 1966 with a few members interested in problems of youth in the Co-operative Movement, an undertaking was given to arrange a programme for the exchange of views. Later an international conference was contemplated by the Belgian Movement but unfortunately it did not materialise. At the time of producing this report, a Youth Conference in London is being prepared for May 1969, at which the progress and problems of encouraging youth in the various aspects of co-operative activity will be examined.

In the meantime, conversations have taken place with representatives of member countries. The general reaction appears to be that although an international co-operative youth organisation is not necessary, opportunities to meet at that level from time to time for exchange of views would be highly desirable.

Friendly contacts have been maintained with international youth organisations, particularly the *World Assembly of Youth*. The ICA was represented by Dr S. K. Saxena and Mr S. Futagami at the 6th General Assembly of WAY held in Tokyo in August 1966, and lecturers have also been supplied for Seminars in Bangalore, India, and Eire.

Dr F. Cortesi, Italy, attended a Regional Seminar in Rome organised as part of the FAO's Young World Food and Development Project and Mr W. Hlushko, Canada, attended the final World Conference in Toronto in September 1967.

The International Falcon Movement, a youth movement with strong connections with co-operative movements in some member countries, has expressed a desire to work with the ICA and proposals have been submitted for consideration.

## Library

The work of the Library has been re-organised since the Vienna Congress, so that it now includes a periodicals and international documentation service. The scope of activities has been widened and the Librarian has an assistant with additional part-time support from the assistant on United Nations matters. The Library now assists the Secretariat with a comprehensive service of translation and abstracting of material from periodicals in various languages including Spanish and Russian. These facilities have been much used by the editors of the monthly publications. A register of important articles in periodicals has also been started, so that a wider range of information can now be made available on many co-operative subjects, as the Library staff now has records, not only of books available, but also articles which give more up-to-date information.

## Consumer Conference

The fourth ICA Consumer Conference held in Vienna on 24th and 25th October, 1968, was attended by more than 80 co-operators from fourteen countries: Austria, Belgium, Czechoslovakia, Denmark, Finland, France, the Federal Republic of Germany, Italy, the Netherlands, Norway, Poland, Sweden, Switzerland, and United Kingdom.

The theme was European Co-operatives in the Service of Consumers with emphasis on the need for European co-operatives to work more closely together both in production and in the internationalisation of standards and measures for the protection of consumers.

Topics covered included Consumer Movements — strengths and weaknesses; Co-operation at the retail level; Co-operation at the wholesale level; Euro-Co-op; Aims and activities; Better buying through consumer information; Technical collaboration in the interest of consumers; and Consumer influence in an integrated Europe. On the final day, Mr J. M. Wood, Chairman of the Consumer Working Party, summarised the work of the Conference.

Kommerzialrat Franz Schmidt, Director of Konsumverband, Austria, acted as Chairman on the first day and Dr Robert Kohler, Director of VSK, Switzerland, on the second day. A well attended press conference was held before the Conference and hospitality was provided by the host organisation and Austrian authorities.

## International Co-operative Day

Under the leadership of the Alliance and especially through the International Co-operative Day Declaration and the special article despatched with it, national movements are encouraged to form a link with their fellow co-operators around the globe. The celebrations are generally centred around the act of reading the Declaration and hearing national leaders put their situations into the context of the special article. Added each year to these two items is a short statistical summary to indicate the global dimensions of the co-operative movement.

The text of the Declaration for the 45th International Co-operative Day on 1st July, 1967, was, as usual, circulated in good time for translation and publication. The Declaration and article urged the forces of Peace in the world to act together consistently and energetically so that Peace would be secured, underlined the moral forces stemming from the millions of co-operators throughout the world supporting peaceful policies, and drew attention to the widening gap in the economic and social progress of the developing as compared to the industrialised countries. The article, *Without Boundaries*, stressed the importance of the ICA President's New Year Message for 1967, pointed to the expansion of the World Co-operative Movement to the benefit of the masses of its members, and referred to the International Tourist Year of the United Nations, celebrated in 1967, for the possibilities it held for the co-operative movement in terms of economics and human relations.

*International Co-operative Day 1968, held on 6th July, once again urged all forces of Peace throughout the world to strive for disarmament under an effective system of international control and especially asked co-operators to further all activities aimed at greater recognition and full enjoyment of the fundamental freedom and equality of all individuals and to campaign for human rights everywhere. In the accompanying article, Co-operation — A Technique for Survival and a Code of Behaviour, human rights were stressed.*

In 1969, the ICA welcomed warmly the order issued by the President of the USA to halt the bombing of North Vietnam in order to facilitate intensive peace talks with Hanoi, affirmed its belief that co-operation in the industrialised, as much as in the developing, countries can obtain economic and social improvements by which humanity can live in peace and harmony, rejoiced in the 50th Anniversary of the ILO, and hailed as a landmark the adoption of Resolution 2459 (XXIII) by the United Nations General Assembly on The Role of the Co-operative Movement in Economic and Social Development. The accompanying article was set against the background of world economic trends, which demanded even more united action to cope with the problems affecting mankind. The ICA expressed its appreciation of the work of the UN Specialised Agencies, ILO and FAO, which play an important role in promoting co-operative development in the third world. In the field of technical assistance, especially the agricultural sector of newly-developing countries, the recent achievements of ICA policies were emphasised and its new Office for East and Central Africa was highlighted.

International Co-operative Day celebrations continue to be covered widely on radio and television. However, climatic conditions do not allow the celebrations to be held on the same day in all countries.

## **The ICA and the United Nations**

The relations of the ICA with the United Nations and its Specialised Agencies have grown closer over the years. An effective and broad representation at minimum costs has been ensured at UN Meetings, considerable consultation has taken place for strengthening co-ordination and some joint activities have been undertaken with the Specialised Agencies.

The recent adoption of the United Nations General Assembly Resolution 2459 (XXIII) on The Role of the Co-operative Movement in Economic and Social Development emphasises the importance of the Movement and asks, amongst others, the International Co-operative Alliance by name to render increased assistance in realising the objectives of the resolution. This resolution is of great significance and, with the creation of the FAO, ICA, IFAP Liaison Committee (ILO's approval is awaited) might well constitute a new chapter in the history of ICA relations with the UN.

Mr L. E. Woodcock and Dr M. Boson have regularly represented the ICA and maintained contact with the UN Headquarters in New York and Geneva. The Regional Officer for South-East Asia has been in touch with the ECAFE and other regional offices of Specialised Agencies, and it is hoped that with the creation of the ICA Office for East and Central Africa similar co-ordination will be ensured with the UN Agencies working in the field of co-operation, particularly in East Africa.

### **Economic and Social Council**

The ICA has been represented at almost all the sessions of the Council, and Mr. Woodcock attended the various meetings of the Committee on Non-Governmental Organisations in 1967 and 1968, which were held for revising the criteria governing the admission of Non-Governmental Organisations to Consultative Status. Two questionnaires were completed and sent to the UN Secretariat by the ICA, and its request to speak before the Committee was withdrawn only when it was found the ICA could satisfy all or any of the conditions being proposed for the highest category of consultative status.

### **UN Social Commission**

17th Session, New York, April 1966, observer: Mr Woodcock.  
18th Session, New York, March 1967, observer: Mr Woodcock.



The Commission recommended that a 16-member Working Party should complete, in 1968, a draft declaration on Social Development, the establishment of pilot programmes to improve living conditions, and a study of the possibility of proclaiming an International Housing Year.

#### **United Nations International Year for Human Rights 1968**

Mr Woodcock was a member of the International Committee of NGOs for International Human Rights Year in New York, and Dr Boson kept in close touch with the Conference on the Role of NGOs for International Year for Human Rights in Geneva.

The ICA was not specially represented at the International Conference on Human Rights in Teheran, 22nd April to 13th May, 1968, but had subscribed to a general declaration with other NGOs in support of the United Nations action for Human Rights. A resolution was passed in support of Human Rights Year by the Central Committee.

Seminars organised by the Division of Human Rights have been regularly attended by the ICA:

Seminar on Measures Required for the Advance of Women,  
Manila, 1966, observer: Miss Aurelia Macaso.

Seminar on Civic and Political Education of Women,  
Helsinki, August 1967, observer: Mrs Sirkka Rääkkönen.

Seminar on Elimination of all Forms of Racial Discrimination,  
New Delhi, August 1968, observer: Mr J. M. Rana.

Seminar on Civic and Political Education of Women,  
Accra, November 1968, observers: Mr E. F. K. Atiemo and Miss Irene Priddy.

The last mentioned Seminar recommended that African Governments should set up national commissions on the status of women, composed of leading men and women in public life, to develop plans for improving the position of women in their countries. Other recommendations to Governments included a review of education for women and girls to prepare them for social, economic and civic responsibilities, and provision of adequate facilities in the community for women to continue their education.

**10th General Conference of NGOs in Consultative Status with ECOSOC**, Geneva, July 1966, observer: Dr M. Boson.

**United Nations Regional Meeting**, London, November 1968, observers: Administrative and Education Secretaries.

**International Conference of Ministers Responsible for Social Welfare**, New York, September 1968, observer: Mr. L. E. Woodcock.

#### **Committee on Housing, Building and Planning**

The various sessions of this Committee in New York have been attended on behalf of the ICA by Mr Dwight Townsend. At the first meeting the urgency of providing middle and low income housing in developing countries was stressed, also the need for an international housing bank. A series of meetings between the Centre for Housing, Building and Planning and the International Bank for Reconstruction and Development took place.

Other international meetings dealing primarily with financial questions in which the Centre staff participated included the 10th Congress of the International Union of Building Societies and Savings' Associations and the Annual Meeting of the International Co-operative Housing Committee, both of which were held in London. The latter meeting appeared in the Provisional Agenda Item 5 (a) of the 4th Session of the Committee on Housing, Building and Planning in Geneva in September 1966. Under the same item in Document E/C.6/52/ADD.1, paragraph 10 reads as follows:

"It may be of interest to the Committee that a resolution was adopted by the International Co-operative Housing Committee supporting the United Nations programme in this field and requesting the United Nations to expand its activities by the establishment of a specialised agency for housing."

In June 1965, the UN Centre for Housing, Building and Planning was established within the Bureau of Social Affairs, which was an important step in the development of an integrated and comprehensive programme.

The 4th Session of the Committee was held in Geneva, September 1966, when representatives from 21 countries, members of the Committee, were present. Representatives of Regional Economic Commissions and Specialised Agencies as well as non-governmental organisations, participated. The ICA was represented by Mr A. Johnsson.

Study Group on the Social Aspects of Urban Co-operatives, Jablonna, Warsaw, May 1967, observer: Mr R. P. B. Davies.

This meeting was jointly organised by the UN Office, Division of Social Affairs, and the Supreme Co-operative Council, Poland, 40 representatives from 20 countries participated. Detailed analysis was given of the Urban Co-operative Movement in Poland, its organisation and inter-relationships.

#### **Economic Commission for Europe**

21st Session, Geneva, April 1966, observer: Dr Boson.

22nd Session, Geneva, April 1967, observer: Dr Boson.

Among the resolutions adopted, one called for a study of the long-term economic trends in the region, another related to tourism and invited the member countries to exert all possible efforts for the success of the International Tourist Year.

ECE Committee for Housing, Building and Planning

27th Session, May 1966, observer: Dr W. Ruf

28th Session, May 1967, observer: Dr Ruf

29th Session, May 1968, observer: Mr A. Johnsson

Meeting of Rapporteurs, February 1967, observer: Dr Ruf

2nd Seminar on the Building Industry, Paris, April 1967,  
observers: Messrs L. Robert, H. Feicht, F. Gorio and G. Leo

Project 4 — Non-Profit Housing Associations, Geneva,  
observer: Mr W. Ambrosius

#### **Economic Commission for Latin America**

12th Session, Caracas, Venezuela, May 1967, observer: Mr J. D. Guevara.

Among the items on the agenda were the position of the Latin American economy; planning problems in Latin America; Latin American Trade policy and the problems of relatively less developed countries.

#### **Economic Commission for Asia and the Far East**

22nd Session, New Delhi, March/April 1966, observers: Dr S. K. Saxena and Mr J. M. Rana.

The ICA representatives spoke on the development of trade; social aspects of development; development of agriculture and technical assistance, special fund and other activities in the ECAFE region.

23rd Session, Tokyo, Japan, April 1967, observer: Dr S. K. Saxena.

This Session coincided with the 20th Anniversary of ECAFE. The main theme of the deliberations was the strengthening of co-operation among Asian countries to speed up economic and social development within the region. Among the main results were the Tokyo Declaration calling for developed and developing ECAFE member countries to work together for Asian economic and social development.

Committee on Trade 10th Session, Bangkok, Thailand, February 1967, observer: Mr M. V. Madane.

Some of the recommendations were the Asian Development Bank should be represented at future meetings and should help foster regional and sub-regional co-operation and harmonisation of development in the region.

#### **International Labour Organisation**

50th Session of the International Labour Conference, Geneva, June 1966, observer: The Director.

A recommendation was adopted along the lines prepared in 1965 with two important and several minor changes and two new resolutions, one of which invited member States to provide information about co-operatives in their countries to the ILO and to encourage international co-operative banking with a view to increasing international financial aid for co-operative development. The second resolution invited international bodies concerned to collaborate amongst themselves and with member States for the promotion of co-operatives in developing countries.

51st Session of the International Labour Conference, Geneva, June 1967, observer: Dr Boson.

52nd Session, Geneva, June 1968, observer: Dr Boson.

Dr Boson attended the Governing Body Sessions of 1966, 1967 and 1968.

There was increasing collaboration between the ICA Regional Office for South-East Asia and the ILO Regional Adviser on Co-operative Management in organising national courses on management.

Conference of American States' Members of ILO, Ottawa, September 1966, observer: Mr Jim Macdonald.

According to the observer's report, the Director General in his report to the Conference made several favourable references to co-operatives and useful observations as to their role in Latin American development. With the exception of five, all American member States were represented, also participating were four official international regional organisations and twelve non-governmental international organisations.

The observer recommended that the ICA should be represented at future Conferences by the two official observers to which it is entitled, who should be from the country or region in which the Conference is held with a view to national co-operative movements being recognised as factors of importance in national planning; to have the co-operative technique employed as one of the solutions to various social problems; to provide evidence to all present that the movement shared their concern in devising measures to remedy social problems. The other advantage would be to strengthen the links between the ILO and the ICA, nationally and internationally.

Inter-Regional Technical Meeting on Co-operatives and Trade Unions, Denmark, September 1967, participants: Mr R. P. B. Davies who delivered a lecture on Common Interests and Relations between Trade Unions and Co-operatives and Dr S. K. Saxena who lectured on Aims and Principles of Co-operatives and their Practical Applications in Developing Countries.

ILO Preparatory Meeting of the Regional Conference on International Voluntary Services for its Proposed Seminar in Strasbourg in 1968, Geneva, October 1967, observer: Dr Boson.

Inter-Regional Follow-up Meeting on Co-operation, Bangkok, January 1967, observer: Dr Saxena, who gave a lecture on Recent Trends and Developments in the Co-operative Movement in Asia.

6th Asian Regional Conference of the ILO, Tokyo, September 1968, observer: Mr Shiguru Fukuda.

Meeting of Experts on Co-operation, Geneva, October 1968, representative: The Director.

The Meeting, attended by 18 experts from Africa, Asia, Europe, North and Latin America, the Near and Middle East, and representatives of FAO, ICA, IFAP, International Federation of Plantation Workers and the International Social Security Association, discussed the following questions:

Main types of non-conventional co-operative institutions; their role in economic and social development programmes;

ILO Recommendation 127 concerning the role of Co-operatives in the Economic and Social Development of Developing Countries adopted by the International Labour Conference at its 50th Session (Geneva 1966); preliminary evaluation of the influence of this instrument on the development of co-operation;

The programme of research and publications of the ILO in the field of co-operation;

Co-operative Enterprise Development Centres in Developing Countries;

Trade Unions and Co-operatives.

Non-conventional co-operative institutions were classified under three categories: Traditional forms of mutual help and assistance; Mutual benefit associations; Modern forms of non-conventional co-operation.

The participants recognised the necessity of obtaining information on the methods and means of establishing and encouraging mutual benefit societies in developing countries and suggested that ILO with ISSA and ICA should undertake investigations on the progress achieved by these societies and to give the results the widest publicity; that ILO, in collaboration with FAO, ICA, and IFAP should prepare monographs relating to modern forms of non-conventional co-operation (development corporations, marketing boards, farmers' associations, etc.).

Although there were encouraging indications that some governments, Ecuador, Norway, Spain, had followed ILO Recommendation number 127, it was too early to make an evaluation and further assistance was sought from the FAO, ICA and IFAP for its propagation. The importance of the ICA Calendar of Technical Assistance for Co-operatives was underlined and the need for closer collaboration between co-operative movements in developing and advanced countries in the field of inter-co-operative trade was emphasised. The meeting was acquainted with ICA work in this field.

The range of activities in the field of ILO research was noted and mention was made of the Study on the Role of Co-operatives in the Industrialisation of Developing Countries which had been sub-contracted to the ICA.

Collaboration between the ICA *Co-operative News Service* and the ILO *Co-operative Information* was emphasised to avoid overlapping and for ensuring more comprehensive coverage.

Reference was made to Co-operative Enterprise Development Centres and assistance was sought from international non-governmental organisations. The common areas, as also those of conflict, between co-operatives and trade unions were spelled out and further research was suggested in order to locate possible ways and means of practical collaboration between the two movements. Reference was made to the ICA Experts' Conference on trade unions and co-operatives in New Delhi in 1965.

#### **Food and Agriculture Organisation**

All the Sessions of the Council, 47th to 51st held in Rome, were attended by Dr L. Malfettani and Dr F. Cortesi.

Among the conclusions of the 47th Session, one was, that developing countries should increase their local food production by taking advantage of international assistance. A major item in the budget proposals of the 48th Session was the continuation of expansion of work begun on the preparation of an Indicative World Plan for agricultural development. The urgent need for more fertilisers, pesticides and tractors for farmers in countries experiencing food shortage was stressed.

Government of India Regional Seminar on Co-operative Farming, New Delhi, May 1966, observers: Dr Saxena and Dr P. R. Baichwal, who acted as Rapporteur.

World Land Reform Conference, Rome, June/July 1966, observers: Dr L. Malfettani and the Agricultural Secretary.

The Conference convened by the United Nations and FAO with the co-operation of ILO was attended by 300 officials, experts and consultants from 77 countries. Stress was laid on agrarian reform in its broadest sense. A resolution was adopted calling for further studies of land reform problems on a regional basis and it was recommended that the United Nations and FAO should continue to provide assistance to countries in carrying out land reform. The Conference stressed that peasants and workers should be encouraged to form co-operatives, trade unions and farmers' associations, and the importance of supplying peasants with adequate credit, technical assistance and education.

8th Regional Conference for Asia and the Far East, Seoul, Korea, September 1966, observer: Mr Myong Soon Shin.

World Food Programme, Inter-Governmental Committee. All sessions from 9th to 13th, held in Rome, were attended by Dr L. Malfettani and Dr F. Cortesi in 1966, 1967 and 1968, respectively.

At the 9th Session, April 1966, a joint statement by the Secretariats of ICA, ICFTU and IFAP was sent to the Secretary-General of the United Nations, the Director General of FAO, the President of IBRD, the President of the Inter-American Development Bank, the Managing Director of IMF, the President of the European Common Market, the General Secretary of OECD and the Chairman of OECD Development Assistance Committee. Acknowledgements and replies received were published in the *ICA Agricultural Co-operative Bulletin*.

Young World Food and Development Project, Regional Preparatory Seminar for Europe, Rome, April 1967, observer: Dr L. Malfettani.

The Seminar was characterised by a desire for more frequent and close collaboration and integrated activities between governmental and non-governmental organisations, and between non-governmental organisations themselves.

Freedom from Hunger Campaign, 7th Meeting of representatives in the European Region, Paris, May 1966, observer: Mr E. H. Thomas.

The main topics of discussion were ways in which European donor countries could increase their contribution to the Campaign and the intensification of the support of the World Youth Movement.

8th Session of the Advisory Committee of NGOs Participating in the Freedom from Hunger Campaign, Rome, May 1967, observers: Dr L. Malfettani and the Agricultural Secretary.

Discussions included a programme to publicise the Indicative World Plan for Agriculture and to increase the involvement of young people.

Young World Food and Development Conference, Toronto, September 1967, observer: Mr W. Hlushko.

This Conference was organised by FAO and supported by Massey Ferguson, Limited, as its contribution to the Freedom from Hunger Campaign. Over 300 delegates from more than 90 countries participated, and about 30 international organisations were represented.

There was a crucial concern for the need to involve youth in the planning, execution, and follow-up of all programmes concerned with food and development. For co-operatives at local, provincial, national and international levels, the conference implied the necessity for serious and immediate consideration of specific action programmes and resources financial and human; also structures which would put philosophy into practice more extensively than hitherto.

FAO Conference 14th Session, Rome, November 1967, observers: Dr L. Malfettani and the Agricultural Secretary.

The work of the co-operatives, credit and rural sociology branch of the Rural Institutions and Service Division was reviewed at meetings of the Technical Committees before the

Conference, and the delegates of various countries gave warm support to the joint FAO, ICA, IFAP suggestion to promote financing of agricultural co-operatives with particular regard to developing countries. Similar representations were also made at the NGO Committee and presented in its report to the Conference.

FAO-European Commission on Agriculture

15th Session, Rome, May 1967, observer: Dr Malfettani.

16th Session, Rome, October 1968, observer: Dr Malfettani.

FAO, ILO, IFAP Ad Hoc Consultation of Experts on Problems of Agricultural Co-operatives and other Agricultural Associations, Niger, December 1967, observer: The Agricultural Secretary.

Experts from seven African countries, FAO, ILO and IFAP participated as well as observers of ICA, ECA and the US Farmers' Union and representatives of the German Technical Assistance in charge of projects in that area.

The purpose of these consultations was to draw on the experience of national leaders in identifying the nature and scope of practical problems which impede the implementation of progress for the development of co-operative and other agricultural associations, with a view to prescribing courses of action which would assist governments coping with such problems. Emphasis was placed on broadening the economic basis of co-operatives on education and training, general education, finance of agricultural co-operatives, price policy and inter-co-operative trade. Another such Consultation will be held in 1969 in Eastern Africa, and the ICA has agreed, in principle, to be a co-sponsor.

Joint FAO, WHO Food Standards Programme — Codex Alimentarius Commission, 5th Session, Rome, February 1968, observer: Dr F. Cortesi.

FAO Ad Hoc Working Party of Selected Administrators of Agricultural Training Programmes, Rome, May 1968, observer: Dr Malfettani.

FAO, ILO, ICA, IFAP Liaison Committee, Rome, October 1968, representatives: The Agricultural Secretary, The President, The Director, Dr Malfettani and Mr P. Lacour.

A Liaison Committee, consisting of FAO, ICA and IFAP, with ILO likely to join, has been formed for the promotion of co-operatives in developing countries. Its task is to arrange for increased co-operation among the UN Agencies and donor countries for co-operative projects in developing countries. There has been a lack of co-ordination between the allocation of finance and technical assistance in the form of know-how in projects of assistance. Further, being of smaller size, co-operative projects have been neglected by powerful financial agencies. The main task of this joint effort is to cover gaps in co-operative technical assistance and avoid overlapping. The priority programme has already been agreed upon and comprises the selection of a few small countries for technical assistance, a pamphlet for donor countries about the work of the Liaison Committee.

As the International Co-operative Bank Company, Limited, has shown interest in financing projects in developing countries, the question of its contribution to the preparation of some projects being in a pre-investment, feasibility or appraisal phase was discussed with its representatives.

An agreed text has been submitted to all participants as a memorandum of understanding and the priority programme decided. This has now been received from the Director General of FAO and acceptance given on behalf of ICA.

The President and Director of ICA, and the General Secretary of IFAP had a meeting with Dr A. Boerma, FAO Director General, to discuss problems concerning the work of the Liaison Committee, the contribution of both organisations in preparing the World Food Congress and the World Conference on Agricultural Education.

9th FAO Regional Conference for Asia and the Far East, Bangkok, November 1968, observers: The Regional Officer and Mr Thep. Saiyananda.

10th FAO Regional Conference for Latin America, Kingston, Jamaica, December 1968, observer: Mr J. A. Kirlaw.

## UNESCO

10th Conference of International Non-Governmental Organisations in Consultative Relations Categories A and B with UNESCO, Paris, June 1966, observer: Mr R. P. B. Davies.

The Standing Committee of NGOs for the period 1966-1968 was elected. The ICA did not stand for election, but representatives of several organisations indicated that they would support the ICA if it wished to stand. As a result of discussions the NGOs sponsored a seminar in East Africa for literacy work, it was aided by UNESCO and took place in December 1966.

General Conference, 14th Session, Paris, October/November 1966, observers: Mr Ch.-H Barbier and Mr Davies. Mr Barbier was also a member of the Swiss Government delegation.

Although co-operative organisations in developing countries were not playing a major part in the Literacy Campaign, it was possible for many of them to bring pressure to bear when literacy programmes were under discussion. Mr Barbier and Mr Davies stressed the need to ensure that in the teaching of "functional literacy" a co-operative content was included in the programme. This was done in UNESCO's experimental projects in Tanzania and Mali.

Literacy Training Seminar for NGOs, Tanzania, December 1966, observer: Mrs K. Turnbull on behalf of all NGOs.

Selection Committee for Group Study Tours for Workers' Education Leaders 1967, 1968, Paris, June 1967, Mr Davies.

Applications from workers' organisations for grants for group study tours for workers' education leaders were considered. This scheme which replaced the former one for group tours for European workers is a global one for education leaders. 118 applications from 53 member states were received, of which 19 were from ICA member organisations in 14 countries; 12 grants were made to ICA affiliates.

1st Meeting of the Standing Committee elected by the 10th NGO Conference of Organisations in Category A and B Consultative Status, Paris, October 1966, observer: Mr Davies.

Many NGOs suggested that the ICA should stand for election at the Conference to be held in 1968. It was agreed that the Chairman of the NGOs Conference would be invited to address the plenary 20th Anniversary meeting of UNESCO on behalf of the NGOs. Three working parties were appointed on literacy, human rights and the role of culture in leisure.

Meeting of the Standing Committee elected by NGOs with Consultative Status, Paris, February 1967, observers: Mr Davies, Mrs M. J. Russell.

The participation of women in the leadership of international non-governmental organisations concerned with both men and women was discussed.

Meeting of NGOs with Headquarters in London, April 1967, observers: Mr Davies and Mrs M. J. Russell.

Meeting of the Standing Committee of NGOs, Paris, November 1967, observer: Mr Davies.

### UNESCO Grant

UNESCO had agreed to give a grant of \$3,500 to the ICA's International Conference on Co-operative Education held in New Delhi, February 1968, under resolution 1.43 in the approved programme and budget for 1967/1968 dealing with aid to Non-Governmental Organisations. UNESCO does not normally aid Conferences sponsored by NGOs, but it was felt that this particular Conference was of great educational importance.

Standing Committee elected by the 10th Conference of International Non-Governmental Organisations in Consultative Relations A and B, Paris, March 1968, observer: Mrs Russell.

11th Conference of NGOs in Consultative Relations A and B, Paris, July 1968, observer: Mrs Russell.

The ICA was elected to the Standing Committee to serve until the 12th Conference.

*International Advisory Committee for the Advancement of Out-of-School Education, Paris, March 1968.*

Mrs Russell attended as a member of the Committee, which is a combination of former committees dealing with adult education, literacy and youth activities. Under the new arrangements, these subjects will be dealt with by Sub-Committees reporting to the main Committee.

Conference on Education and Scientific and Technical Training in Relation to Development in Africa, Nairobi, Kenya, July 1968, observer: Mr J. J. Musundi.

Conference of NGOs with Consultative Status A and B with UNESCO and ECOSOC, Paris, September 1968, Mrs Russell.

Among the topics discussed was the election of the Bureau of the Standing Committee and the financial grant to the expenses of the NGO Human Rights Conference held in Paris.

2nd Session of the International Consultative Liaison Committee for Literacy, Paris, September 1968, observer: Mr A. Faucher.

NGO Conference on Human Rights, Paris, September 1968, observer: Mr Ch.-H. Barbier.

This Conference, in which 275 representatives from 118 countries participated, was sponsored by the permanent conference of NGOs enjoying Consultative Status with the United Nations Economic and Social Council.

Mr Barbier took an active part in the discussions and stressed the contribution made by the co-operative movement to human rights.

The Conference was held to commemorate the 20th Anniversary of the Universal Declaration of Human Rights.

General Conference, 15th Session, Paris, November 1968, observers: Mr Barbier, Mr Davies, Dr L. Sieber.

Mr Barbier's opinion was that to be properly represented the Alliance should have, in addition to its permanent representative, three representatives for each of the three commissions. The permanent representative should be accompanied, during the first and last weeks, by one colleague, for it is during these periods that contact with other delegations is most fruitful.

Standing Committee and Working Parties, Paris, December 1968, Dr L. Sieber.

The Working Parties on Education for Peace and on Youth in Society held meetings.

Standing Committee of NGOs — Meeting of Ad Hoc Working Party on Procedure, London, February 1969, representatives: Mr Davies and Dr Sieber.

The ICA as a member of the Standing Committee was the convenor of the meeting to consider the procedure and standing orders for the next NGO Conference to be held in October 1969.

## **UNCTAD**

Trade and Development Board, 4th and 5th Sessions, Geneva, September 1966 and August September 1967, respectively, observer: Dr M. Boson.

Meetings of the 2nd Session of the Committee on Commodities, Geneva, October 1966 and January 1967, observer: Dr Boson.

United Nations Conference on Trade and Development, 2nd Session, New Delhi, February/March 1968, observers: Dr S. K. Saxena and Mr M. V. Madane.



110 states and 41 international organisations were represented, and about 1,600 participants.

**The Organisation of American States and the Inter-American Development Bank — Conference on Workers' Banks**, Washington, representative: Mr H.-U. Mathias.

A short statement was sent by the Director of the ICA for the information of all participants.

## **The ICA and Other International Non-Governmental Organisations**

**World Assembly of Youth**, 6th General Assembly, Tokyo, Japan, August 1966, observers: Dr Saxena and Mr Shiro Futagami.

The main theme was Youth and the Development Challenge.

**International Federation of Agricultural Producers**, 15th General Conference, also the 20th Anniversary of IFAP, London, May 1966, representatives: The Agricultural Secretary and Dr L. Malfettani.

Two resolutions were passed, one on international food and farm policy the other on the world food programme.

Three important items discussed by the Standing Committee on Agricultural Co-operation were: The use of individual contracts between agricultural co-operatives and their members; The investment problem in agricultural co-operatives; The role to be played by national unions of agricultural co-operatives in the developing countries in the formation of governmental policies affecting agriculture.

**International Office of Consumer Unions**, Biennial World Conference, Nathanya, Israel, June 1966, observer: Mrs Turid Ström, member of ICA Consumer Working Party.

The theme of the Conference was The Consumer Revolution, and discussions related to problems of comparative testing; education and information; consumer legislation; government and consumer; advertising and labelling.

**International Standards Organisation**, 7th Plenary Assembly, Paris, March 1966, observer: Mr F. Custot.

A short paper on the work of ICA and the Consumer Working Party was presented.

**International Chamber of Commerce**, Meeting of the Commission on Distribution, Paris, June 1966, observer: Mr Barbier.

XXIst Congress of the ICC, Montreal, observer: Dr A. Laidlaw.

Meeting of the Distribution Committee, Paris, October 1967, observer: Mr Barbier.

Meetings of the Commission on Distribution, Paris, September 1968, observer: Mr Barbier.

An excellent report prepared by Mrs E. Sanna on marketing dealt with the most up-to-date problems of co-operative societies and deserves to be considered by all co-operative organisations.

Closer collaboration between the Commission on Distribution and its Advisory Committee was decided.

The main theme of the next ICC Congress to be held in Istanbul, June 1969, will be the freedom of choice of the consumer.

**International Bureau of Education**, 29th Session of the International Conference on Public Education, Geneva, July 1966, observer: Dr Boson.

**International Assembly of Women — Liaison Bureau**, International Seminar on the Participation of Women in Public Life, Rome, October 1966.

A paper prepared by the Secretary for Women Co-operatives was sent to the Seminar.

**CUNA International Inc.** — International Conference on Co-operative Thrift and Credit, Kingston, Jamaica, October 1966, representatives: The President and Director of the ICA.

The Conference was relevant for credit unions and thrift and credit co-operatives.

The ICA Banking Committee and the International Co-operative Bank were represented.

The Conference unanimously requested CUNA International and the ICA to arrange a suitable forum at international level for continuing consideration of co-operative thrift and credit questions, and to arrange for future conferences.

**Meeting of the European Community of Consumer Co-operatives**, Paris, April 1967, observer: The Secretary for Research and Statistics.

**World Assembly Meeting of the International Secretariat for Voluntary Service**, New Delhi, March/April 1967, observer: Dr Saxena.

**Conference of the Council of the Agricultural Co-operative Association Limited**, London, May 1967, observer: The Director.

#### **ICFTU**

**First World Conference on Education in the Trade Union Movement**, Montreal, August 1967, observer: Mr J. Macdonald.

**Meeting of the Working Party on Co-operatives and Vocational Training**, Brussels, November 1967, observer: Mr Davies.

The purpose of the meeting was to discuss the feasibility study on trade union aid to Indonesia, prepared after a two-month mission to Indonesia. The possibility of national and regional seminars was discussed, also specialist seminars for co-operative personnel; a programme co-ordinator will be appointed to oversee this project.

#### **IFAP**

**Standing Committee on Agricultural Co-operation**, 10th Session, Rome, November 1967, observer: Secretary for Agriculture.

The Joint FAO, ICA, IFAP Programme to promote financing of agricultural co-operatives with particular regard to developing countries was discussed, and received good support.

Supported by FAO and ILO, IFAP organised an Ad Hoc FAO, ILO, IFAP consultation of experts on problems of agricultural co-operatives and other agricultural associations at Niger, December 1967.

**Session of the Standing Committee on Agricultural Co-operation in Connection with the 16th General Conference of IFAP**, Tunis, Tunisia, April 1968, observer: Secretary for Agriculture.

Delegates attended from 14 countries; Mr G. St. Siegens, FAO, Mr S. Anania, FAO, Dr L. Malfettani, and the ICA Secretary for Agriculture were observers.

The report of the Secretariat placed particular emphasis on closer collaboration between IFAP and other international organisations such as FAO, ICA and ILO. Following its deliberations in Rome in November, 1967, the Committee had concentrated its studies on structural problems of agricultural co-operatives, staff and member training in co-operative management.

**International Confederation of Agricultural Credit**, Fourth World Congress, Zürich, May 1967, observer: Secretary for Agriculture.

About 500 delegates from 48 countries participated. International Organisations represented were FAO, CEA, ILO, IBRD and ICA, whose representative gave a short report on the international aspects of agricultural co-operative finance.

**Study Meeting of the International Confederation of Agricultural Credit**, Beirut, April 1968, observer: Mr R. N. Clerides.

**Japan-Thailand Joint Committee on the Promotion of Co-operative Trade between Thailand and Japan, Third Session, Bangkok, March 1967, observer: Mr M. V. Madane.**

The leader of the Thai delegation, Mr Somrith, made reference to two important developments: that a national co-operative marketing federation was likely to be established; that the Co-operative League of Thailand was being organised and was expected to come into existence some time in 1967.

**International Federation of Workers' Travel Associations** — This Triennial Congress of the IFWTA was held at Tel-Aviv, Israel, in November 1966. Mr M. A. Gilboa of Hevrat Ovdim represented the ICA.

Fifth African Conference on the Mobilisation of Local Savings, Mr W. Kapinga represented the ICA at this Conference, Dar-es-Salaam, January 1967.

The Ministry of Commerce and Co-operatives of Tanzania was host to the Conference, with CUNA International as one of the co-sponsors.

**The Third Asian Agricultural Co-operative Conference**, organised by the National Co-operative Union of India, New Delhi, June 1967.

The ICA was represented by the Regional Officer and the Secretary for Agriculture. Western Australia, Ceylon, Czechoslovakia, Hungary, India, Indonesia, Japan, Korea, Sweden, the UAR, the UK, the USSR, and the USA were represented by co-operative organisations. Afghanistan, Cambodia, Iran, Lebanon, Nepal, Singapore, Syria, and Thailand were represented by Government Departments. ILO, FAO, IFAP, AARRO and ECAFE sent observers.

Dr L. Malftriani, as Chairman of the ICA Agricultural Committee, was also present.

The Conference was the successor to the previous one in Tokyo. The theme was the improvement of trade among developing countries in Asia, especially co-operative trade in agricultural products. A summary of Mr Eisenberg's report was an important background document at the Conference.

**Organisation of the Co-operatives of America, Second Assembly in Vina del Mar, Chile, April 1967.** The Director represented the ICA.

The nineteen founder members had increased to 90 active and 33 collaborating members, which were well represented.

The main business was concentrated in two commissions, one for integration the other for doctrine and education. The second commission approved the report of the ICA Co-operative Principles Commission after considerable debate and outlined plans for helping national education programmes. A special feature of the Assembly was the lively interest and concern of the members in achieving integration of co-operatives as rapidly as possible. About ten Integration Planning Committees had been set up in member countries each of which had, or intended to have, its own Pilot Integration Project. Mr J. W. Ames, Sweden, was playing a leading part in establishing these committees and projects.

**International Organisation of Consumers Unions (IOCU), Conference**

This was held in Bronxville, New York in June/July 1968. It was attended by Mrs N. Hawkins as the ICA observer.

**CIRCOM** — Meeting of the Planning Team and Scientific Committee, Geneva, October 1967. The Secretary for Agriculture represented ICA.

The sponsors of this meeting were the ILO and the UN Training and Research Institute. Eighteen representatives from ten countries, and observers from FAO, ILO and the UN Institute participated.

The problems discussed were the adaptation of methods of co-operative agriculture to the traditional patterns of rural communities; the role of group action, especially co-operation, in the integration of industrial, agricultural and non-agricultural employment sources in rural areas; and major research projects related to co-operative rural communities conducted by different international agencies. A report was given on the work of CIRCOM and suggestions

were made for two international symposia on The role of co-operative organisations in the industrialisation of rural areas and the development of rural regional centres and Democratic management and economic efficiency in co-operative rural communities.

CIRCUM is trying to sub-contract with FAO, ILO and ICA some studies in the field of rural development. Concerning the ICA, it has been decided that Contracts will with ICA normally be through the Secretary of the Agricultural Committee, and there will be reciprocal attendance at meetings by both organisations whenever the agenda is of mutual interest.

**AARRO** — Third General Conference, Seoul, Korea, April 1968. ICA observers: Mr R. Erixon and Mr Chong Chul Cha.

**Raiffeisen World Congress**, Frankfurt, June 1968. ICA representative Dr C. Schumacher.

The Organisation of World Raiffeisen Day was attended by large delegations from many countries. Initial steps were taken to launch the International Raiffeisen Union and, although it has been stated that it is not intended to establish a large Organisation, it would seem necessary to arrange discussions at which more can be learned about its plans and future prospects, with a view to achieving maximum unity in the world co-operative movement and avoiding overlapping.

**First General Meeting of the British Section of the International Centre for Research and Information on Public and Co-operative Economy (CIRIEC)**, London, April 1967. The Secretary for Education represented the ICA.

International Congress of Public and Co-operative Economy (CIRIEC), Liège, Belgium, October, 1968. The Director who represented the ICA referred to: the Report of the Commission on Co-operative Principles; the work of the Regional Office and Education Centre in SE Asia in the field of technical assistance, education and inter-co-operative trade; the establishment of close contacts between the ICA and the co-operative movements in Latin America; the setting up of an ICA Office in Africa with a view to giving more sustained attention to the problems of the co-operative movements; the close and fruitful relations between the ICA and the United Nations and its Specialised Agencies reflected in its Consultative Status with the United Nations which gave possibilities of collaboration and of influencing the course of the Agencies in their programmes of co-operative development.

**Consultative Assembly of the Council of Europe**, 3rd Seminar on International Voluntary Service, Strasbourg, November 1968, observers: Mr M. Démond and Mrs L. Stettner.

This Seminar organised by the Regional Conference on International Voluntary Service at the invitation of the Consultative Assembly, had as its theme Co-operation in economic and social development, the responsibility of trade unions, co-operatives, voluntary agencies, industrial and commercial enterprise in developing countries.

Mr André Philip, President of OECD Development Centre acted as Chairman and the Introductory address was delivered by Mr A. E. Oram, Parliamentary Secretary to the British Ministry of Overseas' Development. The Seminar was divided into nine working groups which submitted reports on: social conditions of industrialisation; Industrial agriculture and rural community development; Industrial and professional training overseas and in other countries; Support to new industries in overseas countries; Industry in the countryside; Selection, psychological and social preparation of European personnel; Promotion of co-operatives; Action in industrialised countries; Appropriate information on low cost tools and equipment.

Participants included representatives of trade unions, co-operatives, private enterprise, voluntary agencies, governmental and non-governmental organisation in both developed and developing countries, as well as FAO, OECD and ILO.

**The European Confederation of Agriculture (CEA) Congress**, Salzburg, September, 1968 observer: Secretary for Agriculture.

On the occasion of its 20th Anniversary, the CEA Congress was attended by 1,500 delegates from 16 countries. Its main theme was the working out of a manifesto for a policy for the protection of the independent family farm, an international price policy and the organisation of markets. Requests were made for a model agricultural structure, a zonal and

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regional policy giving more attention to mountain areas, a wider technical and higher education for farming youth, increased help to developing countries and the strengthening of relations between agricultural organisations, governments and international organisations at national and international levels.

The Commission on co-operation, insurance and agricultural credit, dealt with co-operation in the field of production, price policy, education of leaders of agricultural co-operatives, structural changes in co-operatives and the role of youth in the Austrian Agricultural Co-operative Movement. The Commission passed a resolution calling for agricultural organisations to be treated in a similar manner to other enterprises with different legal forms; to be allowed to participate on an equal basis with other organisations in the establishment of associations and marketing organisations; to receive adequate funds for the training of co-operative staff; to press for funds made available by Governments or other public bodies for price support policies to be distributed through co-operatives.

**African Association of Savings' and Credit Societies**, Nairobi, Kenya, September 1968, observer: Mr Arne Holmberg.

The Conference was organised by CUNA International and the Catholic Relief Services and Kenya National Federation of Co-operatives acted as hosts. Three sub-committees were elected, one of which will work on a five-year plan for Savings and Credit Societies in Africa.

The Africa Co-operative Savings' and Credit Association was formed, the word Africa and not African being used to stress open membership and to avoid the interpretation that these co-operatives were intended only for African people.

The Conference insisted upon Co-operative being included to show that this is a co-operative organisation and an organisation for co-operatives in order to avoid any formal difficulties with any government in future.

Mr Holmberg pointed out that the increasing contacts of the ICA with co-operatives in young countries showed its great interest in savings and credit.

**Twelfth Triennial Conference of the Associated Country Women of the World**, Lansing, Michigan, September 1968, observer: Mrs Litta Robertson.

**World Assembly of Youth**, Regional Seminar on Youth and Rural Development, An Grianan, Termonfecken, Eire, October 1968.

Mr Malachy Prunty represented the ICA and delivered a lecture on Youth and Co-operatives which was well received and considered a valuable contribution to the Seminar.

**International Conference on Technical Assistance to Developing Countries in the Co-operative Field**, Holte, Denmark, November 1968, representatives: The Director and the Secretary for Education and Technical Assistance.

This Conference, the second of its kind, was organised jointly by the Danish Government and the Danish Board for Technical Co-operation with Developing Countries. Participants included co-operative and government representatives from Canada, Denmark, Finland, France, Federal Republic of Germany, Israel, Norway, Poland, Sweden, Switzerland, United Kingdom and USA. Other international Organisations represented were FAO, ILO and OECD. Lecturers from India, Kenya and Costa Rica represented the three developing regions of the world.

The Conference was chaired by Dr K. Philipp and was welcomed, on behalf of Danish Co-operatives, by Mr Clemens Pederson. In the opening speeches, references were made to the importance of technical assistance to developing countries in the field of training and education, the ILO Recommendation number 127, the lack of resources on the part of co-operative organisations, hence their concentration in providing advice, know-how, personnel etc., and the extreme importance of good collaboration between Government authorities and co-operative organisations.

Statements were made by representatives of international organisations. That of the ICA referred to the Calendar of Technical Assistance issued annually since 1966, the establishment of the FAO, IFAP, ICA Liaison Committee, which was to concern itself with international financing of co-operative enterprises, co-operative trade in Africa, preparation of a co-operative

vocabulary; the trade survey in SE Asia; assistance from the ICA Development Fund for the creation of an integration institute for Latin America for initiating structural reforms; the extensive educational programmes of the ICA Office in SE Asia; and the ICA Office for East and Central Africa.

Under the title co-operative technical assistance seen from the recipient countries, the following points were emphasised: co-ordination of activities on the basis of early information; higher level training seminars in donor countries; proper selection of participants; systematic planning of technical assistance projects to ensure that they are inserted at the right place in the most efficient manner; importance of proper selection of experts; recent trends towards technical assistance in specialised fields and the great need for research.

**First Inter-American Conference on Co-operatives**, Buenos Aires, Argentina, November 1968, observer: Mr Francisco Luis Jimenez of OCA.

**Pan-American Union**, Tenth Inter-American Travel Congress, Quito, Ecuador, December 1968, observer: Dr Fernando Gonzalez.

## Obituary

Congress will pay tribute to the memory of co-operators everywhere who have died in the past years, remembering especially some who have given outstanding services to the cause of co-operation, nationally and internationally. In honouring them, we honour all co-operators everywhere who have passed away.

**Carl Albert Anderson** — Member of ICA Central Committee; instrumental in the formation of the ICA Committee on Retail Distribution and its Chairman for many years; Chairman for many years of the Board of Directors of the Scandinavian Co-operative Wholesale Society; President of Kooperativa Förbundet.

**Sir Jack Bailey** — National Secretary, United Kingdom Co-operative Party 1942-1962. Undertook mission to Ghana for ICA in 1960.

**Dr Ernest Bodien** — One of the greatest exponents of co-operative housing; active member of ICA Housing Committee. Awarded the Victor-Aimé-Huber medal and the Service Cross of the Federal Republic of Germany for his work in the Co-operative Movement.

**Arnold Bonner** — Educationalist at the British Co-operative College; member of ICA Commission on Co-operative Principles.

**Dr Marcel Brot** — President, Union of Co-operators of Lorraine and National Federation of Consumer Co-operatives, France; for twenty years a Member of ICA Executive and ICA President from 1955-1960.

**Maurice Colombain** — Former head of ILO Co-operative Department; member of French Central Office for School Co-operatives; President of French National Committee of Consumer Co-operatives; Director of Institute of Co-operative Studies, Paris.

**Hans Dietiker** — Director of the Co-operative Seminar of the VSK at Freidorf, Switzerland.

**István Dobi** — Forestry and agricultural worker, life-long co-operator. 1955-1965 President of the Hungarian Farmers' Co-operative Council. 1968 President of the National Co-operative Council.

**Jacob Efter** — Chairman of Israeli Co-operative Wholesale Society, and Member of ICA Central Committee since 1946.

**Harald Elldin** — Principal of the Swedish Co-operative College Vår Gård for 35 years.

**Eduard Hartmann** — Leader of Austrian Agricultural Co-operative Movement; Generalanwalt of the Austrian Raiffeisen Organisation 1961-1966.

**Dr Reinhold Henzler** — Member of ICA Commission on Co-operative Principles.

**Ernst Herzog** — Past President of the Administration of VSK; Member of the Swiss Parliament; Member of ICA Central Committee.

**Jan Inglot** — General Director of the Central Agricultural Union of “Peasant Self-Aid” Co-operatives, Poland; Member of ICA Central Committee.

**Albin Johansson** — Initiator of the International Co-operative Petroleum Association and Nordisk Andelsförbund. Motivating force behind the Swedish Co-operative Movement; President of Kooperativa Förbundet; longest serving Member of ICA Central Committee (1919-1963); Member of ICA Executive 1927-1946; ICA Vice-President during 1946.

**Professor D. G. Karve** — Chairman of the Advisory Council of the ICA Regional Office and Education Centre for South-East Asia; Chairman of ICA Commission on Co-operative Principles.

**Jalmari Laakkso** — Former Director General of KK, Finland; Member of ICA Central Committee, 1951-1962; awarded Rochdale Medal for Co-operative Services (1950); member of ICA Housing Committee.

**Joseph Lemaire** — La Prévoyance Sociale, Belgium; instigated the ICA Insurance Committee and its Secretary from 1922-1946.

**Murray D. Lincoln** — Founder of Nationwide Insurance Inc., USA; past President of Co-operative League of the USA; Member of the ICA Central Committee 1946-1957; at its first post-war meeting in January 1946, was elected to the ICA Executive; ICA Vice-President 1946-1948.

**Uuno Takki** — Former General Manager of Osuustukkukauppa, Finland; Member of ICA Central Committee 1952-1966.

**Philip M. Thomas** — Chief Executive Officer of the English Co-operative Wholesale Society.

**Edward Topham** — Co-operative journalist; former Editor of the Co-operative Union of the United Kingdom.

**P. M. Williams** — Former Chairman of the British Co-operative Union; Member of ICA Central Committee.

**Alois Zábojník** — Former President of the Central Co-operative Council, Czechoslovakia, Member of ICA Central Committee.

## Discussion on the Report of the Central Committee

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In submitting the Report of the Central Committee for discussion, **The President** said the first three speakers had asked to be allowed to deal with the report as a whole, after which it would be discussed section by section.

**Mr L. Rév, Hungary:** I am greatly honoured to be attending this Congress as the delegate of the Hungarian Industrial Co-operatives. Although the National Federation of Producers' Co-operatives of Hungary is one of the youngest members of the world federation, the co-operative movement in Hungary has its roots in the last quarter of the nineteenth century.

I do not intend to inform Congress about the development of industrial co-operatives in Hungary, but merely to point out that one can only speak of a vigorous development after the Second World War, when the political transformation of the country presented favourable conditions for the co-operative movement. I would not pretend that the path of development was wholly free from difficulty, but co-operative industry became a noteworthy factor in the economic life. Because producers' co-operative representation increased within the movement as well as economically, we established relations with co-operative movements of other countries and became members of the International Co-operative Alliance. The 1,100 industrial co-operatives of the Federation which I represent employ approximately 300,000, their share in the industrial production of Hungary is 7 per cent, and 13 per cent in the building and construction industry.

We are extremely interested in the report of the Central Committee, in which statistical data indicates that industrial co-operatives are numerous all over the world. We are well aware that the importance of a movement cannot be measured merely by numerical data. There are other important factors regarding its meaning and aims, its contribution towards progress, economic prosperity, and the social and cultural development of the community. The members of the producers' co-operatives are not only the proprietors but also the workers and their whole existence is based on the co-operative. They, therefore, have a very great task and a heavy responsibility in the realisation of the aims I have mentioned.

Everyone would agree, I think, with the statement in the report that the Alliance contributes to the general raising of standards of the poorer populations by enabling them to help themselves. Thus the great potential strength of the hidden reserves become utilisable for millions of people. If that is true, and it is one of the most important aims of the ICA, we have to recognise human labour and ability as basic "hidden reserves". These qualities exist all over the world, especially in the developing countries, but are far from being utilised to their utmost. One of the most effective ways of doing this is by association, and particularly by the foundation and development of producers' co-operatives.

The Alliance should study more fully the problems of producers' co-operatives and all the possibilities inherent in them; for example, employing and instructing the population, raising their material and cultural standards. This is of particular importance in industrially under developed countries. In other countries, such as Hungary, the industrial co-operatives are efficient social and economic communities for dealing with large scale industry, satisfying the direct demands of the population, for home building and providing industrial and personal services.

In attending this Congress we hope to gain as much experience as possible and, at the same time, we should like to pass on our experiences to other co-operative movements. Important changes in our economic guidelines since 1968 might have an interest for producers' co-operatives from other countries. Our co-operatives have kept in step with the new circumstances, making the best of the latest opportunities and adapting themselves to the relative markets.

The worker's life in different countries, I believe, is similar and I am sure co-operatives, although they work under different circumstances, understand each other, for basically they



have an identical aim to raise the standard of living of the worker. I am sure the International Co-operative Alliance will support producers' co-operatives to an even greater extent, thereby contributing to their development.

**Mr T. Janczyk, Poland:** The 75th year of the ICA's existence is not far off. In the course of its lifetime many changes have been seen, and the Alliance has proved what a valuable role it can play in relation to the work of the co-operative movements and organisations throughout the world.

Polish co-operators think that a particularly important document for the ICA and all co-operatives is the UN resolution on the Role of Co-operation in Newly Developing Countries, which stresses correctly the aims and character of the co-operative method and the need for the application of the co-operative principles. This resolution is a great recognition of the work of the Alliance, but we have to remember that it also places a number of obligations upon us. In the future we must develop further those activities which have led to this recognition of our role, and the ICA must be open to all co-operative organisations which base their work on co-operative principles. We should do all we can to bring into membership co-operative movements which are working in different economic systems and in different areas, particularly we must help and support the movements in developing countries. We must develop our work on co-operative education and in the exchange of opinions, experience, etc.

Hitherto there has not been a sufficiently effective implementation of the important resolutions passed by the ICA. We must see that they are implemented in an effective way by all co-operative organisations. We must also try to develop further international trade between co-operatives, enlarge the contacts between organisations in different geographical areas, and we must encourage visits between co-operators in different countries so that they may get to know each other and their work better.

In conclusion, on behalf of the Polish co-operators, I should like to thank the President for the work he is doing and has done on behalf of the co-operative movement, together with other leading personalities, I also thank the former Directors and present Director for all their efforts.

**The President:** I reciprocate your kind remarks to myself and to the Secretariat, Mr Janczyk, by mentioning that the UN Resolution on the Role of Co-operation in Newly Developing Countries was the result of an initiative taken by the Polish movement and the Polish government and expressing sincere thanks to our Polish friends for that important initiative.

**Mr A. Krashennikov, USSR:** Centrosoyus represents the largest co-operative organisation in the world and is fully alive to the need to achieve the aims set out in the rules of the ICA. Particular attention has been paid to the struggle against monopolies and a resolution on this question has been passed. Work has also been carried out concerning the abuses by private enterprise, and certain steps have been taken in regard to the struggle for peace and security throughout the world. The ICA unites millions of co-operators from very many countries, and if resolutions are taken as directives for action then the ICA can have a very important influence on the affairs of the movement. The struggle for peace could be advanced in the interests of all peace-loving people, and this would be a great obstacle to the warmongers. But resolutions on peace and the struggle against monopolies, which were largely supported, have simply been passed on to the United Nations, and not much is said or done about them. Our co-operators are trying to solve the problems of the membership in a spirit of democracy and equality, they are struggling for better conditions and the defence of the workers' interests against the capitalist system.

The report contains a number of facts but there is no analysis, and only a few pages are devoted to the work of the Central Committee, whereas the subject of the ICA and the non-governmental organisations occupies more than half of the report. Neither does it contain the programme of future activities of our national organisations, although there is great interest in all countries in the activities of national movements. In future reports of the Central Committee more space should be devoted to the activities of the national organisations and their programmes. The report should not only be a working document of the Congress but a valuable one showing the work achieved, also the future work of the national organisations and of the Alliance.

## Introduction

**Mr M. Marik, Czechoslovakia:** In the report of the Central Committee it is mentioned that at their meeting at Glasgow they studied the memorandum on the structure of the ICA, which was prepared by the former Director, Mr Alexander; that the observations made by the members of the Committee were discussed by the Executive and its views were reported to the Central Committee at Oslo in 1969. We consider that to deal in this way with such a serious problem is to over-simplify it. We know very well the contents of the memorandum, and we greatly appreciate the valuable ideas which it contains. This will explain why we are surprised to note that, apart from a mere indication that this memorandum was prepared and studied in turn by the Central Committee and Executive, the delegates to this Congress have not been given the opportunity to familiarise themselves, at least in outline, with its principal ideas. It has already been noted, even in this Congress, that the world of today is undergoing vast changes and that the transformations brought about by the scientific and technical revolution affect directly, or indirectly, the national co-operative movements. It is logical that the members of the congresses of national co-operative organisations systematically discuss the scope and orientation of the structural changes which are necessary so that the co-operative movement may keep abreast of world evolution and stand up to increasing competition.

Recent Congresses of the ICA also dealt with the problem of changing structures as regards the co-operative movement in general, but not the structure of the ICA. It is not our intention to criticise the activities of the ICA, rather, we wish to seek ways and means of adapting its structure and applying such methods of work which would contribute to raising the efficiency and thus to increasing the prestige of the ICA. Many ideas to this end are contained in the memorandum on the structure of the ICA elaborated by Mr Alexander, and it would, therefore, be most unfortunate if it were to be forgotten.

In the name of the Czech delegation I propose that the authorities of the ICA, especially the Executive and Central Committee, take up the problem of the structure of the ICA in the near future, and that a profound discussion of this question be included in the agenda of the 25th Congress.

**The President:** There is a definite procedure for dealing with the Congress, and it applies especially to motions. There is no possibility under standing orders for a motion like the one just made to be considered. This study has by no means been shelved, it is being considered and implemented as far as possible in collaboration with the Auxiliary Committees.

## Membership

**Mr V. K. Yakovenko, USSR:** The question of increasing membership is of major importance, and is vital to ICA becoming an authentic international organisation. There has been a continuing increase and consequently the authority of the ICA has been enhanced. Since the last Congress not one European co-operative organisation has been accepted into membership, although there are untapped reserves in Europe. There has been some development of the movements in Latin America, Asia and Africa. Members of the ICA in Africa, however, represent only 19 per cent of the countries in membership, those in Asia only 33 per cent, those in Latin America 29 per cent. In the past three years we have accepted only two African organisations.

The position regarding membership has led to a situation where all the authority and power is in the hands of the European movements. They determine the policy of the ICA, from the sub-committees, the Executive Committee, through to the Congress. Members from Asia, Africa and Latin America can discuss and receive advice but, when it comes to decision making, more than half the votes are held by the European co-operatives and, therefore, the ICA comes under the full impact of their influence. This does not reflect the new relationship of the power and forces in the world co-operative movement, it does not promise unity, nor does it promote co-operation in the ICA. If the ICA is to become an authentic international organisation we need to assure the rights of all members, including those in the countries of Africa, Asia and Latin America. Equality, respect and self-confidence, these must be the determining factors in the Alliance and the basis of work between it and its members.

We need to solve the overriding, important problems of concern to the international community. This will promote an expansion of the membership and enhance its authority within the ICA. Then the organisations from the developing countries will see possibilities of co-operating with the ICA; they will see that it is a truly international organisation, capable of solving contemporary problems in accordance with the democratic principles enshrined in its constitution, and they will take an active part in its deliberations, putting forward their problems and also having decision-making rights.

We feel it is unjust and unfair to have a category of associate members who do not enjoy any rights at all. There must be full rights for all members of the Alliance and we must eradicate the category of associates. All these problems should be solved in a definite and final way.

**Committees of the ICA  
The Auxiliary Committees  
Working Parties and other Groups  
Organisation of Secretariat**

There was no discussion on these sections of the Report.

**Finances**

**Mr F. Kolesnik, USSR:** The Central Committee at its Oslo meeting decided to increase subscriptions by 10 per cent for 1970 and a further 10 per cent in 1971. The ICA has repeatedly increased its subscriptions; this has become a habit and is not justified.

Increases in subscriptions will complicate the situation of co-operative movements in newly developing countries. We have many co-operatives from such countries which have not paid subscriptions for preceding years. At the last Congress only forty-four members out of fifty-nine had paid their contributions. Almost in every memorandum prepared for the Executive or Central Committee we have requests for the payment of subscriptions. Many countries already experience difficulties; what will happen to them when they have to pay higher subscriptions next year? Moreover, organisations which are not yet members will not join because they will not be able to pay the high subscriptions. If the trend of increasing subscriptions continues ICA not only stands the risk of losing members, it will also be detrimental to its authority.

There was an increase in 1958, in 1961 an increase of 35 per cent and in 1965 a further increase. Now the proposal is for increases in 1970 and 1971 of 10 per cent. The deficit in the budget should be reduced, not by higher subscriptions but by savings. For instance, we could review the travelling of officials and perhaps make cuts in other items.

We, therefore, ask that a review be made of the proposed subscription rate for 1970 and 1971 and that new ways should be found to balance the budget.

**The President:** The Soviet delegation's request to Congress to review the decision of the Central Committee to increase subscriptions is not admissible under Standing Orders. I would also draw attention to the provisions in the Rules regarding increased subscriptions.

Article 18 reads — "Until the Central Committee shall decide otherwise, subscriptions shall be calculated as follows" — then follow scales of subscription for the different categories of membership.

I also quote Article 29, Duties of the Central Committee, para f " — To confirm the budget of the ICA drawn up by the Executive." The provision that the Central Committee shall confirm the budget is quite logical, it is also logical that after confirmation the Central Committee shall decide how the income is to be assured.

I would mention that at the Central Committee meeting in Oslo when the decision was taken by a majority to increase subscriptions by 10 per cent in 1970 and a further 10 per cent in 1971, it was clearly demonstrated that these increases hardly amounted to more than the depreciation in the subscriptions since they were last changed.

As regards organisations in lesser developed countries, the Rules provide that the Executive may make a discretionary assessment and reduce the subscriptions for those members which cannot afford to pay the full rate, without impairing their rights to participate in the work of the alliance.

**Mr S. Syulemezov, Bulgaria:** The Report submitted by the Central Committee reflects the many activities of the ICA, and is an important organ. It provides a reasonably detailed account of the work of the ICA in many countries and of the main problems with which ICA has to deal. It also reports on the work of the committees and regional officers, and mentions participation in inter-governmental and non-governmental organisations.

The ICA is one of the most important international organisations, with a membership of about 250 million in 60 countries. We feel that we should find a place in this Report for mentioning the development and the success recorded by some co-operative movements, whose experiences could be of general interest. It is impossible to have a description and report of the work of all the members but we need a detailed analysis of structures and a description of the situation in some typical movements. We should try to avoid turning the report into a dry statistical table.

We are decisively against an increase in subscription rates, first of all because the ICA is a mass democratic organisation which needs to open its doors wide to all co-operative organisations if it is to achieve its goal. The increase in subscriptions would deny to a number of movements, which have not yet become strong enough financially, the opportunity to join the ICA. At present there are 17 organisations which cannot continue their membership because they cannot pay the subscription. To accept an increase in subscriptions would be a wrong method of approach to our problems, for how do we know that in another two or three years we shall not be asked to approve another increase? The leading organs of the ICA need to reconsider this question. We suggest that the ICA should widen its ranks and increase the number of members, reduce administrative expenses and find other ways of balancing the budget. Therefore, we are against an increase in subscription rates.

#### Publications

**Mr C. Bardsley, United Kingdom:** I think we all agree that the *Review of International Co-operation* is a very good journal, giving a very wide prospectus of the co-operative movement in many countries, but it only appears in four accepted languages. I wonder if we could be told how wide the circulation is and in which countries the four official languages are not generally used; also whether it might be possible to introduce, at the end of each issue, a résumé of the articles in Esperanto. There are many Esperanto-speaking co-operators who would value this résumé and would, by this means, perhaps obtain a translation of any article in which they were interested. In this way, the *Review* would be of value to them as well as to the people in the four language areas.

**Mr P. Kuoppala, Finland:** As a regular reader of the *Review of International Co-operation* for the last seven years, I should like to make a short comment on it. The difficulties in editing the *Review* are well-known to all of us, and as the economic resources are limited the final result cannot be the best possible either.

The most important means of improving the economy of a paper is to increase its circulation. In this particular case, however, we have to remember the basic problem of many organisations, the limited number of employees knowing foreign languages so well that they are able to make use of the journal. There is not much sense in subscribing for several copies of each issue if they are left in storage or in bookcases due to the lack of readers. Another point worth considering is the degree of effectiveness of the information given in the publications.

The main purpose of my remarks is to draw attention to the style and manner in which the *Review* is edited. The quantity of information of all kinds is increasing very greatly throughout the world, and in order to be of value to the readers every piece of information must be to the point and easily perceivable. However useful and important the published material may be, one is compelled to state again and again that the long and heavy texts in the *Review* do not come to the knowledge of those officers who ought to read them ex officio, on their own initiative. Therefore, I hope that serious attention will be paid to the style of editing the *Review*. At the same moment the fact is, unfortunately, that the *Review* is published but not edited. A uniform editorial policy should be outlined and the editor's right to shorten articles, etc, confirmed. I am convinced that if the long, detailed articles we are used to were abbreviated so that they include only the most essential points, this would help to drive home the useful

information. In addition the lay-out, pictures, themes, etc, should be taken into consideration as soon as possible.

I understand very well the present practical, and particularly the economic, difficulties, but I hope the matter will be investigated. The effectiveness and usefulness of the present *Review* can hardly meet our expectations, taking into account the cross-fire of competing means of information.

#### Research and Statistics

There was no discussion on this section of the report.

#### Education

**Mr J. Podlipny**, Czechoslovakia: I wish to express the sincere thanks of the Czechoslovak delegation that Czechoslovakia has been chosen as the venue for the 38th Seminar of the ICA. We consider it a great honour, and we are glad that on this occasion we shall be able to welcome Mr Søiland, a member of the Executive, and the Director, Dr Saxena. According to the information given to the Central Committee, it is believed that the number of participants will be satisfactory. For our part, we wish to assure the representatives of the national movements and of the ICA that the preparations have been made in such a way as to ensure that the seminar will rank among the successful events of the ICA and bring the desired results. Thank you once again for the confidence placed in our movement.

**The President:** Thank you, Mr Podlipny. Our experience of your arrangements for ICA meetings in Czechoslovakia is very satisfactory, and we are sure that everything will be done to ensure a successful seminar.

**Mr Ch.-H. Barbier**, Switzerland: This section of our report deals in particular with the principal events in the field of education during the period under review, the last of which was the International Conference on Co-operative Education which took place in this building on the 28th August. The conference was opened by the Director, Dr Saxena, and we benefited by the support of Dr Sieber, the ICA official responsible for education.

Two vital subjects were on the agenda. The first was the education and training of elected members of boards and committees of co-operative societies as a preliminary to co-operative democracy, and it can, therefore, be said that the Conference took place not in the shadow of Congress but in the light of the three excellent Congress reports on co-operative democracy.

It is always interesting to listen to men of experience and thought in education, especially when the problem confronting us is truly vital, since it is the very existence of our movement. Are we sufficiently efficient to endure and if we attain maximum efficiency, is it reconcilable, or not, with the most authentic democracy? The reply of the Conference was that only efficiency assures democracy in a co-operative movement. We cannot imagine a co-operative movement which could be democratic though not efficient, but only democracy can assure our efficiency. It is within this double context that all our difficulties and all our experiences are to be found. It has been stressed that dynamism is vital to our movement, that it is necessary to create a civilisation based on mutual respect, a truly co-operative civilisation, but also we have stressed the fact that the co-operative movement keeps itself far too much within a closed circle. It believes that it alone can create the militant co-operators of the future so necessary to make it dynamic. We overlook far too much the vast possibilities of recruitment offered to us by the universities, therefore we have insisted upon the necessity of having very close and active contacts with them. This first subject was introduced to the Conference by Mr Eronn, of Sweden, by a report drawn up in collaboration with his colleagues, Mr Larsson and Mr Schlenius.

The second subject, the International Year of Education, 1970 having been designated by the UN and UNESCO as International Education Year, was introduced by Dr Sieber. He compared our educational policy with our practice and we all agreed that co-operative movements should be particularly active during 1970 in carrying out the educational programmes they have planned.

You know how our relations with the specialised agencies of the UN are developing. Within UNESCO there is full understanding of co-operation, and its publications frequently deal with our problems. In his address to Congress Mr Orizet showed us how the ILO contributes towards strengthening co-operative activity throughout the world. Actually, the UN and UNESCO have just asked us, in connection with the Year of Education, to demonstrate that we are real educators. I feel that it depends on the extent to which we respond and how we give effect to the recommendations made to us, that we, in our turn, will be able to increase our influence on these organisations. Therefore, I should like, on behalf of the Conference on Education, to recommend all our movements to refer to the documentation they have received, to the suggestions made by UNESCO and to put into effect as many of them as possible during the year 1970.

**Mrs A. Waldeck, Austria:** During the Women's Conference here in Hamburg a number of discussions were held with African representatives about the problems in the developing countries, and we were deeply impressed by some of the details which were brought to our attention. In a world dominated by records, discoveries and inventions, and in the year of the journey to the moon, the information about conditions prevailing in other continents is most alarming. It is true to say that "the soul is travelling behind in the stage coach". The soul in the co-operative movement is democracy, expansion, solidarity and humanity — values which are indivisible. They do not apply to us alone; in the final analysis they are a prerequisite of world peace.

It is especially depressing to hear about the conditions of women in those parts of the world where they are slaves of the political and economic conditions to a much greater extent than men, and in addition are the personal property of men. Some African delegates brought the problem in all its multiple aspects and facets before the Conference. Thousands of years ago women carried water from the well up to the hut. The pitcher is the symbol of permanent housework, leaving no time for education and progress. In addition, women have no part in decision making, for example, as regards the desire to learn. A male representative from Kenya said we need training and education for all but in particular we want educated women, otherwise women will trail behind helplessly. The need for assistance to countries in these parts of the world must be emphasised much more than hitherto, and the desire to learn must come naturally to every citizen.

What has been done so far in the field of technical assistance has always been supported by the Austrian movement, and we are now reflecting on ways and means of giving new impetus to the co-operative movements in Latin America. The Austrian movement will use the 75th Anniversary of the ICA to launch an appeal for additional assistance. We are always ready to assist others to help themselves.

#### **Technical Assistance and Development Fund**

**Mr N. Thedin, Sweden:** In his Inaugural Address Dr Bonow said that we shall have to do far more through practical involvement than we have done hitherto. A little later we heard two of our colleagues from the Soviet Union state that it is not justified to give the ICA larger resources through increased subscriptions. They have in fact advocated the cutting down of expenses. The really important problem for all of us interested in international co-operation is how to give the Alliance the tools necessary for performing its important tasks in the world today and tomorrow.

In this section of the Report we read that from 1966 to December 1968 £39,626 was contributed to the Development Fund from 10 countries. That represents approximately £1,200 per country per year. This, of course, is totally inadequate, and there is no relation between these figures and the potential resources at our disposal. It is true that many countries give very valuable bilateral assistance to developing countries but it is the ICA that concerns us today.

Eighty per cent of the total costs for the ICA activities in South-East Asia and East Africa are borne by one member organisation, whose contribution amounts to £200,000 a year. This might be compared with the total ICA budget of £120,000. I say this not at all to boast about the achievement but just to show how far we can get, how much we could achieve, if we appealed to our individual members. A few pennies from each of them would amount to substantial sums with which much valuable work could be done. This also illustrates how unfounded

are the complaints from the big, powerful Russian movement, with its 56 million members. Let us not go backwards; let us try to mobilise the interest of our members and let us mobilise our considerable potential resources with a view to strengthening our international co-operation to the benefit of the developing countries.

I should like to use this opportunity to inform you that all the co-operative organisations in Sweden will join forces this autumn in a common effort to raise more funds for co-operative technical assistance. The campaign will be opened by the President of Tanzania, Mr Julius Nyerere, on the 4th October in Stockholm. It is a thrilling and inspiring thought; how powerful we could be, how much we could accomplish, if each and every member organisation made a serious effort to mobilise co-operators in a practical, constructive effort for co-operative development.

**Mr S. Dreyer, USA:** On behalf of the US delegation I wish to speak about the Development Fund established in 1954. We in the United States commend the Swedish co-operatives for their excellent support of over £200,000 a year to the Fund, and for the fine campaign they are undertaking as mentioned by Mr Thedin. We have long respected the leadership in fund-raising and contributions to technical assistance efforts made by the Swedish co-operators, and I am sure that in mentioning them I reflect the appreciation of all delegates.

We in the Co-operative League of the United States, in a much more modest way, have been consistent supporters of the Development Fund and we are pleased to see in this section of the report such an elaborate history of the Fund which, in March 1969, had an effective balance of £64,500. We would suggest that as the moneys are used on worth-while projects rather than being allowed to accumulate, co-operative movements around the world should be encouraged to contribute to the Fund under the changing strategy for its utilisation.

The Report speaks of support to various programmes, "to foster, encourage and develop co-operative activities and enterprises in under-developed countries" and states that £1,150 was given towards accommodation costs of co-operative personnel visiting Europe; it talks about the new strategy and of the need for efficient co-operative action in the field of technical assistance and the hope that it will continue to grow in importance; it says there is considerable scope for the ICA to perform a co-ordinating action, and speaks of the need to provide training for co-operators from developing countries.

We believe that representatives of the developing areas of the world should be included on the ICA Executive and because of financial problems and limited financial resources in many of the developing countries we suggest that it is in the interests of the Alliance, and in line with the purposes of the Development Fund, to pay half the fare of Executive members from each of the three developing regions, Africa, Asia and Latin America.

We consider that a commitment of the delegates here, firstly, to elect representatives from these regions to the Executive would be in order; secondly, that the Development Fund should undertake a project for the next three or six years to support this effort. We think this would benefit the Alliance and the world co-operative movement since one half of the countries represented are in Africa, Asia and Latin America. The Executive is the chief administrative body of the ICA and with rapid changes taking place there is a need for timely contact with world conditions. It is not reasonable to expect the Secretariat to be so alert and informed as to bring all the opinions and reactions of developing nations to the attention of the Executive, but we need to be cognisant of the thinking of co-operative movements in Africa, Asia and Latin America. A very appropriate step would be for the Executive and Central Committee to consider the question.

**Mr M. Eshref, Cyprus:** The efforts of the International Co-operative Alliance in the provision of technical aid to the co-operative movements of developing countries, although perhaps not to the extent required, are nevertheless very encouraging. We, however, feel that apart from technical aid, financial assistance, which is an important factor in the implementation of development projects, should also be provided. As we all know, the method of co-operation is self-help and mutual help, but where individual and national resources are inadequate international co-operative financial contributions could supplement them. On behalf of the Turkish co-operative movement in Cyprus I congratulate the ICA on its activities in all spheres of the international co-operative movement and express the hope that it will be more resourceful and effective in the years to come.

**The President:** I now call upon Mr Orizet who would like to take part in this discussion in accordance with Standing Orders.

**Mr J. B. Orizet, ILO:** I thank you for giving me the opportunity to speak again, and would like to make myself the echo of the preoccupations of the developing countries with which we in the ILO are working perhaps rather more than with developed countries. This is natural in view of the situation in those countries and I am very happy that from this rostrum views have been expressed for increasing still more the assistance to developing countries. There are, of course, limitations within the co-operative movement, but I believe, as Mr Thedin has said, that the effort already accomplished by countries like Sweden, Switzerland, USA, Germany and others is important.

There is another idea which has already been explored by the FAO as well as by the ILO and which I would like to put to the President. Within the ILO we have recently been discussing the possibility of sub-contracting certain projects, and naturally, as regards co-operative projects, the benefit of these sub-contracts would go to the ICA.

This morning I mentioned projects which involve whole countries, helping them to get off the ground economically and to improve their social progress by means of centres for the promotion of co-operative undertakings. Some of you already know the experiments which are being made in Tunisia, the Ivory Coast and in Cameroon. Other countries have also asked for similar projects, Madagascar, Uganda, the Sudan, Ghana, to name a few. At the present moment we are at a crossroad in the sense that we have not the necessary means to undertake all these projects. In these circumstances we think it would be desirable, in view of its great experience, to allocate a part of our credit to the ICA so that it might undertake some of these projects. The Alliance has the means to carry out such projects successfully as it can call upon its member organisations for the services of experts. We see such sub-contracts as a possibility for the Alliance to develop its full potential of knowledge, and a way of utilising the great intellectual resources and experience of all co-operative organisations through the ICA.

We have already taken steps in this direction by asking the Alliance to study the important problem of the role of co-operation in industrialisation. This is a beginning, and I am sure we can go much further. Perhaps, as I said earlier, we could by the collaboration of the FAO, the ICA and the organisations members of the joint committee, study the possibilities for the establishment of an international banking mechanism for financing co-operation.

**Mr Ch.-H. Barbier, Switzerland:** A little while ago I spoke of the necessity for the co-operative movement to come out of its closed circle more and to create contacts. Mr Orizet has now proposed something which is extremely interesting in the form of contracts with the ILO for realising development projects in the third world. This opens up extraordinary possibilities for our movements which must have immediate consideration.

I would point out that it is also possible to work in the same way with our own Governments. The Swiss Government, or rather its Department of Technical Co-operation, is interested in co-operative development in Dahomey, and has placed at the disposal of the Swiss Union the necessary finances for the development of consumer co-operatives, apart from the actions, we, the Swiss Union, have already undertaken which are concerned mainly with the development of agricultural and school co-operatives. We shall be the administrators and managers of the consumer co-operatives and will be responsible for them until the people of Dahomey, who we are training for the task, are capable of taking over. The finances are assured by the Department of Technical Co-operation of the Swiss Confederation, who place confidence in the co-operative union. This is an example of collaboration between a government and a co-operative movement which is extremely interesting, and we have in relation to the Department of Technical Co-operation the same function of contractor which the ICA may have in the future with the ILO.

One further remark: this must not, in any sense, affect our vigorous appeal for increased contributions to the Development Fund of the ICA. The ICA has its own tasks, which are immense, and when one is directly concerned with the Alliance one becomes increasingly preoccupied with its problems, its needs, and realises how small are the resources which we, co-operators, have on the international plane. In asking member organisations to allocate ten per cent of their resources for the developing countries to the Fund of the ICA is, in all truth asking the minimum.



**The President:** I thank you, Mr Orizet, for your very constructive suggestion, and also Mr Barbier who suggested the possibility of similar contracting arrangements in countries which are concerned with technical assistance. We know that arrangements which Mr Barbier described between the Swiss Government and the Swiss co-operative movement have been practised in other countries, for instance the USA. There are also sub-contracting arrangements between the Co-operative League of the USA and other co-operative organisations, and more recently similar arrangements have been made within the Nordic countries between the technical assistance agencies and the co-operatives. There is thus the possibility for such arrangements to be made both on a national basis and now, as Mr Orizet has pointed out, with the international agencies, FAO and ILO particularly, which are active in promoting co-operation at international level.

This is really a great challenge to our movements in various fields, agricultural, marketing, processing and supply, in the fields of credit, workers' production, of consumer co-operatives, housing, insurance, etc. We have the know-how within our national movements, and the ICA will gladly accept a co-ordinating role for the training of those who are prepared to serve in newly-developing countries.

If we can marry state finance with our co-operative know-how, nationally and internationally, then we can look forward to making a real impact in the field of technical assistance.

#### **Resolutions of the Vienna Congress**

**Mr C. Mateesco, Roumania:** The report we are discussing throws into relief the activity since the last Congress of the ICA, its auxiliary committees and working parties, also the efforts made by member organisations and the authorities of the ICA to strengthen and develop the unity of the international co-operative movement. This also applies to co-operation and friendship between co-operative organisations all over the world, with a view to fulfilling the movement's noble aims in the best possible conditions.

The elaboration and discussion of subjects of importance, such as co-operatives and monopolies in modern economic systems, the structure of the International Co-operative Alliance, the organisation of international seminars and conferences, technical assistance to co-operative organisations in developing countries, represent a positive activity on the part of the Executive and Central Committee since the last Congress. We also appreciate the co-operation of the ICA with the United Nations Organisation, which is reflected particularly in the adoption by the General Assembly of the resolution on the Role of Co-operatives in Economic and Social Development, which indicates a recognition of this role and, implicitly, of ICA activity..

Nevertheless, as regards the implementation of resolutions adopted by Congress and other authorities of the ICA we consider that their international effect is not sufficiently shown by the report. For instance, the report mentions only that the resolutions adopted by the Vienna Congress were sent to member organisations, that at the meeting of the Central Committee in 1967 the action taken was reported and that the problems concerned were still receiving the attention of the Secretariat. The theme of the present Congress, Contemporary Co-operative Democracy, can be considered a logical extension of discussions and resolutions on the structural reforms within co-operatives.

Regarding some of the resolutions, however, for example peace, Vietnam, and international trade, the report does not show how they were received by world public opinion, and their positive effect in the period since their adoption. Neither does it show if these resolutions were used by the representatives of the ICA in their speeches at meetings of UN bodies. In addition it would be desirable to know more about the activities of ICA representatives at UN meetings regarding the problems discussed. We mention this because, in reports given to the Central Committee, activities at meetings of governmental and non-governmental international organisations are shown only summarily.

In conclusion, I would congratulate you, Mr President, and your collaborators for the preparation of this report and for all the activity within the ICA since the last Congress.

### ICA and the Regions

**Mr H. Schaffer**, United Kingdom: In addition to the contacts with co-operators in various countries of Asia, I would raise the question of the need to maintain contacts through the ICA with co-operators who have not been able to come to Congress. I refer to the co-operators of Greece, whose place is vacant because their movement has been destroyed.

As always happens with a military fascist dictatorship, the first victims are the organisations of the people, the democratic organisations, trade unions, and so on. The Greek military dictatorship has run true to form, and the co-operative movement has been destroyed. Its framework may be left but its elected representatives have been removed from office, some of them are imprisoned, others are suffering persecution. I could only find this point on the Agenda on which to draw attention to their need and the fact that we, who are still free to help them, should give some support not only to those in the country who are suffering but to those who are in exile and are helping to create a movement which will rebuild the co-operative movement when Greece is free.

The ICA has protested, our individual organisations have protested, my own society, London Society, has prepared a document giving details of some of the ways in which the co-operative movement has been destroyed. But we must do more. I think an appeal should go out from this Congress and a message of support. I have heard that our friends from Poland intend to present an emergency resolution, and I hope it will come within Standing Orders. I feel it is right to raise the matter so that, on the first day of Congress, we should declare our confidence that the Greek co-operative movement will be restored, that its delegates will take their place at the next ICA Congress and that democracy will be re-born in the country which gave it birth.

**The President:** As the speaker said, when this dictatorship was established by the junta in Greece, the ICA authorities took action and we have virtually severed the links with the present leaders appointed by the junta after the democratically elected leaders were removed from their posts.

It will be for the Congress Committee to consider whether a resolution, of which we have been notified, can be regarded as an emergency resolution. I think what has recently happened in Greece, not directed specifically against the co-operative movement but having severe implications regarding the social structure, indicates there has been a worsening of the situation. The Council of Europe, on the suggestion of some countries, is considering whether to expel Greece. The question will come before Congress later.

**Mr J. Musundi**, Kenya: On behalf of the East African delegation and the co-operators of Tanzania, Uganda and Kenya, I would take this opportunity to express our most sincere and deep gratitude to the International Co-operative Alliance for the fraternal and brotherly fellowship accorded to the co-operative movements of East and Central Africa by the establishment of an Office in Moshi, Tanzania.

Delegates will appreciate that the co-operative movements and governments of East Africa had on several occasions appealed to the International Co-operative Alliance to examine the possibilities of setting up such an office. I am glad to say that the launching of the office came at a time when it was most needed in view of the fact that it was inaugurated when the governments had completed the agreement of the East African Economic Co-operation. The Congress will be interested to know that the countries of East Africa have an historic background which is similar. They have a common language and there already existed a loose co-operation of common services, railways, airways, post and telecommunications. The three countries came to political independence within the same period. Hence, they had economic and social problems which were complementary in nature and magnitude.

All the East African countries attach great importance to the work of co-operative movements, and special chapters in national development plans are normally devoted to the activities of co-operative societies. It follows, therefore, that the movement has a very important role to play in the economic development of our countries. It is regarded as the best instrument for motivating the people's awareness of the nation's building and self-help projects and the best tool for attaining the ideals of African socialism.

The ICA Office, apart from serving as a link between the movements of East and Central Africa, will play an important role in the field of education of staff, committees and membership of the various co-operative societies through seminars, courses and discussion groups. It will also be a source in training personnel, not only in the techniques of management but as the centre for training the East African people in co-operative leadership. From this office the co-operative movements of East Africa will have a chance of comparing their performances, of learning from the experiences of one another by means of research and statistics and thereby aim at attaining high standards of efficiency in their operations by minimising costs.

The Office for East and Central Africa started in a true spirit of co-operation by the three national co-operative organisations unanimously agreeing to support the Office, which laid a sound and permanent foundation for its future. We are convinced and confident that we will acquire new knowledge and a better understanding of the activities of the ICA, and it is our earnest hope that our brothers of Central African countries will join the Office and thereby gain the benefits of its services. I would also express our most heartfelt thanks to the Swedish co-operative movement for their moral and material support, through their contributions which have helped in promoting co-operative education since the Office started less than a year ago. Through the spirit of "give and take" we have every hope that it will succeed in achieving the objectives for which it was established. On behalf of the co-operators of East Africa I would assure Congress that the impact which the ICA has had is highly esteemed in East Africa, thus proving the noble philosophy of co-operation whereby the stronger and developed brothers help the weaker and more helpless ones. We hope the co-operative movements of East and Central Africa will, in the not too distant future, contribute to the cost of running the Office.

Last, but not least, I would pay a very special tribute to Mr Erne Holmberg, the Director of the East and Central Africa Office, who started the Office. There was no better choice for the officer than Mr Holmberg, who was familiar with the problems of the East African co-operative movement. He is well known as a native of East Africa, by virtue of the fact that he speaks Swahili fluently and gets on very well with the co-operative personnel and the Government officers.

**Mr W. Sommerhoff, Chile:** I received a request from Mr Jose Luis Jiminez, President of OCA, to represent the Organisation of Co-operatives of America and to convey to Congress his greetings and wishes for successful deliberations. We also want especially to thank ICA for its effective collaboration with our young, inter-American organisation.

At our request at the Vienna Congress, Mr Alexander, then Director of ICA, agreed to attend the second Inter-American Congress of OCA in 1967 at Vina del Mar, Chile. From this meeting a constructive relationship arose, in addition to which there is an institute of integration and efficiency under the direction of Mr Jack Ames of Sweden. There has also been published a Spanish edition of *The Review of International Co-operation*, through an agreement with Interco-op of Argentina and a generous donation from the Austrian co-operative movement.

At present OCA has almost 300 member co-operatives, belonging to almost all American countries, many of them being federations representing a large number of co-operatives. OCA's scope of work refers particularly to management development, the encouragement of inter-American trade between co-operatives, educational promotion, bringing co-operatives in America together, thus benefitting from the interchange of experience. In addition to increasing member contributions, substantial grants have been secured for the work of OCA during the coming years which will allow increased activity. The first week of November sees a meeting of the American Institute of Co-operative Law, sponsored by OCA, from which we think an improvement in the laws of many countries can be expected. I would also mention that SIDEFCOOP, a sister-organisation of OCA which unites the co-operative banks of Latin America, has agreed to become a member of the International Co-operative Bank. We hope this new relationship will lead also to fruitful collaboration.

The co-operative movement in Latin America has made important progress in the last few years, and a more general acceptance of it by government as an effective instrument for economic and social development is observed. This is proved by the recent inter-American conference on co-operative development held in Buenos Aires for governmental officials. This has as a counteraction the danger of excessive political meddling in co-operative affairs of

state leadership involved in co-operative direction. It is, therefore, of importance that assistance to our American movements, which is often badly needed, should be obtained through international co-operative institutions or national organisations of developed co-operative movements in the industrialised nations.

Again, I would express our thanks for the work in this field and the hope for a continued everyday relationship between ICA and OCA.

#### Women Co-operators

**Mrs Z. Staros, Poland:** At the Vienna Congress we expressed the hope that the WCAC would take up a number of problems of interest to the co-operative movement, that it would elaborate a framework within which to solve the problems of women co-operators, and would draw the attention of the ICA to the determination of the role to be played by women within the Alliance.

Has the Council justified these hopes? We welcome co-operation between the WCAC and the Housing Committee, which is referred to in the report, but the attempts made so far are insufficient and perhaps too modest. We need a broader conception of the role of women. From the report it seems that ICA has confined its activities to formal measures because the subjects reviewed by the Council are rather restricted. Compared with the many subjects dealt with by other ICA committees, we feel that the statutes of the WCAC inhibit broader initiatives and preclude co-operation with other organs of the ICA. I would suggest that the other organs should also deal with problems of women within the framework of their activities. The Secretariat of the ICA, which receives information on the work of all the committees, should submit more material to the WCAC and promote co-operation between it and the other committees.

Regarding the subjects which are chosen for the *Bulletin*, it would be better if each issue dealt with an underlying guiding principle. The *Bulletin* should keep its readers informed of the achievements of women in different countries. The ICA publishes statistics on the activities of its member organisations which give the number of members, but we do not know how many women members there are in the ICA. I suggest that there should be a breakdown showing the percentage participation of women on committees in the movement. Neither does one see any references to the role of the women's co-operative movement in ICA publications. Women are such an important manpower resource that something should be said about it and how it can best be utilised to achieve the aims of the ICA. A monograph should be published describing women's role in the co-operative movement, and more information regarding the experience of women in housing might be useful to the Housing Committee.

The ICA has a number of successes to its credit. These could be increased if there were a greater appreciation of the role of women in the movement.

#### Youth

**Mrs K. Maksimova, USSR:** We all know how important the role of youth is in all sectors of economic and human activity, including the co-operative movement. In socialist countries we try to involve youth in the movement, both for education and training. In the Soviet Union we have 30 million young co-operators in the age group up to 30 out of a total of 57 million. In consumer co-operatives there is a participation of 35 per cent in the age group of 25 and under, and we have 500,000 boys and girls graduating from secondary schools and universities.

As stated in the report, increasing attention is being devoted to problems of youth, not only by public organisations and governments but by inter-governmental and non-governmental organisations, for instance UNESCO and the United Nations. The ICA and the national movements also play their part. The National League of Co-operatives in Italy, at its 22nd Congress, adopted a resolution on youth, but it has not been implemented. This year, as mentioned in the report, a conference of young co-operators was held in London at which interesting conclusions were drawn up and proposals made. Unfortunately, the ICA Executive at its meeting in Paris did not support the proposals of the Conference, but simply recommended a discussion of the problem of youth at a meeting of the Central Committee.

Centrosoyus feels that the ICA should give more consideration to this question and that practical assistance should be given to the national movements in their youth work. In this connection serious consideration should be given to the proposal by the London conference that a co-ordinating centre should be established to deal with methods of involving youth in the movement; it should study data about youth and ensure liaison between the national movements, elaborate recommendations for an international co-operative youth organisation, and support exchanges between the national youth organisations.

In past years Centrosoyus has received many delegations of young co-operators from Japan, Czechoslovakia, United Kingdom, Finland and other countries. In 1968 and 1969 joint youth camps for young people from the United Kingdom and the USSR were organised in both countries. Such meetings and exchanges of information are of considerable value, and should be promoted both at national and international level, that is at ICA level. This concern for youth, for its training and education, must be given priority, since we are equipped with the best technical knowledge, and thus youth would be able to make a positive contribution to the development of the ICA.

**Mr A. Rouleau, Canada:** On behalf of the Canadian delegation, both English and French, I should like to say a word about youth. We are very glad that the ICA, during the past three years, has taken up the question of the participation of young people in the co-operative movement, and we have noted that a Conference was held in London in May 1969, about which the preceding speaker made certain observations. We should like to have fuller details on the results of that Conference of a truly international character.

In Canada, we are seriously concerned about the succession of co-operators from the new generations. We too have at home controversial movements, some of whose members are against society as a whole, some only take issue with a part of society, but there are many, especially among the young, who question the democratic character of our own organisations. We, for our part, believe that the co-operative formula is a reply to full participation in the way of democracy.

In the years ahead we would like to see the ICA undertaking studies in depth on the question, how to interest the rising generations, especially the young, in the co-operative movement, in the co-operative idea, in a democratic manner and with full possibilities for wholehearted participation.

**Mr J. Sobieszczanski, Poland:** Co-operators repeatedly discuss the problem of the role of youth in the co-operative movement and the direction which the work in the ICA is taking. We are convinced that the future of the co-operative movement and of the ICA largely depends on the solution of the problem of youth.

Youth requires special treatment and particular attention should, therefore, be devoted to its problems. That is why we welcome the initiatives taken by the ICA Secretariat. Discussions at the London Conference in May proved how great are the needs and possibilities of action. Numerous proposals and ideas were put forward, the organisation of a consultative body, the activation of a co-operative youth organisation, also a proposal that this problem should be taken over by one of the ICA secretaries. Some of these ideas should be accepted and should be realised as soon as possible. The ICA should also initiate and support contacts between co-operative youth, support international youth conferences and should organise a greater exchange of information.

Polish co-operators, with the financial support of UNESCO, are going to organise the first international study group on youth in the co-operative movement in May 1970, on the basis of Polish experiences. The main theme will be dealt with in six introductory lectures on the Polish movement and its activities regarding youth, for example, the organisational problems and activity of school co-operatives, students' productive co-operatives, collaboration and co-operation with other youth organisations. All overseas' co-operative organisations are welcome to send representatives to take part in this study group.

The work for youth is too important to be taken up only occasionally, proper information tactics are necessary. An approach has been made for realising the proposals of the London conference but I am not satisfied that the rather slow action taken by the ICA is sufficient. I would urge upon the Director that the preparation of a special programme of work for youth is necessary as soon as possible, which should be presented for adoption at a meeting

of the Central Committee devoted to the discussion of the role of youth within the co-operative movement.

**Mr J. Svoboda, Czechoslovakia:** We are very pleased that the ICA begins to take greater interest in the problem of co-operative youth as is seen by the Conference in London in May this year. This is a step forward, but we must not stop half-way. If we regard the position and work of women in the co-operative movement as of prime importance, the problem of youth is still more urgent because the future of the movement depends on how the young understand the value of co-operative ideas, with what degree of enthusiasm they become members of co-operatives, how they will work in the co-operatives and how they will attract other young people into the movement. We cannot be content by saying that the result of our discussions has been merely to note that young people would like opportunities of meeting and exchanging opinions.

It is difficult to say without equivocating whether we should or should not create an international organisation for co-operative youth. But what is certain, in my view, is that the Alliance must give systematic attention to the problems of co-operative youth and must create favourable conditions for the fulfilment of this task. Naturally the co-operative movement in each country must also give attention to the question, but the Alliance, directly or indirectly, must influence the national organisations to interest themselves in the problems and to try to solve them. The task cannot be fulfilled by periodical youth conferences and we are convinced that a specialised co-operative youth committee must be created within the Alliance which would continuously study youth problems and would give the national organisations the necessary projects and impulses.

#### Library

There was no discussion on this section of the report.

#### Consumer Conference

**Mr F. Lós, Poland:** The problem of consumer protection has received increasing attention in Poland, with special emphasis on protecting the consumer from unfair trade practices, upon protection for the individual consumer as well as the population generally. We are assisted by regulations laid down by the special trade code which provides for a uniform price system, labelling of merchandise and goods regarding content. These are some of the principles designed to protect the consumer effectively, and the administrative organs of co-operative organisations usually see that they are complied with. Great attention is also given to the provision of more rational consumer services, this is protecting the consumer through education.

To illustrate the methods used I would give two examples: a consumption centre designed for rural areas and a similar one for urban areas, the purpose of which is to modernise home economics. The centres combine services with a wide gamut of activities in the field of self-administration and education.

The ICA has recently issued the text of an International Declaration of Consumer Rights. We must do everything possible to promote this declaration, as guarantees must be provided for the consumer as regards housing, food and health standards. We feel the consumer has the right to receive unadulterated products at reasonable prices. People are also interested in cultural, moral and spiritual values and must be protected against such practices as the manipulation of property resulting in poor durability and the creation of an artificial variety of products. We must put an end to deceptive labelling and publicity, which mislead and impose certain pressures on the consumer. A fight for consumer rights must be combined with a fight against monopolistic pressures which, for purely selfish motives, harm the consumer.

#### International Co-operative Day

**Dr F. Cortesi, Italy:** Our organisation, CCI, took two important decisions this year in respect of International Co-operative Day. First, that the Confederation will dedicate International Co-operative Day to the aims pointed out by the annual ICA declaration and in the spirit of

the declaration, and will give, every year, particular emphasis to a particular sector of co-operation, represented by one of its ten national federations. Secondly, the Confederation will organise a national ceremony each year in addition to the local celebrations. Both decisions have been carried out this year.

The agricultural sector of the Confederation had the honour to underline the importance and the aims of the co-operative movement in today's world, and we had the good fortune to hold this important celebration in the Congress Hall of FAO. The date of 30th March was fixed before the seasonal work of farmers began in order to have a good attendance. A thousand co-operators from all over Italy gave voice to the co-operative movement within the FAO building, a milieu where much interest is devoted to the same problems that concern the ICA, and where co-operation offers important contributions toward the common goal.

The Italian Minister of Agriculture and other government authorities attended the ceremony which also had the privilege of the presence of the Director of ICA, Dr Saxena, as well as representatives of FAO, IFAP, ILO and COGRCH and of friendly co-operative movements. We hope this ceremony, with the blessing of FAO, will be a dress rehearsal for the Agricultural Conference which ICA plans to hold in Rome in 1971.

**Mr C. Pedersen, Denmark:** I would like to suggest that once in a while we should reconsider the institution of International Co-operative Day; that we should think about its purpose and its actual implementation and effect. It is rather an old institution and times are changing. The report mentions that some countries celebrate International Co-operative Day at other times than the date fixed by the ICA, which is in July. Some celebrate it in November, some have a co-operative week, and the Americans have an excellent co-operative month in October. This is a good promotion of the common cause and I do not suggest that there is any danger in these arrangements, but I would suggest that the Executive might consider the best way in which to manage it, so as to get the most effective results, which I am not sure are obtained by having this Declaration once a year.

I have a feeling, also, that if we talk about one International Co-operative Day, it should be fixed for a particular day throughout the world. My suggestion is only that we should be willing to consider adapting this old institution to our needs so as to make it as effective as possible.

#### **The ICA and the United Nations**

**Mr A. Malkov, USSR:** The widening of co-operation and co-ordination between the ICA and the specialised agencies of UN, as well as the non-governmental organisations, deserves support from all of us. We can already in certain areas see the fruitful results of such co-operation, and the possibilities are increasing, as was proved by the unanimous adoption of the UN resolution on Social and Economic Development.

However, in our opinion, the ICA does not give sufficient information to the national organisations about the activity of its observers at UN meetings. In trying to find out the contribution of one particular representative we looked at the UN documents, but we could not even find his name, although in the report of the ICA it is said that there was a representative present at the meeting in question. The activity of the representatives appointed to attend these UN meetings leaves much to be desired, some of them have never spoken, although the consultative status of the ICA with the UN gives them the right to state their position.

Taking into consideration the financial difficulties of the ICA, it is most important that the activities of these representatives at the UN should be worthwhile. That is why I want to draw attention to this question, so that money should not be wasted in any way. We should also like to know what directives the ICA representatives at such meetings receive.

It is well known that the ICA Congress has passed resolutions against capitalist monopolies and peace, but we do not know whether these resolutions were discussed at the UN or not. We should follow closely the fate of the resolutions and should insist that they be discussed at meetings of the UN organs. The national organisations could assure this with their own governments if they had sufficient documentation, and our representatives at the UN could act to strengthen co-operative activity throughout the world. Experts in co-operation should be included in important committees and a co-operative sub-committee

should be set up within a UN body. Support could be given by this means to co-operative organisations in developing countries, also to co-operative housing, tourism, etc.

**The President:** The next speaker, Mr Woodcock of the Co-operative League of the USA, has represented the ICA at the UN for many years.

**Mr L. E. Woodcock, USA:** U Thant, Secretary-General of the United Nations, speaking to a small group of non-governmental organisations in New York recently, said: "I believe that the survival and welfare of mankind is the theme of the whole United Nations Charter". If, as a co-operator, I were to compress the essence and purpose of the co-operative movement into six words, those words would be "the survival and welfare of mankind" for I know of no better way to express the common goals of the co-operative movement and of the United Nations. I know of no better reason for supporting the United Nations, especially when the United Nations is now officially supporting us.

From this rostrum in Vienna three years ago I appealed to each national member of the ICA to urge its own government to support the movement in the UN. Since that Congress one ICA member has helped to make history. The Central Agricultural Union of Co-operatives of Poland persuaded the government of Poland to introduce a resolution in the Economic and Social Council which has asked the UN, and its specialised agencies, to adopt a broad policy of endorsement and practical assistance to co-operatives in developing countries.

From this simple initiative a giant opportunity has opened before us. The Economic and Social Council passed the resolution and in regular procedure asked the General Assembly of 124 nations formally to approve it and send it back for implementation. This was done last December, and in April ECOSOC made active support of co-operatives a definitive policy of the UN; called upon all agencies of the UN, such as the ILO, FAO, to contribute their special skills; called upon all governments in developed and in developing countries, as a matter of urgency, to contribute money and technical skills; and lastly, as the important implementing provision, directed the Secretary-General to prepare, during the next year, detailed programmes for world-wide action; and then specifically directed him, in making those programmes, to seek the assistance, by name, of the ICA. This means not only official recognition for the ICA but the opportunity to prepare the blueprint for co-operative development which can be a thousand-fold greater than we could carry out with the funds of the ICA. The prestige which this will give to all co-operative endeavour cannot be measured. What we make of the opportunity will be reported three years from now!

**Mr Ch.-H. Barbier, Switzerland:** I wish to speak with special reference to the General Conferences of UNESCO, international organisation for education, science and culture. In the past the co-operative movement did not enjoy much consideration in governmental circles, national or international, but today, through the ICA, we have become valuable partners, even much more, in fact indispensable partners.

I would have liked many co-operators to have been present at the 14th general conference when the Director-General, Mr Maheu, spoke about the role of non-governmental organisations in UNESCO. He particularly stressed that the international governmental organisations could not today fulfil their tasks without the help of the non-governmental organisations, and he specially mentioned the ICA. We must, therefore, be fully active in the governmental organisations, and I would stress again one of the views of Professor Davidovic that the co-operative movement should emerge from the too narrow spheres in which it has confined itself.

You have perhaps been surprised to read in the paragraph of the report on the 15th session of the General Conference that I expressed the opinion that, to be properly represented, the Alliance should have, in addition to its permanent representative who would be present throughout the conference which lasts for six weeks, three representatives, one for each of the three commissions. This may seem excessive, but in fact it is common sense. In a large conference, like the general conference of UNESCO, the commissions work quite independently and concurrently so that, if you have only one representative, he has the tendency to dash from one commission to another, with the result that the representation is not good. There must be someone present at the meetings of each of the three principal commissions, to say nothing of the many sub-commissions.



As it would no doubt be difficult for national movements to delegate one co-operator for six weeks, we should have a system of collaboration with the ICA. Instead of the Alliance calling upon one or two leading personalities in the co-operative world to be its representatives, it would be better, in my opinion, if before these general conferences it approached different national movements, if possible not too far removed from Paris which is the seat of UNESCO, to ask if they would be willing to delegate one of their most qualified representatives to take part in the conference for two weeks. I am thinking more particularly of the movements of Great Britain, France, Belgium, Germany, Italy, Switzerland and some others. The permanent representative of the Alliance, who is always present and knows exactly what is happening, could brief those who come for shorter periods. If the additional representatives were well chosen, UNESCO would be greatly impressed to see qualified delegates taking the floor, fully aware of the problems concerned, knowing how to express themselves, and taking contact with governmental delegates between meetings.

I feel it would also be very useful for five or more of our movements to have co-operators with practical experience of UNESCO, who would be able to deal with problems of education within their respective organisations more effectively than by relying upon information at second hand. Naturally the movements which delegated representatives would do so at their own expense since the purse of the Alliance is not very large. Personally, I think in this way the national movements concerned would enjoy a more intense, more animated and more personal collaboration with the Alliance, and would have similar collaboration with UNESCO. Therefore, I ask that consideration be given to the systematic strengthening of all our relations with international governmental organisations.

#### **The ICA and Other International Non-Governmental Organisations**

**Mr V. Jakovenko, USSR:** The ICA, as an international organisation, needs to have contact with inter-governmental and non-governmental organisations, as a pre-condition for the promotion of the co-operative movement as well as for peace. The principle is self-evident but we feel bound to raise the question here, although it has been mentioned repeatedly in the Central Committee and other authorities of the ICA.

Let us look at the Report of the Central Committee. We have information concerning the ICA's co-operation with the ICFTU, but there is another international trade union body, the World Federation of Trade Unions, and there is a resolution of an ICA Congress expressing the need for close co-operation and mutual collaboration with this organisation. But the ICA does not make any attempt to establish contact. This seems to us a unilateral approach. We do not ask the ICA to stop its co-operation with the ICFTU but it must work with both organisations. We need to work together to solve problems and to find common points of view, so that we may maintain and strengthen the unity of the international co-operative movement. After the division of the world trade union movement we had a sort of gentleman's agreement, the purpose of which was not to have a unilateral, one-sided approach in our co-operation with the trade unions. In practice, however, the authorities of the ICA have continued their former policy although it is an obvious violation of principles.

The same policy is apparent regarding youth organisations. There has been co-operation with the World Assembly of Youth but there seems to be no contact with the World Federation of Democratic Youth. How can this be explained? Both the World Assembly and the World Federation are in favour of democracy and social progress, and struggle against monopoly, so there is no reason to refrain from co-operation with them. There should be no need for us to raise this topic again and again, we should have relationships with all the bodies mentioned, without distinction or discrimination.

**The President:** The last speaker has mentioned a policy issue which has been dealt with by Central Committee and, if I recall rightly, at the Bournemouth and Vienna Congresses. Over the years there has been fruitful collaboration between the ICA and the ICFTU in the field of technical assistance to co-operatives. Initiatives have been taken by the International Confederation of Free Trade Unions and its member organisations in various countries, with an invitation in some cases to organise joint seminars. This has been the case in South-East Asia, where the ICFTU has a Regional Office. A joint course was organised some two years ago, at the request of the ICFTU, on consumers' co-operation, aimed at the trade union population

in cities and towns. We have said that if the WFTU were to organise seminars and wanted participation from the ICA on co-operative matters, we could make a contribution, but not on world political matters which are outside our competence. The fact that we have had such long-standing collaboration with one organisation, but no possibilities to develop it with another, is the sole reason why we invited the ICFTU to send an observer to this Congress.

**Mr A. Krashennikov, USSR:** It is mentioned in the report that at the Raiffeisen World Congress which took place in Frankfurt in June 1968, a representative of the ICA was present. Further the text points out that "it would seem necessary to arrange some discussions at which more can be learned about their plans and future prospects, with a view to achieving maximum unity in the world co-operative movement and avoiding overlapping".

Next year the ICA will celebrate its 75th Anniversary. During the years the number of members has greatly increased and apart from the European membership there have been new affiliates from other continents. The ICA has grown from a consumer co-operative body to an international organisation representative of all types of co-operatives, which participate in the specialised conferences and committees of the Alliance. Thus there is the opportunity for co-operative organisations working in different economic and political systems to work together and, irrespective of difficulties and misunderstandings, we have succeeded in maintaining the Alliance as a world centre for the co-operative movement.

Now there is a new international co-operative organisation, the International Raiffeisen Union. There seems no special reason to welcome the existence of this body, which is a blow to our movement. Even if we assume that the founders of the Raiffeisen movement had lofty principles, the fact that they have ignored the ICA seems to indicate some contradiction. The question of unity is mentioned, but the idea of another international union is in contradiction with the existence of the ICA and is a very dangerous precedent. Let us for a moment imagine the setting up of international production and marketing or international consumption co-operative organisations, what effect would this have on the role and existence of the ICA?

Centrosoyus feels that to preserve our own unity we should not co-operate with the Raiffeisen Union, we do not want a split in the world co-operative movement.

**The President:** I must confess I am surprised at Mr Krashennikov's intervention now, for two reasons. The World Congress to which he referred was organised to commemorate the very important co-operative initiative, not only from a German but from a world co-operative point of view, of Raiffeisen when he started the Raiffeisen credit co-operative movement. Arising out of that World Congress an international collaboration organisation was formed, mainly with the task of undertaking research work of importance for credit co-operative activity. We considered this in the proper ICA authorities and decided that we were anxious to establish relations with this new research centre to see that there would be no overlapping in the field of agricultural co-operation, and quite specifically with regard to agricultural co-operative credit organisations. Contacts have been maintained with the secretariat of the new research centre, and I regard this as a reasonable way of avoiding any duplication of work.

Mr Krashennikov seems to have missed the important announcement that the Raiffeisen organisation, which is very powerful in membership and economically, decided at a board meeting two days ago to apply for membership of the ICA. As a genuine co-operative organisation it is bound to be acceptable as a member, after the necessary formalities. This will strengthen the ICA and make it still more representative of all forms of co-operation.

**Mr J. P. Lopez, Argentina:** The consumer co-operatives of the Argentine Republic, which I represent, have been associated with the ICA since the beginning of the century, and they sent a delegation for the first time to the Congress in this same city in 1910. Since then, they have been represented at every Congress and for many years on the Central Committee.

After sixty years of continuous ICA activity, we are pleased that today the delegate of the Argentine consumer co-operatives is not alone, but that delegates from insurance and credit co-operatives, recently admitted to the ICA, are also present. It can therefore be seen that our efforts have borne fruit and we believe that other Argentine co-operatives will shortly become members. We also hope other co-operative organisations of Latin America will affiliate.

It was for this reason that we supported the creation of the Organisation of Co-operatives of America, OCA, encouraged, of course, by the ICA. The OCA is planning efficient action which gives us great hopes for the not too distant future, and I have no doubt that the Latin-American movement, when fully developed, will contribute, with the ICA, in a spirit of enthusiasm and confidence to world peace and the well-being of all peoples.

**Mr L. Vigone, Italy:** The delegation from Lega Nazionale delle Cooperative will give its approval to the report of the Central Committee, but to ensure that our vote is not a mere formality we think it necessary to bring to the attention of the Central Committee which is to be elected, of the new Executive and of the Director some observations arising from past activities and having regard to the future activity of the ICA.

In our opinion, one of the most important measures to assure the strengthening of the ICA, as well as the greater efficiency of its activity, is to ascertain at regular intervals the practical implementation of the decisions of Congress and of the Central Committee. It is true that progress has been made in this respect with important results but, in view of the extremely rapid development of events, and the ever-increasing number and complexity of tasks which face the co-operative movement in each country, we must proceed much more quickly to raise the capacity and initiative of each movement nationally, to improve the possibilities for the authorities of the ICA to strengthen the movement throughout the world, and to safeguard its unity.

How shall we realise all this? Naturally, we have no readymade plan, neither can we suggest the ideal solution, but we undertake to give all possible help in finding the best solution, in collaboration with other movements and the authorities of the ICA. Secondly, we are firmly convinced that we must find within the ICA a common language and line of action, not only as regards problems affecting co-operative activity but also the larger problems which affect, sometimes dramatically, the working population of the world. By this we mean to declare the absolute autonomy of the ICA and the national movements to contribute towards the dissolution of the conception and practice of military and economic blocs, thus giving our support to the creation of a true spirit of unity between all nations, in fraternal emulation for the peace of the world.

Furthermore, we think it right to recommend the Central Committee and Executive to strengthen the auxiliary committees with a view to stimulating action and initiatives in all spheres of co-operative activity. This implies the examination of the composition of their leading organs to assure an active role to movements which have developed an effective and appreciable activity in the different spheres of co-operation.

Lastly, we have noted with satisfaction the admission of new member organisations, which is very important. But there are still many movements which do not belong to our great family. We, therefore, strongly urge the Central Committee and the Executive to do everything possible to assure that all genuine co-operative movements become members as soon as possible. Naturally, new applicants can only be accepted if they are based on co-operative principles and practices.

#### **Obituary**

**The President:** I have now to perform a very sad task. As you see from the Report, a great number of outstanding co-operators have passed away since the last Congress, and we all know the exceedingly important work they performed in their national organisations as well as in the service of the ICA.

I will slowly read their names and I ask you to rise and pay silent tribute to their memory:

**Carl Albert Anderson,** Member of ICA Central Committee; instrumental in the formation of the ICA Committee on Retail Distribution and its Chairman for many years; Chairman for many years of the Board of Directors of the Scandinavian Co-operative Wholesale Society; President of Kooperativa Förbundet.

**Sir Jack Bailey,** National Secretary, United Kingdom Co-operative Party 1942-1962. Undertook mission to Ghana for ICA in 1960.

**Dr Ernst Bodien**, One of the greatest exponents of co-operative housing and active member of ICA Housing Committee; awarded the Victor-Aimé-Huber medal and the Service Cross of the Federal Republic of Germany for his work in the Co-operative Movement.

**Arnold Bonner**, Educationalist; lecturer at the British Co-operative College; member of ICA Commission on Co-operative Principles.

**Dr Marcel Brot**, President, Union of Co-operators of Lorraine, and National Federation of Consumer Co-operatives, France; for twenty years a Member of ICA Executive and ICA President from 1955-1960.

**Maurice Colombain**, former head of ILO Co-operative Section; member of French Central Office for School Co-operatives; President of French National Committee of Consumer Co-operatives; Director of Institute of Co-operative Studies, Paris.

**Hans Dietiker**, Director of the Co-operative Seminar of the VSK at Freidorf, Switzerland.

**Istvan Dobi**, Forestry and agricultural worker, life-long co-operator. 1955-1965 President of the Hungarian Farmers' Co-operative Council. 1968 President of the National Co-operative Council.

**Jacob Efter**, Chairman of Israeli Co-operative Wholesale Society; Member of ICA Central Committee since 1946.

**Harauld Elldin**, Principal of the Swedish Co-operative College Vår Gård for 35 years.

**Eduard Hartmann**, Leader of Austrian Agricultural Co-operative Movement; Generalanwalt of the Austrian Raiffeisen Organisation 1961-1966.

**Dr Reinhold Henzler**, Member of ICA Commission on Co-operative Principles.

**Ernst Herzog**, Past President of the Administration of VSK; Member of the Swiss Parliament; Member of ICA Central Committee.

**Jan Ingot**, General Director of the Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Poland; Member of ICA Central Committee.

**Albin Johansson**, Initiator of the International Co-operative Petroleum Association and Nordisk Andelsförbund; motivating force behind the Swedish Co-operative Movement; President of Kooperativt Förbundet; longest serving Member of ICA Central Committee (1919-1963); Member of ICA Executive 1927-1946; ICA Vice-President during 1946.

**Professor D. G. Karve**, Chairman of the Advisory Council of ICA Regional Office and Education Centre for South-East Asia; Chairman of ICA Commission on Co-operative Principles.

**Jalmari Laakkso**, Former Director General of KK, Finland; Member of ICA Central Committee 1951-1962; awarded Rochdale Medal for Co-operative Services (1950); member of ICA Housing Committee.

**Joseph Lemaire**, La Prévoyance Sociale, Belgium; instigated the ICA Insurance Committee, and its Secretary from 1922-1946.

**Murray D. Lincoln**, Founder of Nationwide Insurance Inc., USA; Past President of Co-operative League of the USA; Member of ICA Central Committee until 1957; at its first post-war Meeting in January 1946, was elected to the ICA Executive Committee; ICA Vice-President 1946-1948.

**Uuno Takki**, Former General Manager of Osuustukkukauppa, Finland; Member of ICA Central Committee 1952-1966.

**Philip M. Thomas**, Chief Executive Officer of the English Co-operative Wholesale Society.

**Edward Topham**, Co-operative journalist; former Editor of the Co-operative Union of the United Kingdom.

**P. M. Williams**, Former Chairman of the British Co-operative Union; Member of ICA Central Committee.

**Alois Zabožnik**, Former President of the Central Co-operative Council, Czechoslovakia; Member of ICA Central Committee.

## Reply to the Discussion on the Report

**The Director:** May I first thank all the contributors to the discussion on the Report of the Central Committee. The debate has been wide-ranging and has covered almost all aspects of our activities during the past three years. Secondly, may I say a word of thanks to my colleagues in the Secretariat in London, in the Office in New Delhi and in the Office in East Africa, and to our two representatives at the United Nations, who have worked as a team to achieve what has been possible during the past three years. I should also like to record that my predecessor, Mr Alexander, and the previous Administrative Secretary, Mr John Gallacher, have helped us whenever we have consulted them. They too deserve our thanks.

I cannot go into all aspects of the questions which have been raised. One danger of replying to a debate of this sort, which tends to highlight our deficiencies and weaknesses, is that one might be too much on the defensive. I hope I will be able to maintain the objectivity which you would expect.

Mr Rev, Hungary, asked us to give increasing attention to producers' co-operatives, especially in developing countries. Our Workers' Productive and Artisanal Auxiliary Committee are giving attention to this problem. I had the opportunity of attending their meeting in Hamburg last week and was impressed, in listening to the report of the Chairman, with the wide range of activities they have been able to cover during the past few years. They have helped us in trying to identify certain experts who might work in developing countries, particularly in Africa. My second observation in reply to Mr Rev would be that we are at the moment engaged in a study on the role of co-operatives in the industrialisation of developing countries as a contract from the International Labour Organisation. I would like to express the hope that this is only a start and will lead to more intensive relations with ILO and other organisations in the particular field of industrial co-operatives.

Mr Janczyk, Poland, referred to all the major areas of our work mentioned in the report. His remarks were mostly in the nature of description and there is nothing with which I find myself in disagreement. I have had the pleasure of visiting Poland a couple of times and have been most impressed by the variety of initiatives which have issued from our member organisations and I might mention in passing that this month they have invited us to a seminar to be organised in collaboration with the United Nations. The United Nations have approached our Librarian and I have agreed that she should work as the rapporteur for that particular seminar. I should like to thank Mr Janczyk and his organisation for the support they have given to our work.

Both Mr Janczyk and Mr Krashennikov, USSR, referred to the lack of implementation, as they put it, of the resolutions adopted at ICA Congresses. Broadly, we have two kinds of resolution. One kind specifically asks us to do a job in the co-operative field, like making a study of co-operative legislation or of co-operative trade. Our response to this kind of resolution can be as specific as possible, that is to say, to complete the study and come back to you and report that it has been completed. The other kind of resolution is related to the broader economic environment in which the co-operative movements are operating, it might relate to monopolies, it might relate to peace. The kind of specific implementation which we can expect in the first case cannot be expected in the second.

Let us consider the monopolies resolution and pinpoint what we have tried to do. This resolution, as you may recall, was adopted at the Prague meeting of the Central Committee, and we have taken the following steps. First of all, we produced a paper entitled Co-operatives and Monopolies in Contemporary Economic Systems, which included the text of the resolution, and we ensured its availability to all those wishing to have it. Secondly, the Secretariat continues to compile information on the broad question of monopolies in contemporary economic systems, and this is available to member organisations. Thirdly, copies of the resolution were sent to ECOSOC, ILO, FAO, UNCTAD and we requested them to continue their own researches into the practicability of action taken and to stress the role of co-operatives in relation to this problem. Finally, we have requested our affiliated organisations to continue, where appropriate, to make representations to their governments. The most effective way of implementing this resolution would be to identify those areas where monopolistic competition is in evidence. It would then be for the ICA to go ahead and set up a counter-industry to break the monopoly or cartel, as was done by our friends in Sweden. But obviously this is not within our resources or within the constitution of the ICA.

One wonders what is exactly the kind of implementation expected from the Secretariat with regard to resolutions on peace. All I would say is that on some of these very broad issues specific implementation is not possible from our side.

Two or three other points were made by Mr Krashennikov. He pointed out that there is no analysis of the work of the Central Committee in the Report. I think it is for Congress to give its judgment and to evaluate the report of the work during the past three years, and I believe that is what we have been doing. When he talks of the unbalanced presentation of the Report, I should like to make two points. Firstly, the reason the UN agencies figure so prominently is simply a reflection of our broadening relationships with the UN and its agencies. Secondly, I would refer to the Reports of the Auxiliary Committees, and to the down-to-earth practical economic collaboration carried out within these Committees. If we look at the Report together with the Reports of the Auxiliary Committees, I think we get a better idea of balance. It was also suggested that we should indicate our future programme of work. The programme for the next three years, I submit, will be defined by the Congress in terms partly of the resolutions to be adopted.

Mr Jakovenko, USSR, wished us to have more members from Africa and Asia and I could not agree more with the need for this. Joining the ICA family is always preceded by a careful examination to ensure that the applicant organisation conforms to co-operative principles. This is not to suggest that co-operative organisations in Asia and Africa are not co-operative in the proper sense; I only point out that we have to follow certain procedures laid down in the rules, and that we do not go out on a membership campaign; we receive the applications and examine them carefully in the Executive on the basis of the documentation prepared by the Secretariat, and then either admit or reject them.

With regard to increased influence for African and Asian co-operatives, I will leave this question to the President, if I may, partly because it is a matter of policy and partly because I cannot be very objective on this particular aspect. This also applies to the question of different categories of membership.

Mr Marik, Czechoslovakia, regretted the very brief reference in the report to the memorandum on the structure of the ICA, and I am inclined to agree with him. I wish I could have found place in the Report to give more attention to the discussion on the question. I would only reiterate what the President said yesterday, that this discussion is an ongoing one. It has thrown up a number of major issues which are of continuous concern to our work, whether it is a question of inter-auxiliary collaboration or of the relationships of the auxiliary committees to the Secretariat, the composition of the Executive or the regionalisation of the activities of the ICA. These are all issues which figure constantly in our work and in our discussions in the organs of the ICA.

Mr Kolesnik, USSR, objected to increases in subscriptions. There is an emergency resolution on this subject, and I have therefore no comment to make. When he says that we could save by reducing the travel costs within the Secretariat, I would like him to know that all travel programmes are extremely carefully vetted by myself. The broad consideration which determines our participation in an international meeting is a simple one, it is: Will this travel serve the cause of the co-operative movement? This broad question we try to break down into two parts: firstly, shall we at this meeting or conference have the possibility of presenting the co-operative point of view before a receptive audience; secondly, will our participation lead to the advancement of relations between the ICA and the sponsoring organisation. These are questions we try to answer before we decide whether an officer of the ICA should take part in a particular meeting.

Mr Bardsley, Great Britain, wanted us to add a résumé in Esperanto to each issue of the *Review*. My knowledge of Esperanto is very poor and I, therefore, doubt whether I am competent to reply, but let me say, without meaning any disrespect, that I find the suggestion at this point of time quite impractical.

Mr Syulemezov, Bulgaria, and Mr Kuoppala, Finland, both commented on our publications, particularly the *Review*, and asked that we present more detailed information about co-operatives in some typical movements but how to define typical I do not really know; secondly, they referred to an increase in circulation; thirdly, Mr Kuoppala asked for the adoption of a uniform editing policy with a view to avoiding heavy texts. First of all, we must look at the *Review* in the context of all our publications. It is meant to serve a specific purpose and it leaves outside its scope other purposes which are better served by other journals or organs of

the ICA. We have a *Co-operative News Service* which gives summary news about important co-operative events; we have the *Agricultural Bulletin*, whose universe is agriculture and which deals specifically with agricultural questions, news, articles, reports and conferences; we have a similar journal in the field of consumer affairs in which important views are presented. But I would like to invite Mr Kuoppala to share some of our problems with regard to the *Review*. The audience for which we are catering is extremely heterogeneous. It ranges from countries where the movement is in its simplest stages, where the early and most rudimentary form of co-operative thrift and credit societies come into operation, to the most sophisticated, where computerisation is very much involved. We are, therefore, naturally concerned about falling between two stools. How do we try to avoid it? We do it by publishing special issues dealing with specific problems.

It was suggested by Mr Syulemezov that more attention should be given to national experiences and to national co-operative movements. The last issue deals with the co-operative movement in the Federal Republic of Germany, because we are having our Congress here, and it has been the custom, a very valid one, I think, to bring out this kind of issue at such a time. The previous issue contains a series of articles contributed by representatives of different national co-operative movements dealing with the specific problem of the training of experts who are going to work in developing countries. This was a recommendation which came out of the conference in Denmark on technical assistance, when it was suggested that the ICA through its journals should try to implement certain policies in the co-operative training of experts. This is an issue of the *Review* from which a lot of information can be obtained on one specific question. There are other issues, too, in which, the aspects covered are wide and which deal with a variety of questions facing co-operators. We have not conducted audience research or readers' research but we have been most encouraged by the number of very positive responses with regard to the *Review*, and I am, therefore, particularly grateful to Mr Kuoppala and Mr Syulemezov for their observations, which will be kept in mind.

Mr Podlipny, Czechoslovakia, referred to the 16th Seminar to be held in Czechoslovakia and welcomed the participants, assuring us that it will be his aim to ensure its success. We are very grateful for all his support and I am aware of the many facilities which the Central Co-operative Council has agreed to make available to the ICA in connection with the Seminar. I hope to be present for a short time and to have the opportunity of learning more about your movement, Mr Podlipny.

Mr Barbier spoke about the Education Conference in Hamburg. I attended it very briefly only as I had to go to another meeting, but I know that the deliberations under the able leadership of Mr Barbier have been most successful.

There was a reference to the International Education Year to be organised by UNESCO in 1970. On the recommendation of the Executive in Paris we have given information about the International Education Year to our affiliated organisations and invited suggestions as to what particular activity we could undertake which would accent the role of co-operatives in the field of education.

We have received an invitation from Czechoslovakia to hold a conference, possibly in 1970 or 1971, which would be a follow-up of the one in New Delhi in February last year. This would deal broadly with the problem of co-ordination in terms of technical training provided by co-operative training institutions in the advanced countries.

Mrs Waldeck, Austria, referred to the status of women in developing countries. This is a very large problem which has legal aspects, aspects of kinship structure, tribal structure and so on, as well as economic dependence, and there is nothing sound that I can say on this problem in a few words. Let me express our appreciation that the Austrian co-operative movement is thinking in terms of developing programmes in Latin America, and is planning to raise funds in connection with the 75th Anniversary of the ICA. A number of movements are involved in raising funds and I think that information on the techniques of fund-raising could be exchanged so that the movements could be of help to each other. So far as our specific contribution in this particular field is concerned, I would say that perhaps the critical point here is the economic independence of women. Perhaps the dissemination of knowledge concerning the setting up of small industries on a co-operative basis would yield results which would be in keeping with the efforts you might like to put into this programme.

The Technical Assistance Committee have agreed to support the proposal from the Norwegian Women's Guild to hold a seminar in Kenya, provided the authorities in Kenya agree.

Mr Eshref, Cyprus, appreciated our work in the field of technical assistance and I am grateful for his kind words. He also mentioned that we should try to provide more finance when this is required. This is the subject of one of the motions of the Central Committee which will be considered later. At no point do we think of the ICA as a major financing institution, our field is know-how and technical expertise and it is in that area that we shall be able to make our major contribution to world co-operative development.

Mr Orizet spoke about ILO sub-contracts, and the President responded. We are delighted that the ILO are thinking on the same lines as ourselves, and I would like to think that our study on industry and co-operatives is only a beginning and will lead to a number of contracts with the ILO and other UN agencies, including FAO. Mr Barbier also commented on this sub-contracting idea and there is hardly anything I can add.

Mr Mateesco, Roumania, referred to a number of resolutions which had been adopted in several areas of our work and I am grateful for his remarks. He also referred to resolutions dealing with aspects of the work of the UN, and expressed an interest in what our representatives at UN meetings say. I would be very glad to give him information and observations in this respect, but I have a suspicion that the amount of paper involved would be such that he might revise his wishes.

Mr Schaffer, Great Britain, referred to the situation in Greece. I need not go into the background, as the action we have taken earlier is known to members of the Congress and there will be an emergency motion on the subject.

Mr Masundi from Kenya spoke of our work in East and Central Africa and I was very heartened to hear that he thinks the lines on which we are proceeding are satisfactory and for the benefit of the movements in the three countries. Mr Masundi himself is partly responsible for defining those areas of activity as he is a member of our Co-operative Council which decides on problems at the regional level in East Africa. I had a chance of visiting East Africa in connection with a conference and I was most impressed by the work which has been done by the co-operative movement generally, also by the supplementary role of our own Office in East Africa and the support being given to it.

Mr Sommerhoff, Chile, referred to our relations with OCA. We are very happy that they are developing on sound lines but I have the feeling that perhaps there is much more in this relationship than we have been able to exploit so far. I was particularly interested when he said that there seems to be funds available which would ensure extended activities of the OCA. I would hope that in the programmes being developed in OCA, and in any activities which the ICA might consider undertaking in Latin America, we shall be able to join forces still more to achieve the maximum impact. The Spanish edition of the *Review* is giving us cause for concern, primarily in terms of economics. Our friends from Austria were kind enough to earmark a certain sum of money from the Development Fund for supporting the Spanish edition, but it seems that perhaps our predictions were more optimistic than were warranted, as we have not been able to get the readership and a sufficient number of subscribers to put the Spanish edition on a self-financing basis. I hope something may be done, because this is a very worthwhile venture and has made it possible to give our friends in Latin America a direct contact with international co-operative developments.

Mrs Staros, Poland, referred to the work of the Women Co-operators' Advisory Council, and although she was cautious in evaluating the work, I think that already a number of very useful initiatives have emerged from its deliberations. We are trying to achieve as much co-ordination as possible between the WCAC and the auxiliary committees of the ICA. There is already a WCAC sub-committee for agricultural co-operation which collaborates with the agricultural auxiliary, and I know that there is in the programme a symposium, possibly to be held in Milan, which will deal with certain aspects of the family in rural areas in a changing world. There has been collaboration with the Housing Committee, and the WCAC submitted a paper which the Committee very much appreciated. Mrs Staros's suggestions and comments concerning the News Letter will be considered, but it is partly a matter of finance so far as expanded circulation and coverage is concerned. We can also consider whether it is possible to break down statistics in such a way that women's membership is shown separately. With



regard to a monograph on the role of women, this has been considered at one of the Central Committee sessions, and there is a motion to come before the Congress.

Mrs Maksimova, USSR, Mr Rouleau, Canada, Mr Sobieszczanski, Poland and Mr Svoboda, Czechoslovakia, have all spoken on youth, and I think broadly their comments could be summarised as follows: They have appreciated the initiative of the ICA in terms of the two-day conference held last May in London, some of them feel that this is not enough and that this should not be a one-time activity; others feel that the situation could be met by creating a co-ordinating committee; finally, it has been pointed out that no research is necessary in this particular field. This is a very large subject and I was pleasantly surprised that at the Executive meeting in Paris the better part of one morning was devoted to discussing the deliberations of the conference.

I think the conference on the whole came up with a lot of good suggestions. Our problem is which ones to take up and which to leave, and how best within our budgetary resources to implement some of the suggestions. The general consensus, was against setting up an international youth organisation, since it was actually the disbanding of an international group which gave rise to the whole idea of youth work being undertaken by the ICA. Broadly, the recommendations of the Conference were that the ICA, through its Secretary for Women Co-operators, should co-ordinate information on youth questions and distribute it in a digestible form to member organisations, keeping in touch with other international organisations responsible for youth work, and generally keeping the Alliance itself posted with the problems of youth vis-a-vis the co-operative movement.

Dr Los, Poland referred to the Consumer Conference but talked mainly about consumer services in Poland. I have mentioned this earlier, but I might add that a couple of years ago the Executive met in Poland and were received by the Deputy Prime Minister, who spoke of the efficiency of the consumer co-operatives. I was at the Polish Agricultural Congress and had the pleasure of a rather long discussion with the Chairman of the Consumer Organisation.

Dr Cortesi, Italy, and Mr Pedersen, Denmark, spoke about International Co-operative Day. I had the opportunity of attending the ceremony organised in Rome by the CCI and was happy to do so; still more happy because the Confederazione considered the services of our Agricultural Secretary to be so important and worthwhile that they awarded him a medal for his services to the world agricultural movement. I think the idea of having a particular subject for discussion and a visit to a particular sector of the movement is a very good one, therefore I am in complete agreement with Dr Cortesi and the approach of his organisation.

With regard to Mr Pedersen's point about the observation of one single day throughout the world, I cannot accept the advantages of this because at one time I had a lot of headaches in this connection. We decided one year to hold International Co-operative Day on the first Saturday of July in Delhi and the Prime Minister was to come to the function. July is the monsoon month and on the day clouds began to gather. We all kept our fingers crossed because the function was in the open. Fortunately, it went off all right, but almost immediately after the Prime Minister left it literally poured. I think we have to leave the date somewhat flexible but I see Mr Pedersen's point. We know that some people have a co-operative week, while our American friends have a co-operative month.

Mr Malkov, USSR, referred to the ICA and the United Nations and suggested that we do not give sufficient information on the work of the ICA's representatives in UN. There have been quite full reports to the Executive and Central Committee on the broad lines of thought reflected in the interventions on behalf of the ICA. He says that sometimes our representatives do not speak at all, but I do not think there is anything wrong with that, sometimes silence can be very articulate and I do not think it helps to attack all the time. Sometimes, too, it is useful simply to pass a few sentences on a piece of paper to a government delegate on a particular subject. It is quite out of the question to expect that the ICA resolutions should be discussed at UN meetings. The UN have their own agenda and a very full programme.

Mr Woodcock, USA, who represents us at the United Nations, referred to the UN resolution recently adopted by the General Assembly and by ECOSOC, which he said has opened a "giant opportunity". I could not agree more with him. I feel that during the next three years this is an area which is going to engage our close attention in terms of making practical proposals as to how co-operatives could realise the objectives of the Second UN Development Decade. Already in the Secretariat, we are working on our paper and we hope

that in the not too distant future we shall be able to come to our member organisations and say that this is broadly our thinking on this issue, and ask where they can come in and help us in the implementation of this resolution. In any case, according to ECOSOC's resolution the ICA has to submit to the Secretary-General of the United Nations its considered comments on the implementation of the resolution.

Mr Jakovenko, USSR, referred to the ICA and the non-governmental organisations and spoke of maintaining the image of the international co-operative movement in relation to all the other international organisations. This is not really a matter for me, as the President has already commented on it.

Mr Barbier mentioned our representation at UNESCO, and there is, as usual, a great deal of merit and force in his arguments. When there is a general conference lasting six weeks, with three committees, it is very difficult to think of having three people to represent the ICA, one in each committee. That is a matter which we cannot really sort out, partly because of our manpower resources and partly because of the amount of time available. But I entirely agree with Mr Barbier, and our French member organisations have taken a great deal of care in representing the ICA point of view. I do not think there is anything more that we could do at this stage to ensure a more sustained representation.

Mr Krashennikov, USSR, referred to the World Raiffeisen Congress. As the President has already replied, I have nothing to add.

Finally, Mr Vigoni, Italy, talked about the implementation of Congress and Central Committee decisions and the strengthening of the movement, also about the Auxiliary Committees. I have already replied to some extent to these questions when dealing with the remarks of other speakers.

I apologise to any speaker whose comments I have not been able to cover, partly because of the time factor and partly because of the difficulty of dealing with the many points made in a long discussion.

**The President:** I thank Dr Saxena for his excellent replies to the various points brought up in the discussion. He mentioned there might be some policy questions which I would deal with as Chairman. There is, for example, the question of representation within the authorities of our Alliance. This will be dealt with in connection with the amendments to the Rules which you have in the Agenda, and which will be introduced on behalf of the Central Committee by the Vice-President, Mr Southern.

It was suggested by one speaker that Congress should instruct the Director and the Secretariat to cancel the provision in Article 14 of the rules for associate membership. This important policy question was dealt with at the Bournemouth and Vienna Congresses and, with very great majority votes, it was decided not to alter the rule. This special arrangement was introduced in order to make contacts with the ICA possible for co-operative organisations in newly developing countries which, for the time being, owing to support from state authorities which is important in many cases to facilitate the development of the movement, do not have control of their affairs to the extent required for full membership. There are only a few cases so far in which Article 14 has been applied and in all of them the organisations which have become associate members are very satisfied that they can establish relations with the ICA before the stage when, according to the rules, they are entitled to become fully-fledged members.

There is no motion at this Congress to amend the rules in this respect, but I have given these facts because it might be thought that Article 14 had been formulated as an instrument of a discriminatory character against the newly emerging movements in lesser developed countries.

## Motions of the Central Committee

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### Motion of the Central Committee on Technical Assistance and the ICA Development Fund

#### THE 24TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE

APPRECIATES highly the excellent work done by several affiliated national co-operative movements in giving generous technical assistance to the developing countries on a bilateral basis but simultaneously;

FINDS it necessary for greater co-ordination to be achieved internationally with the aim of providing wider scope for multilateral action;

WELCOMES Resolution 2459 (XXIII) on the Role of the Co-operative Movement in Economic and Social Development, passed by the General Assembly of the United Nations in December 1968, as well as the recommendation on the Role of Co-operatives, addressed to the governments of developing countries by the General Conference of the International Labour Organisation in 1966, as most significant documents recognising the merits, importance and possibilities of the Co-operative Movement;

ACCEPTS the moral, social, economic and educational responsibility of the ICA for contributing towards the solution of the urgent problems of the developing countries by means of more efficient promotion of Co-operation;

AGREES with the conclusions of the Central Committee Report on the Development Fund, to the effect that, whilst objectively the ICA has favourable prerequisites for more active participation in the world-wide efforts for improving the living conditions in the developing countries, one of the main obstacles preventing the ICA from effectively pursuing such an aim is lack of finance and, therefore,

RESOLVES to urge all its affiliated organisations to increase substantially their contributions to the Development Fund, in raising the finance for which they should start a wide-scale campaign in their respective countries in commemorating the ICA's forthcoming 75th Anniversary, and in this connection commends among others the practice whereby member organisations donate 10% of the sum raised for their own technical assistance programmes, and thus express most appropriately their feelings of international co-operative solidarity, by contributing to collections for the ICA Development Fund as generously as possible; and

INSTRUCTS the Director of the Alliance to examine and report to the Central Committee on the possibility of prescribing a minimum rate or rates at which the various categories of membership of affiliated organisations should contribute to the Development Fund and authorises the Central Committee to take appropriate action on the report.

**Amendment:** Proposed by Lega Nazionale delle Cooperative e Mutue, Italy.

After the fourth paragraph beginning "Accepts the moral . . ." and before the fifth paragraph beginning "Agrees with the conclusions . . ." add new paragraph as follows: "REQUESTS the Alliance to urge various Specialised UN Agencies to initiate joint programmes, with a view to promoting co-operation in all spheres of activity relevant to developing countries;"

**The President:** Mr Søliland will move this resolution on behalf of the Central Committee.

**Mr P. Søliland,** Norway: It is a pleasure for me to move this resolution on behalf of the Central Committee and to commend it to Congress. I have no intention of exploiting this opportunity by giving an account of the need prevailing today in one part of the world while in other parts, with far smaller populations, the peoples are experiencing simultaneously a development of prosperity and welfare without parallel in the history of mankind. I want to

refer to the earlier discussion on this subject and remind you of what was said by Mr Thedin of Sweden, also of what the President said in his Inaugural Address.

Today I consider it advisable to concentrate on the present position and significance of the ICA as a source of technical assistance to the developing countries. Regarding the question of how the Alliance could do more in this field, if everyone in this hall and every organisation in technically well-developed countries did more than before to enable our international organisation to increase this very important work, that would be extremely useful. Since the Development Fund was founded at the 19th Congress in Paris in 1954, very small resources have been available to the ICA but it has, nevertheless, managed to carry out some valuable projects.

I would remind you of the detailed report presented to the Vienna Congress in which the long-term programme of co-operative technical assistance was outlined as follows: "The promotion and provision of information and advice about the co-operative situation throughout the world, promoting, sponsoring, assisting to establish and co-ordinating bilateral co-operative technical assistance; providing or supporting assistance whenever bilateral help cannot find a satisfactory answer to urgent requirements. The promotion of co-operative activities including education at all levels, the programming of studies and expansion of inter-co-operative trading and financial relations; the provision or co-ordination of necessary co-operative development research; collaboration with the United Nations, its agencies and other international bodies."

As far as activity in the period under review is concerned, I would refer to the report in the Agenda, from which it appears activity has been enlarged. Based on past activity and the experiences gained, we are now able to assess the significance that the co-operative organisation of activity in the developing countries might have. This fact has been recognised officially in such a manner that there is reason to believe that co-operative work in the developing countries will have greater importance than ever before. I am thinking of the recommendation adopted by the International Labour Conference in 1966, of the importance of the resolution of the General Assembly of the United Nations, and of the resolution adopted by the Economic and Social Council in which the Council asked the governments which had experience of co-operative work to promote this in under developed countries. The collaboration between the ICA, governmental and other non-governmental organisations has steadily grown and a welcome development in this collaboration has been promoted a step further by the Liaison Committee of FAO, IFAP, ICA and ILO.

Greater responsibilities have been placed on the ICA because of what the representatives of ILO and FAO have stated here. The member organisations of the developed countries, therefore, must take the necessary steps to enable the ICA to meet this new challenge. The Alliance must do more to co-ordinate technical assistance and it will be necessary in the years to come to concentrate more on the bigger problems of various kinds if we are to keep up with the increasing needs around the world.

Next year, in 1970, the ICA will celebrate its 75th Anniversary. In my opinion no better tribute could be paid to the Alliance by the member organisations at its Jubilee than by availing ourselves of this opportunity to carry out an intensified drive for strengthening the resources of the Alliance, thus making it possible for the ICA to expand its activity in the field of technical assistance. In spite of the information activities carried out, there are still millions of men and women around the world who know nothing about the co-operative idea and the possibilities of starting economic and social development by applying the co-operative system. Surely the Alliance deserves, after seventy-five years' existence, to be provided with adequate resources, to enable it to carry out an expanded information activity on the importance of co-operation and the possibility offered by applying the co-operative system. In the Central Committee report we are once more faced with the miserable fact that the means at the disposal of the ICA for the important work of technical assistance are extremely modest.

We have noted that some organisations, certainly very few, have given remarkable contributions, either directly by undertaking projects, or by generous contributions to the ICA Development Fund. We have information from some organisations on how campaigns have been launched to collect money for special projects from member organisations. The information we have received clearly proves that it is possible to supply the necessary money, provided the actions are well-organised. We who belong to organisations which have done very little, or nothing, can no longer excuse ourselves for a lack of initiative or passivity in the field of

technical assistance. Not only more financial support is needed, but also more manpower is demanded. If we pledge ourselves to increased activity, we have also to be willing to release qualified staff. I believe the day has come when all member organisations representing the wealthy nations must seriously consider their responsibility towards their fellow co-operators of the developing countries and accept the consequences by furnishing the ICA with the economic resources necessary for the work to which the Development Fund is dedicated.

The resolution now to be discussed by Congress recommends that the member organisations shall agree that at least 10 per cent of the amount raised for their own technical assistance programmes will be donated to the ICA Development Fund. If the Congress accepts this resolution it means that the Director of the Alliance is instructed to examine and report to the Central Committee on the possibility of prescribing a minimum rate, or rates, at which the various membership categories of affiliated organisations should contribute to the Development Fund and authorise the Central Committee to take appropriate action.

Following the adoption of the resolutions of the UN, in particular the resolution of ECOSOC, the ICA member organisations will now be given better opportunities to contact their own governments with the possibility of increased economic support to specific co-operative projects in the developing countries. We are wrong, however, if we believe that our personal commitments are lessened because of increased support from State resources and international bodies. Those of you who were present at the last Congress in Vienna may remember that the former Director of the ICA, Mr Alexander, when he moved the resolution on co-operative technical assistance, very pertinently asked us how far we all, and our members with us, really understood the vast problem involved, how far we earnestly believed in giving and receiving help, how far we accepted there is a vital problem here for all co-operators in all countries. Finally, he asked how far we saw or felt the need to be personally involved in this. "Not far enough" was the conclusion Mr Alexander arrived at three years ago.

Today, man has reached the moon and this almost incredible achievement, due to personal courage, brain power, technology, money and excellent collaboration by scientists, has rightly filled us with admiration and respect. Why not let this achievement, this space programme, be an inspiration to us, as co-operators? Why not draw a lesson from the successful space programme and see that we, too, can achieve almost incredible results, if we pool our imagination, talents and experience for the purpose of carrying out the long-term technical assistance programme adopted by the Congress in Lausanne in 1960, a programme that is in keeping with the 75th anniversary of our International Co-operative Alliance.

If, as I hope, every delegate will now vote for the resolution, we shall, as responsible delegates from our respective organisations, have taken upon ourselves the obligation to go home and really do something on this very important matter. Let us give the ICA the means and the ICA will do its duty.

Mr President, I commend the resolution of the Central Committee to Congress.

**The President:** There is an amendment to be moved from the Lega Nazionale of Italy.

**Mr W. Briganti, Italy:** The amendment which I propose, in the name of Lega Nazionale, needs no long explanation. There are already several UN centres for initiating and promoting co-operative assistance for developing countries, centres whose activities are mentioned many times either in the Central Committee's report, or in other congress documents. They concern the UN itself, its Economic and Social Council, the ILO, FAO, UNESCO, UNIDO, the Centre for Housing, Building and Planning. All these centres, in the course of their general activities, are also concerned with co-operation. This is very good, but there comes a time when a problem arises of the co-ordination of effort to obtain maximum efficiency in the respective activities.

From what Mr Woodcock, the ICA observer at the UN in New York has said, the UN Secretary-General has been charged to follow-up, in a general way, the efforts accomplished by its different agencies. So a first step has been accomplished as regards co-ordinated activity in co-operative matters.

But we must aim still higher, and elaborate a directive for joint inter-co-operative programmes in the different spheres of activity of the co-operative movement in its

irreplaceable role as an instrument for rapid and well-balanced economic and social development. Co-operation in agriculture and fisheries is without any doubt an indispensable means of raising the level of production, of the income of the peasants and the living conditions of millions of men throughout the world. At the same time, we must not forget that among the most pressing needs, apart from the fight against hunger, for education, for medical help, there is also the problem of housing. This is another immense field for co-operative action. Furthermore, co-operation can perhaps act as a bridge between the modernisation of agriculture and the industrialisation of rural areas by its ability to mobilise human and material resources in the spheres of small industries and the artisan.

These are three large co-operative sectors which must not be considered separately but which have many points of contact and can be seen as distinct applications of a unique idea, of a unique spirit, which offer themselves to the same people: the workers and the middle classes. At the same time three great organisations concern themselves with these activities: the FAO, the ILO and the UN centre for Housing, Building and Planning. It, therefore, seems to me essential to co-ordinate their programmes as soon as possible. I could cite other sectors and other forms of co-operative activity which are equally necessary, such as propaganda, education, technical training, financial research, but that is not necessary before the world congress of co-operators. It is, however, certain that here, too, there is the same problem of co-ordination and joint action.

It should not be too difficult for the Alliance to bring this problem before the appropriate bodies, in view of the prestige it enjoys within the UN and its specialised agencies.

I will close by reading the amendment which we have proposed and which we hope Congress will adopt:

After the fourth paragraph beginning "Accepts the moral . . ." and before the fifth paragraph beginning "Agrees with the conclusions . . ." add new paragraph as follows: "Requests the Alliance to urge various Specialised UN Agencies to initiate joint programmes, with a view to promoting co-operation in all spheres of activity relevant to developing countries;".

**The President:** The proposals of Lega Nazionale are entirely in line with the efforts which the ICA has made, as illustrated among other things by the ILO, FAO, IFAP, ICA Liaison Committee. Our general attitude is that the efficiency of technical assistance will be greatly promoted by integrated programmes and an integrated approach.

**Mr R. B. Bastin, United Kingdom:** I support the amendment proposed by Lega Nazionale. Anyone speaking on this resolution should preface his remarks with a tribute to the success of the Swedish movement in the money they have collected for these purposes.

This resolution advances a little on the one passed at Vienna. It is full of good intentions but I am not sure that it is practical. In capitalist countries the co-operative movements are faced with the competition of large monopolies and it is difficult for them to afford the sums contemplated in this resolution. They may be technically advanced countries, but the co-operative movements face a bitter struggle. Congress knows that in Britain a quarter of all enterprises are owned by the United States. We are facing international competition and this strengthens our desire to support internationalism in the co-operative movement. Regarding the eastern countries in the ICA, it is clear they would prefer to channel their help through government agencies.

Our task in Britain is the defence of the consumer while prices rise and wages are being held by government action. We know the task is not an easy one. We also feel that the co-operative gives the members an involvement in their own lives, which are increasingly controlled by institutions very remote from the individual. It is after considering these facts that we see our duty in the under developed countries. I am sorry if this is not a very cheerful note, but I think we have to face these facts. It is no longer possible to make a profit on all the goods which are produced in our countries. It will be recalled that in America they are now restricting the production of wheat; in India last year, because of a bad harvest, it was not possible within its own economy to meet the needs of the starving millions.

The ILO representative mentioned that in the under developed countries there is a growth of unemployment. It must surely not have escaped the ILO that in Britain, too, there is a growth of unemployment which is already seriously affecting the capital and trade of

co-operative enterprises. We have a capacity to produce machinery and countries such as India need our machinery. Is it not possible for the ICA to bring together our surplus and India's need? This, it seems to me, is the hopeful aspect of our task here. It would help our country greatly if the international co-operative movement could find some way to take our surplus, and keep our people employed, to meet the food production needs of the less developed countries. If some of the great co-operative banks could find the funds to make these resources available, the ICA would really be making a tremendous contribution to maintaining world peace. It is in this situation that the military sharks find their fodder. We have to find some way to help the developing nations but we have also to consider the developed nations and their needs. It would be better if we could persuade the under developed countries that our contribution is to enable them to achieve a fair return for their labour. Surely this is the task in the primary producing countries.

**Mr F. Owen, USA:** It is a pleasure for the Co-operative League of the USA to support the Central Committee proposal on technical assistance. The Co-operative League's experiences in bilateral and multilateral technical assistance programmes point to some indications of success which may be useful to all of us as we become more involved in technical assistance programmes. The League operates on the principle that the experience of the US co-operatives themselves provides the most significant resource the League has with which to help other nations develop their co-operatives. Dr Bonow remarked in his opening address that the critical element is know-how and it can only be provided by the co-operative movement. The most important channel used by the League to bring the experience and expertise of US co-operatives to bear on development problems is by the use of co-operative industry advisory committees related to specific international programmes and projects. Currently there are eleven committees in such fields as oil-seed processing, agricultural credit, insurance, consumer co-operatives, fertiliser production and distribution. These committees review the requests which come to the League for assistance, they help in recruitment of personnel for overseas' assignments and they perform a continuing service of advice as each project moves forward.

By an Act of the 1968 Biennial Congress of the Co-operative League the use of such committees, as a sound approach to international assistance work, is a policy. This method has been indispensable in moving forward such projects as the Indian farmers' ownership of their own 112 million dollar fertiliser plant and distribution system; a co-operative association in the Philippines to establish a commercial swine production and marketing operation, and the establishment in India of thirteen oil-seed processing plants.

A second principle operated by the Co-operative League is the mobilisation of additional resources to be used in co-operative development projects. For instance, the US Government in 1961 made it official policy to support the development of co-operatives, credit unions and savings and loan associations as part of its foreign assistance work. In several countries where the US government Agency for International Development (AID) does not have co-operative assistance work going on, the Co-operative League has used its own resources to begin such work and, later on, specifically encouraged AID support. Worldwide Co-op Partners, a fund-raising programme of the League, receives money from private individuals and co-operatives. The League uses these funds to support certain technical assistance programmes, especially those which can draw the participation of other organisations. For instance, in Colombia, the League contributed only 2,000 dollars to help launch a revolving loan fund for new co-operatives; CARE then contributed 20,000 dollars and later Colombian organisations increased the fund to 115,000 dollars as of December 1968.

Most important of all, we believe the best means of sharing the experience and know-how of US co-operatives is by early involvement of the local national co-operative leadership, as well as the relevant governmental departments of the recipient country which makes for the adoption of techniques and methods which will persist long after the external technical assistance is withdrawn. We have learned that there is no inherent danger in local government participation in co-operative development activities as long as withdrawal of such government assistance is accepted, and assured, as soon as management know-how and capital have been developed within the co-operative.

In conclusion, I would summarise by saying that we believe the use of co-operative industry advisory committees and the involvement of other organisations in co-operative development, the moulding of external technical know-how with indigenous capabilities, including the wise usage of local government participation, are sound ways to approach

international assistance to co-operatives in the developing countries, whether this be through bilateral or multilateral efforts.

**The President:** It should be underlined that one of the examples Mr Owen mentioned, the investment of 112 million dollars in a fertiliser plant in India, as a co-operative venture, is something quite remarkable. We know that big investments by private investors have been made in this important field, but, to my knowledge, this is the first venture of this type on a co-operative basis in a developing country.

**Mr S. Tursunov, USSR:** The ICA has been active in extending technical assistance to the young co-operative movements. There has also been active co-operation on the part of the USSR, which has extended great assistance to the co-operators of Africa, Asia and Latin America. We heard a reproach from Mr Thedin regarding increased contributions. He hinted that objections to increases meant an unwillingness to expand technical assistance to the developing countries. In recent years, Centrosoyus has allocated over 3 million roubles for technical assistance to co-operative movements in developing countries. It is one thing to assist the young movements of these countries and quite a different thing to play Lady Bountiful. There are inequalities in terms of trading relations and these countries are being turned into suppliers of raw materials. Such a policy will not promote the development of their industries.

One of the major problems of the co-operative movements in developing countries is the training and education of their own cadre. In our country, in the co-operative universities we are training many co-operators from Africa, Asia and Latin America, and in Moscow we have set up a special faculty for them. There we have more than 100 young co-operators from these countries; they receive fellowships, they are housed, and clothed, laboratories and libraries are made available to them and Centrosoyus pays their travel to and from the university. Similar facilities are given by co-operators from other developed countries, and should be extended.

Centrosoyus is also conducting seminars for co-operators from the developing countries, the last of which was organised jointly with the ILO at the end of 1968. Leading officials from eighteen countries of Africa, Asia and Latin America, the far and near East, listened to lectures on a great many subjects in the co-operative world, and they became acquainted with the consumer practices of the agricultural co-operatives in our country. We feel that one of the most important problems is that they should learn about the experiences in our countries. Soon Centrosoyus will send experts to the developing countries through the ILO, and will continue the organisation of seminars in co-operation with the ILO and other specialised agencies.

It would be advisable if the ICA were to extend expert services, drawing in for this task experts from different countries. The co-operators from the developing countries avail themselves of these services and become acquainted with the experience and development of co-operative movements within different socio-economic systems so that from experience and practice they can choose the one most appropriate to their own conditions. There is also the problem of training cadres, to solve which we need to co-ordinate the efforts of all the co-operative organisations. Centrosoyus is prepared to participate actively in this work.

We, therefore, support the resolution but, at the same time, we feel that the amount of contributions should be a matter for each national organisation and should not be fixed.

**The President:** I would underline the point which was made about the importance of co-ordination of training resources for students from newly developing co-operative movements which are available to us in more advanced countries. This was the purpose of the conference on methods of training in New Delhi, to which the Director has referred. There we had the participation of experts dealing with technical assistance in various institutions in North America and countries of eastern and western Europe, including the Soviet Union and Czechoslovakia. Mr Alexander, Dr Saxena, at that time Director of the Regional Office, and I attended the Conference which concentrated on a thorough examination of the methods applied by the various institutions for giving assistance in education and other services to the developing countries.

**Mr I. Tomasov, Czechoslovakia:** In the first place I wish to emphasise that we welcome all forms of technical assistance extended to co-operative movements in the developing countries,



and our movement is fully conscious of its international solidarity as is shown by contributions to technical assistance by its members. We have been spending millions in promoting the interests of the movements in developing countries, and in financing international co-operative seminars. We have trained co-operators from developing countries, have granted fellowships for study at the co-operative universities, and have financed publications for this purpose. Our activities have a wide pattern, but we are fully conscious of the fact that, whatever our contribution, this is just a drop in the vast ocean of requirements. We shall continue our technical assistance on a practical basis and will extend our activities as much as possible.

As regards the resolution now before Congress we agree with its contents, provided donations to the development fund be made on a voluntary basis. This means that wealthy organisations, which have the means to donate 10 per cent, or even more of their own technical assistance funds, are free to do so, but a poor organisation which does not have vast resources should not be compelled to donate that amount. The Czechoslovak delegation support the Soviet proposal that every organisation should extend technical assistance to developing countries in accordance with its means.

**Mr R. Haugen, Norway:** The Norwegian delegation wholeheartedly support this resolution. From the inaugural address of the President we had a clear view of the urgent need for the developing countries to be assisted in the struggle to raise their economic and social conditions. We also know that co-operative principles and co-operative work are basic to many countries in their efforts to raise living standards. While we appreciate the work already undertaken by the Alliance in projects concerning education and technical assistance, we know that it would be able to play a more outstanding role in this work if the necessary financial means were available.

I should like to say a few words on the work of co-operators in Norway. We admit that so far our contributions to the Development Fund and other projects have not been too large. Owing to the fact that we have a special tax earmarked for support to developing countries it has not been too easy to collect voluntary contributions in addition. We have, however, succeeded in smaller actions, for instance, support for fishermen's co-operatives in Dahomey, with other organisations we have taken part in projects in Tanzania, Kenya and elsewhere, and several young people from NKL are today engaged on projects in these countries.

When we are entering the second decade of technical assistance to developing countries, we have reconsidered the situation and have reached the conclusion that, in spite of our special taxation for developing countries, we shall start a new and stronger activity amongst Norwegian co-operators. The Board of NKL has, therefore, decided to establish a special fund for technical assistance, and a donation of 100,000 Norwegian kroner is already granted by NKL. The main capital, however, will come from voluntary contributions from our members and co-operative employees. This new fund of technical assistance is intended to work in close collaboration with the ICA Development Fund, and it is also the intention, in accordance with the present resolutions, to pass on to the ICA Development Fund a substantial portion of the contributions.

Through the ICA and this Congress we have learned more about the urgent need for co-operative assistance to people in developing areas, and we know that the ICA, as the world-wide organisation of all forms of co-operatives, can achieve big results in this field. A worthy form of celebration of the 75th Anniversary of the ICA would be a special action from every co-operative organisation in the highly developed countries to strengthen the Development Fund, thus giving the Alliance the financial means to play the outstanding role it ought to play in this vital work.

**Mr W. Sommerhoff, Chile:** With the daily increase in the economic gap between the advanced and the developing countries, between the rich and the poor, I think it would be a mistake, and not conducive to better understanding among people, if we were to reduce technical assistance and were to consider it as a generous sacrifice and nothing more. Such assistance should be a *sine qua non* in order to protect the world against large-scale revolution. We must not forget that if democracy is practised as it should be it would mean that the majority of votes would go to the poorer peoples of this world.

The question arises, what can the co-operatives do to contribute to the solution of this problem? The question is of over-riding importance. If we are deeply convinced of the lofty ideals of the co-operative movement, if we consider that we provide a better socio-economic

solution, if we want to achieve not only general but specialised development, and if we are to extend technical assistance, we need to think about two problems. First of all, the task of the co-operatives is to promote the co-operative movements in the developed countries, secondly, to promote the co-operative movements in the newly developing countries. Can the two be combined and, if so, how can technical assistance be implemented without bringing about a deterioration in the economic situation of the co-operatives in the advanced countries? We can solve these problems if we look ahead and interpret correctly the ideals of the co-operatives. We should recognise that the world today is shrinking, and not live in isolation. We can only solve the second problem here if the members show their preparedness as regards donations and efforts.

Before going into detail I would like to say a few words about technical assistance as such. There are two possibilities. We seem to prefer the first, which is technical assistance by conducting pilot projects to assure better rationalisation in the existing co-operative movement. The second possibility, joint ventures, was discussed at a conference in Amsterdam where the participants were those in management in industry; they dealt with this problem and underlined the fact that, largely for psychological reasons, joint ventures in developing countries on a participation basis are preferred. This is because there is better economic integration, we transfer the know-how and with better knowledge are able to train better management personnel. This would also apply to the co-operative movement.

With regard to technical assistance, the advice tendered by the expert very often meets with misunderstanding and reserve. If we have joint ventures here, the donor of the aid who is responsible must participate, and can also participate in decision-making. Thus the donor and the receiver are on the same level of equality and this creates better understanding and integration.

In the developing countries the infrastructure so far is rather unsatisfactory. Both national and regional co-operatives are needed and we need them to merge in order to have a concentration of management power. My proposal would be that such co-operative units should have direct participation of co-operative members from the industrialised countries. This is tantamount to saying that in the beginning the industrial countries should provide management, which in time should be replaced by the national forces. With regard to financing this should be undertaken first by the donor organisations, but should be regarded as an initial investment to be repaid once co-operation in the developing countries is on a sound financial basis.

Now we come to the second question; how would the giver co-operative organisation be able to expand technical assistance without sustaining undue loss? I would pinpoint here another fact. We would thus facilitate the credit for the ventures to be exported. If we were to fail in this, the further growth of co-operation would continue to lag behind the economic development of advanced countries.

I hope the authorities of the ICA, the Executive and the Central Committee, will consider my proposal.

**Mr Orrin Shipe, USA:** As the managing director of an international organisation that has been involved in providing technical assistance for the development of co-operative institutions for some fifteen years, I support the concept and recommendations embodied in this resolution.

Ever since 1953 CUNA International, the world-wide association of credit unions, has been actively involved in technical assistance programmes throughout the world. In our judgement there is no other technical assistance programme that can mean so much to the common man in the numerous underdeveloped but developing countries. Because of its very nature, the co-operative idea, and a credit union is a basic co-operative, is ideally suited to the social and economic improvement of mankind everywhere. Co-operatives, and particularly credit unions, give people the opportunity to participate in their own socio-economic development. They gain in numerous ways, not the least of which is the chance to control at least a part of their own destiny by organising, controlling and operating their self-owned institutions.

Rather than generalise, I would like to direct my remarks to one specific part of CUNA International's technical assistance programme, namely, our highly successful role as a contractor under the technical assistance programme of the Agency for International Development of the US State Department. As a contractor, our job is to provide technical

assistance for the development of credit unions in several countries of Latin America and Africa and in Korea. We have been involved in this CUNA/AID programme since 1962. In 1968, there were 16 countries involved — 12 in Latin America, 3 in Africa and 1 in Korea. Largely as a result of this programme, the 12 countries in the Latin American programme now have 2,651 credit unions with 745,782 members, they have accumulated savings of over \$57 million, and their cumulative loan total to date is \$209.3 million. In Africa the three countries of Tanzania, Kenya and Uganda have over 280 credit unions, with 40,000 members who have accumulated savings in excess of \$1.5 million with over \$1 million in loans outstanding. In Korea there are now 241 credit unions with over 31,000 members and cumulative savings of \$345,000 with outstanding loans of \$330,000.

These statistics in themselves are not nearly as revealing as the fact that in Latin America average savings of each credit union member amount to approximately \$80, a figure which by American and European standards seems comparatively insignificant, but which takes on outstanding significance when you realise that the average annual income in Latin America is less than \$100 a year! Even more outstanding, however, is the fact that, in the three African countries where the per capita income is even lower than in Latin America, the average savings per credit union member is approximately \$40.

CUNA's objective is not just to establish individual credit unions, important as they may be, but to help these people become self-supporting and self-reliant. To achieve that end we assist in the development of a national organisation as soon as possible. We firmly believe that the co-operative movement has much to give, and gain, by taking a more active part in the development of less developed countries, and we urge all delegates to take a strong stand in support of this resolution.

**The President:** As regards the activities of the CUNA International in the East African countries, we have a very good collaboration. Our Regional Office and the ICA are actively supporting the savings' organisations which the co-operative movements have organised in close collaboration with CUNA and the ICA.

**Mr R. Ahmed, Pakistan:** The subject of Technical Assistance to Developing Countries and the Development Fund has figured very prominently in the deliberations of the ICA during the past few years. This is very important, yet when I think of it I am very pleased, but also disappointed. The fact that more and more people talk about technical assistance and make inspiring speeches from the rostrum on the subject is very encouraging and pleasing, but when I look at the Development Fund I find that the net result of all these speeches is £13,000 a year. There are noble exceptions to the reluctance to contribute to the Fund and the case of the Swedish movement must be cited. There are also noble examples of bilateral assistance to the developing countries, such as those initiated by the United States Co-operative League, by Centrosoyus and by other developed countries whose names are quite numerous.

The intention of this resolution is to urge upon the co-operative movements of the developed countries that they should contribute to the Development Fund and thereby strengthen the system of multilateral assistance rather than bilateral assistance. There are good reasons why there should be multilateral assistance in preference to bilateral. Firstly, the pooling of financial resources, experience and technical know-how; with all this in one pool the resources can be utilised to greater effect. The ICA, as a body with a big reservoir of technical knowledge and proficiency so far as different languages are concerned, and great experience of working in various parts of the world, will be better able to utilise these resources than when they are utilised on a bilateral basis. Another advantage is that assistance given from the ICA's pool will be free from any political considerations. Sometimes it is felt that bilateral assistance has political overtones. If we want to assist the developing countries in the co-operative spirit and in the genuine spirit of sympathy, we must rise above national and political considerations.

The speaker from Britain said certain things which, though I am not in agreement with them, deserve praise. He said that business conditions in the present competitive world were such that the developed co-operative movements were unable to give substantial assistance to the developing movements. I think we must praise this statement for the frankness with which it was made and for the true indication it gave of the thinking in the minds of some co-operators in developed countries. I would, however, submit for his consideration the case of the Swedish movement which, in spite of such keen competition, has found £200,000 a year to be spent

through the ICA. I would also draw attention to the money spent by other movements both in the capitalist and socialist countries on bilateral assistance. It is true that if there is unemployment in India there is also some in Britain, and both countries need to give money to their own nationals. but the question is one of comparative need, of sharing prosperity with those who are not prosperous. It is a question of charity and of heart and on this I think all one can say is that it is for each individual to decide how much sacrifice he can make to alleviate the suffering in the developing countries.

I have often suggested that the time for charitable contributions is past. Indeed, we have tried in the past to tickle the conscience of the movements of the developed countries to make larger contributions to the Development Fund, but we have not achieved much success. It is, therefore, proposed in this resolution that the Secretariat should examine the possibility of a levy, however small, so that all movements contribute in accordance with that principle. I would say that not only the developed but also the developing countries should contribute, so that they have a sense of responsibility for the utilisation of the fund. One per cent of the net profits might be a good beginning; one per cent, after defraying all expenses, would not be a heavy charge. I would commend this suggestion to the Secretariat for consideration and I hope that this idea will be supported.

**The President:** I have to clear the position regarding the suggestion from Centrosoyus, supported by Czechoslovakia, of an amendment to the resolution.

The Standing Orders state that any amendment proposed in the course of the discussion shall be referred to the Congress Committee, which shall decide whether the amendment shall go before Congress, and if so, at what stage in the proceedings.

As this amendment is based on a misunderstanding of the text of the resolution, we have explained this to the Soviet delegates and they have agreed that, provided I make it clear in what way they have misunderstood the text, they are prepared not to press for the amendment to be dealt with by the Congress Committee.

The amendment suggested by Centrosoyus is to delete from the text “. . . whereby member organisations donate 10% of the sum raised for their own technical assistance programmes”. But the English text reads, “and in this connection commends among others the practice whereby member organisations donate 10% of the sum raised for their own technical assistance programme . . .”.

There are two points here. First, this is a recommendation and the ICA can in no way bind the national organisations as to their action in this or any other field; it can only make recommendations on agreed policy. So it is a question of quite voluntary contributions. The second point is that some organisations may find it practicable to donate 10 per cent of the sum they raise for their own bilateral technical assistance. Other movements are heavily engaged in bilateral commitments and for other reasons will have means at their disposal to support and promote co-operation in newly developing countries.

The Soviet and Czechoslovak delegations having indicated their acceptance of this declaration, **The President** said their proposed amendment would not go before the Congress Committee.

**Mr C. Pedersen, Denmark:** I agree fully with the spirit and content of the resolution which the co-operative organisations should support. We should also tell Mr Søiland that when we go home we shall try to get some money for the ICA Development Fund. On the other hand, I think we have to admit that we must not let the co-operative activities, or the activities of the ICA in the field of technical assistance be limited too strictly to the small amounts of money available from the co-operative organisations, because they have not nearly enough money for this purpose. What we have to do if we want to achieve our goals is to get other money, money from the governments. I would emphasise this, because there is plenty of money available. What we must do in the individual countries and in the international governmental organisations is to convince the people concerned that technical assistance should be used in the co-operative field of action as much as possible and wherever good results can be achieved. There are government funds which are channelled into the United Nations organisations and such money should be used in profitable ways. Mr Orizet has shown us one profitable way by saying that the international governmental organisations could sub-contract co-operative projects to co-operative organisations, as is being done in several countries. Most of the money must come from the governments.

What we can give from the co-operative organisations is the experience, the know-how, the personal effort. We should not forget that when we talk about the contributions from the co-operative organisations of all the member countries of the Alliance we do not only mean sums of money which can be measured, as Mr Ahmed measured the £13,000, or even ten times that amount. I do not say that to impress those who claim more money, but it is an important truth. As regards the money from the co-operative organisations, I would make a distinction between two methods of contributing: one is what I would call the organisation method, taking the money from the funds of our co-operatives, business organisations and so on. In some cases we are not able to take that money, and in most cases we are not entitled to because that money is required to maintain the position of the co-operatives among their competitors. So the possibilities of the organisation method are strictly limited. The second method is the Swedish method, to get money from members by voluntary contributions.

That is something I would recommend very strongly, and other movements should learn from Sweden how to do it. We have not yet learnt this in Denmark. It is a good way of getting money for the ICA, and I would suggest that the minimum rates for the co-operative organisations should be prescribed.

✓ **Mr E. Wijesuriya, Ceylon:** I would first of all thank you, Mr President, for the opportunity you have given me to take the floor. I come from a small developing country, far far away from Hamburg. We feel the need for technical assistance very urgently, as do all other developing countries and it is very heartening to see that emphasis has been laid on this most important question. This is a burning question in developing countries. Mr Ahmed from Pakistan said that tears could not produce the results that were expected, nor even wonderful speeches.

I would refer to one short paragraph in the report: "While one part of the world is undergoing a scientific and technical revolution, the greater part of the world still lives on the brink of starvation and in primitive conditions". Unless the developed countries come to the assistance of these developing countries it will not be possible to save the millions who are suffering in the greater part of the world.

I am, therefore, very happy to support this resolution, which we welcome, but I would suggest that, instead of resolving that member organisations donate 10 per cent of the sum raised for their own technical assistance programmes to the ICA Development Fund, all funds collected by member organisations for technical assistance for developing countries be credited to the development fund, either by remitting them to the ICA or by crediting them to a separate account maintained by the member organisation to the credit of the ICA Development Fund. Further, that all funds so credited be utilised either by the ICA Sub-Committee for Technical Assistance or by the particular donor member organisation for its own technical assistance programme, in accordance with a mutual agreement between the two parties.

I also suggest that, in accordance with a proposal made by a group of representatives of developing countries at the New Delhi meeting, 1 per cent of the gross national product of developing countries be set apart for aid. The ICA Central Committee should examine the feasibility of getting the member organisations in the developed countries to contribute 1 per cent of their economic results to the Development Fund. All member organisations, including organisations of developing countries, should contribute to the fund, but the contributions of organisations in developing countries could, with mutual consent, be used to finance the local cost of aid.

✓ **Mr V. N. Puri, India:** We could not be in fuller agreement with the resolution. There are one or two points which have been made on which I should like to comment.

I do not think, as the delegate from Denmark said, that anything can be measured in terms of money. One instance is that of the Polish movement which was able to convince its government to move a resolution at the UN Assembly which means millions of £s' worth of assistance to the co-operative movement all over the world. Similarly, there are other movements represented here which have not done so much in terms of money but rather in terms of services rendered. We, as one of the receivers of such aid, are very thankful to those movements. One such project is the Indian fertiliser factory, but there might be a misunderstanding in this respect. The co-operatives of America are not contributing the equity of the factory we are setting up but they have been instrumental in making their government stand guarantee for raising funds in the US to be made available to the co-operative factory in the co-operative sector of our country. This factory is the biggest venture of its kind in Asia and, I believe, in the world.

The point was made that perhaps this was some kind of interference in our affairs. I would make this very clear: we who have been under colonialism for ages shy away from the very shadow of colonialism. We are very careful about that, and I would make so bold as to say that nobody in this Congress could, or should, think that we would ever again agree to any country in the world being organised by any other country.

There are various ways by which technical assistance can be made available to the developing countries. There is the glowing example of the Japanese agreement for developing the co-operatives in Thailand which does not find a place in the £13,000. There are also other agencies doing very good work, and I would refer to the great help rendered for training our personnel by the movements in the Soviet Union and Czechoslovakia, and even by some countries which are not represented here today. We are taking that help without any strings and we are very grateful.

We would very much like to make a contribution to the development fund, but there are practical difficulties. No matter how much we might try, there are foreign currency regulations which prohibit us from giving something outside the country. We are, however, trying to contribute our mite towards the provision of training facilities to countries which are even less developed than we are. Every year we spend fairly substantial sums on training representatives from lesser developed countries in our own institutions. It would be impossible to provide for any definite quantum of the overall profits achieved in the country to be donated outside the country, but there are these other methods of making our services available for training within our country or making our people available outside the country. In some spheres even the most undeveloped country in the world could have something to offer the most developed country in the world, perhaps only in the form of good wishes. This congress should take note that what is mentioned in the report is not only £13,000, it is much more. We request that whatever efforts are being made they should be further intensified so that we can lead to a really co-operative world commonwealth.

**Mr F. R. Schmidt, Austria:** I would endorse the statements made on technical assistance. I come from a small country and we cannot afford to pay vast sums for technical assistance. You know, however, if you have looked at the figures, that our contributions to the ICA are far from meaningless. They were the result of a collection for technical assistance, which we made available to the ICA for the translation of publications, and no doubt you have also read that we financed the translation for the Spanish edition of the *Review*.

I would refer to a specific point made by Mr Ahmed, and by the Swedish speaker, that the sums to be allotted to technical assistance should be voluntary contributions. I think this point is generally accepted. We must not only pay increased membership subscriptions for 1970 and 1971, but for psychological reasons we need to arouse interest among the member countries regarding the requirements and needs of the developing countries. This we can do in the best possible way if we have voluntary contributions.

It has been repeatedly mentioned that we are to celebrate the 75th Anniversary of the ICA in 1970. I hope we will allot a considerable amount to the ICA next year, based on voluntary contributions. We small states will be happy to make such funds available to the ICA, since, being small countries, we are not able to finance large-scale projects. The Austrian delegates are in favour of the resolution and we shall vote for it.

**Mr S. Colabella, Argentina:** We would like to recall that this problem of technical assistance to co-operatives in developing countries falls within the context of what is called international aid. Leaving aside the problem of what is not a real aid, but rather the granting of credits of foreign investments, we are definitely in favour of multilateral collaboration, of which the receiving countries are much less suspicious. Nevertheless, we consider that this aid is particularly inadequate, and we favour inter-co-operative and international assistance, since any discussion for or against bilateral or multilateral assistance is nothing new. This problem also arises in the United Nations and its specialised agencies, especially within the UN Development Fund and this is precisely because, for political or prestige reasons, the great powers have a strong preference for bilateral aid.

From a co-operative point of view, we must regard international collaboration as a means of favouring the true independence of developing countries in all its aspects, economic, scientific, technological and political. Furthermore, we agree that certain countries, which cannot be classified as developed countries, can also give technical assistance. For example,

in Argentina we have a project to organise a seminar on co-operative assurance for the leaders of the movements in Latin America which do not yet have these facilities and we are actually having discussions with the International Development Bureau, that most efficient body which is part of the ICA Insurance Committee, and other similar organisations. This is an interesting road to follow by reason of belonging to the same region, to the same linguistic group, and also because it is obvious that we have the same interests.

**Mr A. Hourmain, Malaysia:** In speaking on this resolution, I associate myself with the statement by Mr Ahmed of Pakistan, and fully agree with him that the fund for assistance is an insignificant figure. This does not surprise me at all because, as the saying goes, "charity begins at home". Why extend charity to the lesser developed countries when in your own countries there are sections of the people who need help.

The stand of the Malaysian Co-operative Movement on this resolution is clear and precise: we support the motion. I am also authorised to state that we agree to contribute to the Development Fund according to the future recommendations of the Director of the Alliance. While on this subject, however, the movement is also exploring the possibility of getting the Malaysian government to contribute to the Development Fund. At this juncture I cannot give a positive assurance, but try we will.

Our movement has excellent relations with the ICA Regional Office in New Delhi, as with ICA headquarters in London. We also have friendly relations with other national movements throughout the world, be it in Asia or in Europe. For example, in the field of insurance, our Insurance Society has excellent relations and collaboration with the CIS of Manchester, Nation-Wide of the USA and La Prévoyance Sociale of Belgium. We are also examining new relations with Centrosoyus and the Czechoslovak movement.

In conclusion, I wish to convey the greetings of the Malaysian movement to all delegates.

#### Reply to the Discussion

**Mr P. Sjøiland, Norway:** We are very grateful for all the contributions to the discussion on this very important issue. My reply can be brief, because all the speakers have been in favour of the resolution. Most of them have told us about the activities in their own countries regarding technical assistance, and we are grateful for the information we have received. In this connection I would call your attention to the Annual Calendar of Technical Assistance for Co-operatives issued by the ICA. If all of you would send to the Alliance details of the kind of technical assistance activity in which you are involved, we would be able to give more information to all our member organisations, and also to go further in the very important task of integration and co-ordination to prevent overlapping.

Regarding the amendment proposed by the Lega Nazionale of Italy, as the President has already mentioned, this is in line with our work and with the construction of the resolution and I have nothing against its inclusion. The President will comment on this point.

I am very happy that our Russian and Czechoslovak friends have decided to withdraw their amendment because what is written in the resolution regarding a 10 per cent donation to the Development Fund is a recommendation, and not an obligation for every member. It means we will probably have a unanimous decision on the resolution.

I would say a few words to Mr Pedersen of Denmark. We all want to be realistic, of course, and we can see clearly that bilateral efforts in the years to come will be the most important but, on the other hand, what we are aiming at is to give to the Alliance the necessary amount of money so that it can go on with its own work, which means co-ordination and integration of all our efforts in this field. This is very important. We do not think that funds donated to the development fund of the Alliance should come from the funds of the co-operative business units. But what we have seen, and I am also referring to what Sweden has been doing, is that it is possible to collect money from our individual members and employees and to allocate this money to the Development Fund.

In the last three-years the fund had contributions of about £60,000. If we could raise three or four times as much, that would mean a great deal for the ICA in its work of technical assistance.

I am sure other speakers will agree that it is not necessary for me to comment upon their contributions because there has been such unanimous support for the proposal of the Central Committee.

**The President:** I thank you, Mr Søliland, both for your introduction of this important resolution and for your reply to the discussion. You clearly indicated that as the mover of the resolution on behalf of the Central Committee, you had no objection to the amendment from the Lega Nazionale of Italy. The amendment, therefore, should be inserted between the fourth and fifth paragraphs of the text.

May I simplify the procedure by asking if we need a separate vote on the Italian amendment or simply take a vote on the text in the printed agenda, including the amendment?

This procedure was approved, and

**The resolution, as amended, was carried unanimously.**

### **Motion of the Central Committee on Peace**

THE 24TH CONGRESS OF THE ICA, REPRESENTING 230 MILLION CO-OPERATORS THROUGH THE AFFILIATED ORGANISATIONS,

RECALLS its resolutions adopted at previous Congresses;

CONFIRMS its belief that the most urgent problem in the world is the establishment of peace, for without it human survival is threatened, and the process of economic development and social progress are obstructed;

REAFFIRMS its will to promote harmony between all races and peoples, to which end Co-operation has a special contribution to make;

ACKNOWLEDGES the work done by the United Nations in this field;

CALLS ON governments to desist from such unilateral actions which are likely to endanger peace, and instead to support and strengthen the UN in its efforts to reduce tension; and

ASKS its member Organisations to do all they can to influence their national governments to support the settlement of international disputes by negotiation and all measures for disarmament so that conditions may prevail which will enable all people to work peaceably for a higher standard of living and for the elimination of hunger and economic insecurity.

**Amendment** to the resolution proposed by Lega Nazionale delle Cooperative e Mutue, Italy:

In the fourth paragraph beginning "Reaffirms its will . . ." between the words "races and peoples," and "to which end" insert the words "as well as to safeguard the rights of peoples to their self-determination".

**The President:** This resolution will be moved by Lord Taylor on behalf of the Central Committee.

**Lord Taylor, United Kingdom:** Since the debate on peace at past Congresses has generally given rise to a great deal of excitement and conflict I think it would be well if we defined the limitations of the ICA in relation to the attainment of peace and the specific purposes of the resolution.

When we come together at international congresses, like those of the ICA, we are inclined to imagine that we are some branch or section of the United Nations. This is particularly so when we discuss questions like peace. So I think it may be helpful if, at the beginning of this debate, we were to establish first that we are not the United Nations. We are the International Co-operative Alliance. The representatives to the United Nations represent their nation states or their blocks of states; the United Nations makes judgments on international problems based upon an analysis of the facts. The United Nations seeks to impose these judgments on occasion by force, but generally by persuasion. I mention these facts regarding the UN to establish that we are an entirely different institution.

We are not a collection of delegates representing our nation states; we are a gathering of co-operators sharing a common philosophy, and I hope in the discussion which will follow we will remember that our allegiance at this Congress is to that common philosophy and not



to the particular interests of our nation state. We cannot impose decisions; we can only seek to influence events in accordance with our co-operative ideas.

I think it is as well, when we are discussing peace, just to consider what is the relevance of the co-operative philosophy to peace. At the last Congress in Vienna we defined, or re-defined, the co-operative philosophy. We established what a co-operative society was, we laid down things like one man, one vote, the distribution of surplus in accordance with participation in the business, and so on. But these were a collection of rules for commercial arrangements giving effect to what is a basic social philosophy.

What is the basis of our philosophy? What is all this one man, one vote, distribution of surplus? It simply puts in real form the idea that co-operators believe in working together for mutual advantage and not for private or selfish ends. It establishes the equal rights of individuals to run their own affairs. It is, in fact, a philosophy of sharing and caring. I believe this philosophy of sharing resources and caring for welfare has something relevant to say to man's condition today and particularly in the field of international relationships.

Yesterday was the 30th anniversary of the outbreak of a war that divided the people sitting in this room into enemy camps, dressed them in uniform, drove them into battle. It is appropriate that today, when we are passing resolutions establishing our common purpose, we should realise that it is only thirty years ago that the world was torn in conflict, and if you survey the world scene today, Vietnam and Biafra and the immediate threat of a war in the near East, no one can be assured that mankind has learnt the terrible lesson of the six years from 1939-1945. Far from learning the lesson, we now have at our disposal in all countries, because all of us are prostituting our knowledge and our science, new instruments, new means of destruction by the development of gases and biological and chemical warfare. This is the situation in which we find ourselves.

Let us, therefore, at this Congress, not pretend that we are another United Nations and try, in the course of five-minute speeches which will follow mine, to analyse this particular area or that particular area of conflict and apportion blame. Let us try to establish that we, as an international organisation and in our national organisations, and we as individuals, will try to practise our co-operative philosophy and influence events in that direction. Let us assert that this conflict must not happen. Let us urge that negotiation should take the place of battle. Let us urge that we strengthen and build up a form of international law and authority that is incorporated in the United Nations. Unless we can take this step forward, assuredly mankind will continue to live in the shadow of war.

Fellow co-operators, this is all the resolution asks you to do at this stage. Co-operation realises that there can be no peace in a world in which there are rich and poor. All of us in our own individual nations realise there can be no peace in our communities where there is much distinction between rich and poor; neither can there be peace in the world when ideas are suppressed by force. Mankind can go forward when we abolish the distinctions of rich and poor nations and when we can develop the free development of man's intellect. It is on that basis, and because this resolution incorporates these ideas, that I ask you to pass it.

Life can be a rich experience for all of us; it can be rich if men are permitted to pursue knowledge freely, if they cultivate in their lives the things that are worthy and are beautiful, and if they encourage loving and caring in human relationships. That is what co-operation is all about and for that reason I ask you to support this resolution.

**The President:** We have an amendment to be moved on behalf of Lega Nazionale, Italy.

**Dr G. Banchieri, Italy:** The delegates of Lega Nazionale have no observations to make concerning the content of the resolution on peace, which is recommended by the Central Committee. The text recalls the resolutions adopted at previous Congresses, which implies explicitly that we recognise as still valid the declarations on different questions connected with the struggle for peace which are mentioned in the agenda, including the vote on the Vietnam resolution which was adopted unanimously at the Vienna Congress.

However, and it is with profound sorrow that we feel obliged to state it, the truth concerning these declarations is unhappily founded on the fact that, since the Vienna Congress as regards numerous problems which condition the defence of peace in the world, progress

had been very slow. Consequently, we are confronted with a renunciation of the cold war while recently, as we all know, very serious events increased more and more the anguish of mankind, faced with its possible destruction by the unleashing of a general nuclear war.

This is why we would have liked the references to these declarations, while in the synthetic form appropriate to any resolution, to have been explicit as was our friend who submitted the present resolution to Congress in very moving and convincing words, especially as regards certain actions which might imperil peace, as regards the settling of international disputes by peaceful negotiation, and as regards the support of all measures of disarmament.

However, as you know, my organisation has confined itself to proposing an amendment with the object of recalling explicitly, among all the tasks to which co-operators in all countries are committed in favour of the maintenance of peace, that which concerns the principle of the self-determination of the people. In our amendment, we have formulated this principle in the form of an appeal for safeguarding the rights of all peoples to decide for themselves.

We all know that the objectives and the conditions of the struggle for peace are not always the same, either in time or in different parts of the world. We also know that, to advance the cause of peace and to arrive at a real and permanent international détente in which peaceful co-existence between peoples and nations will make it possible to devote to works of civic, material and cultural progress the enormous resources now devoted to armaments, and to turn to peaceful uses the great discoveries of modern science, it is necessary as a matter of urgency to apply oneself to the solution of the different questions which formed the specific object of a special session of our Congress and of the authorities of the ICA.

On the basis of these considerations we believe that, while defining the tasks which, in the present situation, are of fundamental importance, an appeal for safeguarding the rights of the peoples to their self-determination must be included.

In stating this principle, it is explicit that there must be respect for independence and national sovereignty, and non-interference in private affairs.

This principle is inscribed in the Charter of the United Nations and is often solemnly proclaimed in different international assemblies. But the lack of adherence to it is one of the causes which, in the past, and the immediate past, has often led to a renewal of the cold war and has reduced the peace efforts in the world.

In our view, and as shown by the experience of past years, strict respect for this principle is one of the essential conditions for creating a favourable climate for sensible progress on other questions vital to the cause of peace, such as measures for disarmament, the dissolution of military blocs, the signing of European security pacts, a peaceful solution of the war in Vietnam and the state of armed conflict in the Middle East.

It is in this spirit that my organisation has submitted this amendment, and we earnestly hope that it will be unanimously supported by Congress.

**Mr A. Krashennikov, USSR:** Twice in the twentieth century Europe has been the centre of a world conflict in which millions of people have been killed, thousands of towns and villages devastated. Sixty countries took part, representing 400 million people. A quarter of a century has elapsed and a new generation has grown up who have never heard the artillery cannonade. A terrible price was paid to defeat fascism and we cannot sit calmly as we remember the atrocities in the territories occupied by the Hitlerite forces. We recall the atrocities perpetrated in the Soviet Union, in Poland, in Czechoslovakia and elsewhere. Millions of men, women and children were killed in the concentration camps, and our country suffered great destruction. No other country had to make such sacrifices. Twenty million Soviet people perished, tens of millions of people were mutilated and invalided. There is not a family which did not suffer. In the towns and villages hundreds of buildings were set on fire. A hundred thousand co-operative enterprises were destroyed. How can we express human suffering in mere figures? A ceaseless struggle must be waged against military aggression throughout the world. The strengthening of peace is one of the cardinal tasks before us, and our future existence depends on it. Shall we succeed in preventing future conflict? A nuclear war could devastate whole countries in a few hours. The struggle for peace is, therefore, the most important task for all progressive people.

At the Central Committee meeting in Oslo the Centrosoyus delegation, when discussing the draft resolution on peace, said it was not complete and did not reflect the present position in the world. Soviet co-operators are very seriously worried by the development of war activity in the Middle East and by the war in Vietnam, as well as the militarist activities in Europe. We should draw attention to these facts in our resolution, also to the need for the liquidation of colonialism. It is not enough to say there are rich and poor countries. There are countries carrying out a neo-colonialist or colonialist policy which are stripping others of their natural resources. All of these things should be reflected in our resolution, as well as condemnation of the aggression of the Americans in Vietnam and of Israel in the Middle East.

The President told Mr Krashennikov that the translation of his speech had been stopped, as statements about aggression by individual countries could not be allowed. He further reminded him that a gentleman's agreement had been decided by the Central Committee and must be observed.

Mr Krashennikov concluded: I have given the opinion of the Soviet delegation but, in order to assure unanimity on this important question, we shall vote for the resolution, but without any amendment.

Mr I. Alexe, Rumania: The resolution underlines that the most urgent problem facing the world is the safeguarding of the peace, without which there can be neither economic development nor human progress. The importance of this problem is universally recognised, since in the course of history innumerable conflicts and military conflagrations have caused mankind incalculable suffering and irreparable human and material losses. A new world conflict could have still more disastrous consequences.

It becomes more and more evident, however, that no phenomenon of international life constitutes a fatality nor is it inevitable, and that by united and persevering efforts viable solutions can be found. The successful struggle for the safeguarding and consolidating of peace implies, however, increased responsibility for all states, large and small, since the problems which preoccupy the world of today cannot be solved in any durable way without the active co-operation of all peoples. The world has seen such development in the role of the small and medium states which can make a real contribution to understanding between peoples, to the normalisation of the international political climate, thus opening up new perspectives in economic development and social progress.

In the presence of a gigantic techno-scientific revolution, the progress and prosperity of the peoples are inconceivable without an intense and continuous cycle of material and spiritual values, within the framework of which each nation can enjoy the fruits of international collaboration. The whole world desires the elimination of the dangers of a thermonuclear war, general and complete disarmament, which can liberate enormous resources for use in the interests of the peoples.

The duty of the ICA and the world co-operative movements, together with other forces working for world peace, is to find the most effective measures for delivering mankind from the danger of thermonuclear war, from the burden of the arms race, and for ensuring the use of nuclear energy and all natural resources exclusively for peaceful aims. In the light of these considerations, we support the resolution presented by the Central Committee.

At the same time, however, we feel that it should also refer to other concrete problems whose solution has a particular importance for the triumph of the cause of peace. In our view, relations between states must be based upon the principles of sovereignty and national independence, of equal rights, of non-interference in the internal affairs of other peoples, of respect for the sacred right of all peoples to decide in complete independence the course of their development. These principles, which conform to the aspirations of all peoples associated with the co-operative movement, are the fundamental premises for the development of a climate of confidence and understanding between nations.

In the light of these ideas we are in complete agreement with the amendment proposed by the Lega Nazionale of Italy.

One of the principal desires of those who long for the triumph of peace is the cessation of the war in Vietnam and the settlement without delay of the middle east conflict; the realisation of regional pacts, the creation of an atmosphere of trust and good neighbourliness

in all parts of the globe, and the establishment of denuclearised zones, are important factors for the stability and strengthening of peace.

In declaring once again that we support the resolution, we feel that the ICA should campaign more actively for the creation of a climate of collaboration and trust between the peoples, and contribute to the economic and social progress of humanity.

**Mr W. Wawrzecki, Poland:** While we are in favour of the resolution on peace, we feel it is not wholly comprehensive since it does not cover all areas of war and does not mention all the points of tension from which dangers of a new world war might arise. We support it because we are convinced that in our era the struggle to prevent a new world war and to strengthen peace and security are of particular importance. A world war with nuclear arms would be tantamount to the destruction of hundreds of millions of people and of countries. It would be tantamount to destroying the world in which we live. Lasting peace is a *sine qua non* for human survival. Millions of people are still suffering from the results of the last war, in which there was vast material destruction, as we know well in Poland. The aggressors destroyed many of our co-operative enterprises and it took a long time to reconstruct after the war.

We support the resolution and protest against aggression and acts of war in the world today.

**Mr J. Voorhis, USA:** The delegation of the United States fully supports the amendment offered by the Italian League. The peace resolution is not very different from those passed by previous Congresses, but is needed more today than ever before.

Hundreds of billions of years ago the Creative Power, in whose hands all existence rests, set in motion intricate processes of evolution which have grasped this tiny planet, earth, as a home for life; indeed, as a home for the life of man. So far as any science knows, this earth is the only place in all the vastness of the universe where human life as we now know it could exist.

We who are privileged to live upon this earth ought to be guarding and preserving it with every means at our command in order that it might continue to be a home for our children, our grand-children and future generations who have as much right to live as we have. Instead of this, the nations of the world are wasting their substance and untold precious resources in a mad race to see who can fashion the most horrible engines of death. We are polluting the air and water so that they are dangerous to life. We, in our arrogant pride, have so equipped the military forces of our nations as to be able to destroy the earth and all life upon it. No nation, I suppose, will lay down its arms unless other nations do likewise. On the one hand we have accusations from this nation that such and such another nation is planning a surprise attack on it. While this is not true, the people of this nation believe it. Meanwhile, in the other nation, the military are telling the people that they must be prepared against a surprise attack. It is not true, but the people believe it. So we must face up to the one thing that will do any good, the one move that will make possible the devoting of these resources to the welfare of man. For no nation, not mine and not any of yours, has a right to decide whether mankind shall live or die. Only all mankind together has a right to make such a decision.

What, then, must we do? We must build a United Nations, or a Parliament of Man, so much stronger than any one nation that it could destroy every one of these lethal weapons and effectively prevent any nation from ever again possessing them. We need a United Nations or a Parliament of Man strong enough to deny to every nation on this earth the diabolical assertion of its right to make war on other peoples. We need a United Nations strong enough to enforce peace. Furthermore, mankind needs a United Nations that can be a parliament of all mankind and take responsibility for ending hunger in the world, for giving every family some control over its own size and welfare, and for mounting a programme of economic development that can bring new hope to deprived people all round the world.

Finally, we need a United Nations to which is given enough original authority in its own right that it can prevent any nation from imposing its will upon any other people. We need a United Nations that could say to my country, we will settle the affairs in Vietnam in justice and fairness and you need not and must not be there. May I add that there is nothing that our nation desires more than this. We need a United Nations strong enough to say to the Soviet Union, you cannot be in Czechoslovakia.

**The President:** You should not deal with individual countries, Mr Voorhis.

**Mr Voorhis:** I began with my own.

**The President:** Yes, but nevertheless you are still out of order.

**Mr Voorhis:** May I merely, then, assert the general principle that we need a Parliament of Man strong enough to say to every nation on this earth you shall not interfere in the affairs of any other nation. Is that all right, Mr President?

**The President:** Yes.

**Mr Voorhis:** We need, in short, a United Nations with universal membership of all nations and with no right of withdrawal on the part of any nation. We do not have such a United Nations today. Why not? Because the very nations that created it in the first place have denied it the kind of authority that it must have to do these things; because we have not taught well enough the basic lesson for which this great organisation, the ICA, stands; because we have not spread the healing gospel of co-operation into the seats of government as we have done quite well in the hearts of many people. The United Nations has been kept powerless, and our job in every country represented here is to exert such moral pressure upon our own government as to bring about a readiness throughout the world to place in the hands of a Parliament of Man the kind of power I have been talking about.

This is where we have to work, and until we are willing, and until we make our nations willing, to give to the United Nations, or to another similar world-wide agency of world-wide peace and law, the original authority and power in its own right to keep the peace, our resolutions will fall tragically short of their objectives.

There is not much time to change from madness to sanity, to stop devoting our best resources to the making of weapons, or embarking on expeditions to the moon for that matter. There is not much time to change from these activities and to begin to devote those resources to the welfare of mankind. Unless this is done soon there may be no earth as a home for man, and no mankind left to live upon the earth. Such is the depth of the challenge that we face. May we have the inspiration and the understanding and, above all, the courage to meet this challenge as it must be met if mankind is to live.

**Mr F. Vychodil, Czechoslovakia:** I would like to state, in the name of the Czechoslovak delegation, that we shall vote for the text of the resolution of peace, because we wish thus to contribute to the strengthening of unity, which is so necessary for the solution of the problem, which is of vital importance for the future of humanity and, therefore, of all co-operative movements.

But we think the resolution should have made special mention of the situation in Vietnam, in the near and middle east; that it should have taken a stand on propositions about European security and on other problems which concern co-operators the world over. Nevertheless, we will vote for the resolution.

**Mr J. L. Khachi, India:** We deem it a very great privilege to pay tribute to the Central Committee and to Lord Taylor for bringing forward this resolution, which happens to be promoted in the year of the Mahatma Gandhi Centenary, which over a hundred countries of the world are celebrating. I am not very familiar with the constitution of the ICA but if it were possible, in terms of the rules, it would be a fitting tribute to the memory of Gandhi if there could be inserted in the resolution a mention of the Gandhi Centenary Year. I am certainly not insisting on this and leave it to you to decide whether this tribute could be inserted in memory of a great peace-maker.

On behalf of my delegation I wholeheartedly support the resolution. We cannot think of progress in any part of the world if the clouds of war are perpetually over us. The resolution is a comprehensive one because it refers to both political and economic aspects. It speaks of the glaring inequalities between man and man today, and there can be no permanent peace unless steps are taken to remove these inequalities. It cannot be possible for one part of the world to live in prosperity and for another to live in utter, stark poverty.

I consider this resolution to be a very significant and a very important one. We all know that the holocaust of a nuclear war would destroy man. We cannot visualise anything being left of our movement or any other congress ever taking place. It is, therefore, of vital importance that peace be preserved, and the territorial integrity of countries protected, with non-interference in the affairs of other countries. Even today there are border skirmishes in some parts of the world. This is not a very happy sign. We are all very concerned about it, for if war breaks out in one part of the world it will soon become global in its effect. We are afraid of such a global effect because the developing countries would suffer greatly by it.

**The President:** Mr Khachi has referred to the centenary of the birth of that outstanding statesman, Mahatma Gandhi. Whilst paying the utmost respect to the whole life of Mahatma Gandhi and everything he stood for, I do not think such a general resolution as this should be linked with any individual, irrespective of the prominent position he may have had in world history. You have indicated, Mr Khachi, that you would not insist upon the inclusion of a reference to Mahatma Gandhi, and I hope you will understand the position.

Lord Taylor will now reply to the discussion.

**Lord Taylor:** I think this is the first Congress of the ICA which I have attended at which this question has been discussed and that complete unanimity has been expressed. I am not suggesting that all the sentiments that were introduced into the debate were free from conflict, but nevertheless in this meeting of the ICA today there has been a desire expressed from all sides for a unanimous passing of the resolution. May I make my contribution to that desire for unanimity by saying to the delegates of Lega Nazionale that I accept the amendment to the resolution which stands in its name.

It would be undesirable, and a waste of the time of Congress, if I were to dwell in detail on the contributions which have been made. May I acknowledge them and express my appreciation of the desire for agreement. May I also add, and I am sure that I speak on behalf of the whole Congress, our salute to the memory of Mahatma Gandhi. I say this with some feeling as a representative of the nation that was responsible for putting Mahatma Gandhi in jail for many years. It is a tribute to the effectiveness of his simple message that those who persecuted Mahatma Gandhi now have learned to honour and respect him. Maybe there is some inspiration in this for those of us who from time to time, and I am talking about all of us, feel despondent about the prospects for peace. Mahatma Gandhi must have experienced some moments of depression and despair but his message has certainly become extremely relevant for mankind in 1969.

With these remarks let me again express my appreciation for your unanimous acceptance of the resolution which is before Congress, and which I have pleasure in moving.

**The President:** Dr Banchieri wishes to clarify his amendment.

**Dr G. Banchieri, Italy:** We wish to make it clear, once again, that in proposing this amendment, we had no intention of promoting a debate in any sense polemical on this or any other question on which we know that opinions may be divided, but we wished to ensure that a general appeal for peace by the Alliance should include the restatement of the principle which we consider essential and which concerns the creation of a climate favourable to the adoption of all other objectives, particularly those related to world peace.

**The President:** I will now take a vote on the peace resolution.

First, I put to the vote the amendment proposed by Lega Nazionale.

**The amendment was carried with one vote against.**

**The President:** I will now take a vote on the resolution proposed by the Central Committee with the amendment from Lega Nazionale.

**The resolution was carried unanimously.**

## **INTERNATIONAL DECLARATION OF CONSUMER RIGHTS**

(Prepared in consultation with the Consumer Working Party)

### **I. The International Co-operative Alliance declares that consumers have a right to:**

1. A reasonable standard of nutrition, clothing and housing.
2. Adequate standards of safety and a healthy environment free from pollution.
3. Access to unadulterated merchandise at fair prices and with reasonable variety and choice.
4. Access to relevant information on goods and services and to education on consumer topics.
5. Influence in economic life and democratic participation in its control.

### **II. Consumer Policy**

1. The call for pure and unadulterated food by the Rochdale Pioneers, reflected in their own practice, was made because of the widespread adulteration of merchandise at that time. Even today this call is, in many parts of the world, as topical as when it was first formulated. It, therefore, still holds a prominent position among the aims of all consumer co-operative movements.
2. This basic principle has nowadays come to imply considerably more. The previously rather narrow concept of consumption has widened to embrace all that affects the health and welfare of mankind. Clean air, clean and wholesome water, and in general a world fit for mankind, have come to stand out as ever more urgent requirements. These claims are no longer only applicable within consumer co-operative movements but are basic precepts for all co-operative organisations, and for other consumer organisations.
3. The co-operative movement has constantly endeavoured to equip itself with effective means for redressing grievances. Being engaged in production and in distribution it has had the opportunity of improving the living standards of all and of making necessities available to low income groups.
4. The co-operative movement has acquired a significant influence on important sectors of economic and community life and it also has considerable influence on public opinion.
5. One of the basic principles of the movement is that the members themselves should have influence over its activities. The consumer member's self-evident right to voice his views is thus of fundamental importance in all consumer co-operative organisations. To make use of this authority and to exercise this influence the consumer needs knowledge; and education and information thus play an important part in co-operative activity.

### **III. National Co-operative Movements should promote consumer interests in the following ways:**

1. The continued development of co-operative production and distribution with special attention to consumer needs and in order to promote national economic and social development.
2. Campaigning for legislation in the field of consumer protection and for consumer representation on all public bodies involved in decisions both directly and indirectly affecting the consumer.
3. The further development of assortment policies to meet consumer needs with the expert advice and technical assistance of specialised laboratories, so as to make available to the consumer a wide range of products with easily comparable prices and ensure them full freedom of choice.
4. Taking, and campaigning for, effective action to control monopolies, ensure effective competition and fair prices; to try to ensure that the fruits of technological progress are passed on to the consumer.
5. The provision of educational opportunities for the consumer in the field of nutrition, domestic economy and general economics.
6. The preparation and dissemination of useful information either independently or in collaboration with public and other consumer organisations and the promotion of informative labelling and truthful advertising.

7. Taking the initiative in collaboration with other organisations involved in consumer affairs to co-ordinate the promotion of consumer rights, in an effort to achieve joint action to promote consumer interests in all spheres of community life.

**IV. In the international field the World Co-operative Movement should take steps to:**

1. Heighten and develop collaboration between co-operative organisations in all parts of the world; promote and assist newly emerging co-operative movements, especially in developing countries, and generally promote economic and social development.
2. Assist in implementing special programmes designed to improve human conditions in collaboration with ECOSOC, the UN specialised agencies, the UN regional commissions and international non-governmental organisations having similar aims, and generally to promote the objectives of the Resolution on Co-operatives adopted by the UN General Assembly in 1968.
3. Support UN activities for the improvement of the human environment.
4. Advocate the abolition of monopolies and other restrictive business practices obstructing economic development and international trade and in general promote freer world trade while recognising the special problems of developing countries.
5. Advocate an international co-ordination of laws and regulations affecting consumers through organisations such as the International Organisation for Standardisation and the International Electro-Technical Commission.
6. Advocate a co-ordinated international system of consumer information through collaboration with bodies such as the International Organisation of Consumer Unions, the International Labelling Centre, the International Organisation for Standardisation and the International Electro-Technical Commission; and the joint committee formed by the last two, the International Standards Steering Committee for Consumer Affairs (ISCA).

**Amendment:** Proposed by Lega Nazionale delle Cooperative e Mutue, Italy.

In the second paragraph of part IV, between the words "human conditions" and "in collaboration", insert the words "and especially in fighting effectively against hunger".

**Discussion**

**The President:** This Declaration will be introduced by Dr Kohler of Switzerland, on behalf of the Central Committee.

**Dr R. Kohler:** When we were considering problems of contemporary co-operative democracy and discussing the resolution on peace, you followed very carefully the deliberations and contributed to a better understanding of the questions. In view of the attention experienced earlier this week, I feel a declaration on consumer rights might fall flat and might appear to be something more modest in scope. We, in the International Co-operative Alliance, however, have not had such an opportunity for a long time to put our achievements at the service of women and, in particular, at the service of the consumers.

I now come to my subject; this concerns a declaration on consumer rights and this is part and parcel of our social awareness. On the one hand we have to protect the rights of the public as consumers and, on the other, we have, in our own ranks, to promote the beliefs which will grant due protection to the consumers. This problem has a dual facet.

On behalf of the Executive and the Central Committee I wish to introduce this declaration, and I should like to express my gratitude to them for their very speedy co-operation in this matter and their participation. I would express my surprise, however, that the ICA has not published a consumer declaration at a much earlier date, as this is a subject which certainly should be at the very heart of our concern.

Today, a human being has become both the subject and the object of the economy, he is a consumer also a producer. All those who have joined our ranks as representatives of the consumer co-operatives, I hope, will unanimously endorse the declaration. Other than that, I would draw the attention of those delegates who do not come from the ranks of consumer



co-operatives to the fact that this declaration caters for the rights of all social strata of the population and does not seek to secure and protect the rights of consumers exclusively. I hope, therefore, everybody will support our declaration.

As regards the content of the declaration I would make the following brief comments. In the preamble, we first have a set of targets, probably the most important of which is that man is entitled to a reasonable standard of living. This applies not only to nutrition and food, but also to housing, clothing and the satisfaction of basic requirements.

The second point of the preamble is the right to a healthy environment, in a nutshell, man is entitled to safety, to pollution-free air and water, to the preservation of nature, also to an environment which is reasonably noise-free.

The next point deals with supply conditions, the right of the consumer to a hygienic unadulterated supply of goods at all times.

The fourth point states the right to information on goods and services and to education on consumer topics. Here I would mention various consumer intelligence papers which have been published in recent years, and would suggest that we, as representatives of consumer co-operatives, should be capable of supplying such information.

The final point of this preamble emphasises the right of consumers to an influence in economic life and to democratic participation in its control. In other words we should have influence on economic policy and legislation, also on the implementation of legislation.

In the following paragraphs we have something which could be called a "programme of work", which refers mainly to the consumer co-operatives. It will be, first and foremost, a task to assure that the present faulty conditions at the intermediate level and in the supply of goods and services be removed and improved. Here we would appeal to all those who, in their daily work, are engaged at the intermediate level in the marketing of goods and services. Our consumer co-operatives should give an example in order to improve the supply conditions.

Finally, reference is made to the fact that consumer co-operatives should step up their own achievements and assure that there be due co-operation with other national, regional or international co-operatives, and with all organisations pursuing the same aims.

Now I will give you a short survey of how we have come to publish such a declaration. A year ago, in Vienna, on the initiative of the ICA, we held an International Consumer Conference. At that conference the proposal was made to have a declaration along the lines of the declaration on human rights, and with reference to the statement made by the late President Kennedy in 1962 before Congress, published by the ICA dealing with consumer rights. That was the origin. I would now state, with satisfaction, that this proposal was taken up by the ICA Secretariat and referred to the Consumer Working Party. Thus, in consultation with the Consumer Working Party, this proposal was elaborated more extensively at a later stage.

This is a unique opportunity for us to shed light on our particular duties regarding the consumer, and I would venture to express the hope that this declaration will be supported unanimously. I venture also to hope that you all, in your own organisations and your own countries, will make use of these recommendations. You will then test these recommendations and thus bring them into life and apply them in your own organisations in your own country, strengthening them wherever necessary.

I would turn to the ICA Secretariat and say that they should see to it that all national and international organisations should have the support of the Secretariat to help them implement the provisions of this declaration. I hope we shall use the declaration to enhance the prestige of the ICA. We should also try to publicise the conclusions of the declaration by audio-visual means and have reference made to it on television and on sound broadcasting. Thus the provisions would be publicised and we would have a feedback result derived from such publicity. In this way a dual purpose would be served. The consumer would derive benefits because of the protection of his rights, and the prestige of the ICA would be enhanced because it would be responsible for the publication of the declaration.

In conclusion, I should like to express my thanks and my gratitude to the Secretariat of the ICA. I am particularly grateful to the Consumer Working Party for the initiative they took, because without their proposal we would not have the declaration today, and thus we would have been deprived of an important document which will shed light on the policy of the consumer co-operatives and enrich us.

**The President:** I thank you, Dr Kohler, for your introduction and call on the representative of Lega Nazionale to move its amendment.

**Mr G. Spallone, Italy:** We consider that the declaration on consumer rights is very important. We are in general agreement with the content of the declaration, although we would have preferred to see greater emphasis on the real and actual terms on which action for the defence of the consumer should be centred, in view of the different situations which exist in the world. It seems to us that the document reflects particularly the situation which exists in the more highly developed countries of the west, but implicitly rather than explicitly. In particular, we think it essential to have a precise indication of the forces which tend today to dominate the consumers.

We, therefore, think it indispensable to define clearly what is precisely the aim which the declaration seeks to attain, having regard to monopolies and the agreements between them, and in accordance with the resolution of the Alliance on monopolies, the adversary that must be overcome, primarily by general co-operative action.

We all know that groups of national and international monopolies are responsible for the distortion of consumer goods, principally by means of lying and uncontrolled publicity. We know that they are mainly responsible for the uncontrolled use of chemicals in food products and for the constant increases in retail prices. We quote, in particular, the absurd situation created within the Common Market; in the dairy products sector, for example, hundreds of millions of quintals of butter remain unsold, but the price of butter is maintained at a very high level, and now there is talk of processing it as feed for cows, thus realising, so to speak, a cow-to-cow cycle!

This is an example of how the demands of the mass of consumers and peasants are disregarded. But obviously it concerns the interest of the great processing industries and ground rents which weigh so heavily on agriculture. It is, therefore, a question of interests which constitutes the greatest obstacles to the development of healthy and effective agricultural co-operation, not least in economically developed countries. The development of agricultural co-operation, as has been shown by certain experiments in Italy and other parts of the world, is essential to any policy for the protection of the consumer, which to be effective cannot be separated from action against ground rentals in agriculture and the practices of monopolies.

These problems were given great prominence at the Conference of the consumer co-operatives of the EEC, which took place last April at Bologna on the theme The Policy of Co-operation in defence of the European consumer. It is precisely because of the facts which emerged from this meeting that we have submitted an amendment to the international declaration on the rights of the consumer. The Executive Committee did not favour this amendment, probably because it considered that this formulation comes out implicitly from the context of the declaration itself. This amendment was therefore withdrawn.

The second point we think it necessary to make is that these same monopoly forces are largely responsible for the serious obstacles to progress in the developing countries. Very large sums are still being spent on armaments. Furthermore, it can also be said, as Dr Bonow said in his Inaugural Address, that the practices of the big industrialised countries are being pursued to the detriment of the developing countries by maintaining imported raw material prices at a low level and maintaining at a very high level the prices of the industrial products which the developing countries import.

In a world where technology is developing, and one can now go to the moon, more than a thousand million people are still suffering from hunger. We co-operators, when we issue a declaration in defence of consumer rights, cannot ignore this grave fact, which is the principal one in our view, and with the solution of which decisive problems, in the first instance the peaceful development of all peoples, are connected.

We think, therefore, that the Alliance, in this particular field, should lead a strong general action, which will give impetus and force to the action of the Alliance for the promotion of co-operation in developing countries.

This will explain the submission of our second amendment to the declaration, part iv. paragraph 2, which we hope Congress will accept.

**Mrs T. Ström, Sweden:** This declaration is very broad and wide-ranging; all the aspects are there. But it also states the basic needs of all human beings, stressing the particular needs of low income groups and those who have not yet access to what should be considered a minimum level of existence. It is, indeed, widening the old concept of consumers' needs to everything that affects mankind, taking special consideration of the environmental problems of pollution which are of growing concern for the whole world. This is a very new concept of the consumer question, which we will have to fight to get people to understand. It is only natural that a world-wide international organisation with deep-rooted traditions and engagements in economic and social development should regard consumer problems from this very broad angle. Consumer problems have too long been regarded in isolation from the context to which they really belong. They have mostly been related to securing the supply of goods and consumer protective legislation in the industrialised part of the world. To my mind this has been dangerously narrowing the very serious problems which consumers have.

First and foremost, this rather narrow approach to consumer problems has given too little indication to where the real solutions can be found, even in the industrialised part of the world. Economic development, fair distribution of wealth, democratic control in life are very necessary to finding these solutions. Here the world co-operative movement has much to contribute, whether it be housing, agriculture, insurance, processing or distribution that is being undertaken. It is a deplorable fact, however, that in many countries, and even in international organisations, there is a lack of understanding of what the co-operative movements represent and the practical solutions they are able to offer.

Speaking of consumer co-operatives in industrialised countries, very often they are not recognised as representing consumers while small profit-making organisations, with no link to trade and commerce whatever, are. Bearing in mind that these newly-emerging consumer groups very often represent well-educated, well-off people, it is only natural that they must be limited in their approach. While giving credit to much that they are undertaking, I think it is our duty to work for a broader approach and to take part in the lively discussions that are going on everywhere, to stress the needs of the poor and, by practical solutions and action, show that we are the real representatives of consumers. It is also our duty to fight this approach through; it will not be an easy task. It is to be hoped that this declaration before us will serve as a stimulus and framework for our thinking and that we will have, in a few years' time, very many specific programmes on consumer problems from the different organisations.

I would suggest, Mr President, that we should ask the ICA to collect information on all the actions that you will be taking in the years to come so that we can have a report on that at the next Congress and a report in our different papers coming from the Secretariat of the ICA. It is very valuable for us to see how you are going on, finding your practical solutions at home.

In our relations with our own governments or government agencies it is most important to stress the need for progressive new consumer policies which take into consideration the needs already mentioned of the underprivileged people.

The part of the declaration which deals with international action is, in many ways, a manifestation of action already taking place in these worldwide organs, including technical aid support from the UN and its specialised agencies, but it includes fields in which little has so far been achieved, especially relating to the co-ordination of matters affecting the consumers. It is obvious the ICA could play a very important role in this work, because it represents not only technical knowledge but a wide range of practical experience, as well as useful work in many ways to find methods of informing consumers through nation-wide labelling schemes or standardisation which can, in the long run, become an obstacle if no joint international action is taken.

It is of paramount importance that the co-operative movement should play a very active part in this very specific work. As a member of the Consumer Working Party of the ICA I have had the opportunity to study what the ICA could do in this field, if only given the tools. The ICA is lacking research officers and secretarial help to be able to fulfil this very necessary obligation. I think it is the duty of this Congress, when supporting this declaration, I hope unanimously, also to realise its implications as far as the financial resources of the ICA are concerned.

On behalf of the Swedish delegation I fully endorse this very important document and I hope it will be used in an active way at all levels in all organisations. Let us materialise its good intention by also being able to take all the consequences.

**The President:** We in the Executive are very thankful for the work which has been carried out in the Consumer Working Party over the years, and we attach great importance to it. The Working Party is now streamlining its activities through two sub-committees which will be intimately concerned with practical matters in this vast field of activities.

**Mr A. Malkov, USSR:** The protection of consumer interests has always been one of the major concerns of the Soviet co-operators, and the delegation of Centrosoyus wholeheartedly supports the international declaration on consumer rights.

In our country we have special legislation dealing with the protection of consumer rights and the laws provide that all goods can only be marketed in accordance with the official standards elaborated by the scientific research institutions. We have help in the elaboration of standards by the co-operatives. This is done in co-operation with Centrosoyus and, later on, the standards are approved by the official Standards' Institute and are binding and compulsory for all industrial establishments. These standards include requirements for quality, size, conditions of storage, form. The violation of such standards where products marketed lack quality involves serious liability by those responsible. The directors, management of stores and shops are also responsible where faulty products are marketed.

In the USSR we have special state quality control and a special inspection service which test and control goods at the enterprise, at the storehouses and in the shops. All adulteration of foodstuffs is punished, also the violation of standards. Other legislation governs the relationship between the supplier and the consumer, under which the consumer is entitled to refuse payment for adulterated food and demand that the supplier be fined. We also assure that there are stable prices for foodstuffs and industrial goods. The producer and consumer co-operatives, in co-operation with the local authorities, are authorised to fix prices independently, but they may never exceed state prices. In protecting consumer rights and citizens' rights the state continuously pursues a policy to lower prices and any unfair increases are liable to punishment.

The Soviet consumer co-operative also has a shop and restaurant committee, on which members of the co-operative serve. We have 220,484 shops, 25,035 restaurants, 800 control committees and 9,015 committees working directly at enterprise level. Shop and restaurant committees are attached to every restaurant and cafeteria, and work jointly with an inspection service. The Standard Office also has a representative who checks the scales. Quality control committees take samples which are sent to a research laboratory to test the quality of the foodstuffs marketed, and are authorised to take out of market the supply and sale of products which are doubtful in quality.

Regarding other aspects mentioned in the declaration, particularly the right to clean air and clean and wholesome water, we have special legislation to deal with these problems: special laws protect the health of the Soviet citizen.

The USSR delegation supports the provisions of the declaration which concern measures to be taken by the national co-operative movements to promote consumer interests, also the measures to be taken by the ICA in the international field.

**Mrs M. Broch, Norway:** On behalf of the Norwegian delegation I would comment on the International Declaration of Consumer Rights, especially point 2 of the preamble which reads: "Adequate standards of safety and a healthy environment free from pollution".

The co-operative movements in all countries generally realise that they have obligations wider than those of handling goods and services. This attitude is clearly expressed in the five points of the declaration as the basic foundation of consumer rights. We represent a social force united in a number of varying progressive activities. To mobilise attention for the preservation of the human environment is, in our time, a global problem. Individuals and societies have to co-operate in fighting the misuse of nature and technique. I am sure Congress is fully in favour of the content of the point in the declaration to which I have referred.

When the Central Committee formulated this point the intention was, surely, to support general and social actions in this field. It seems, however, to be the practice to formulate the evils we are fighting in this connection, not only pollution but noise and pollution. Dr Kohler mentioned noise in his introduction to this discussion. Noise is often considered to be even more dangerous than the pollution of water and air. With growing urbanisation we certainly have to accept a great many noisy activities, but there should be a limit. Studies have proved

that continued exposure to noise not only causes damage to the ear but may also have other harmful effects. It seems to be commonly recognised that noise is an evil we have to reduce in order to make life more pleasant; noise and pollution are normally mentioned together. In an issue of UNESCO's Courier dealing with these topics, noise is mentioned before pollution.

On behalf of the Norwegian delegation, therefore, I suggest that the words "noise and" be inserted before the word "pollution", thus point 2 would read: "Adequate standards of safety and a healthy environment free from noise and pollution".

**Mr J. Semler-Collery, France:** The French delegation regards the international declaration on consumer rights as a most important text, susceptible of beneficial effect in the relations of the co-operative movements with the various public and private organisations concerned with the protection of the consumer.

We must, therefore, thank the ICA Executive and the Central Committee for having taken the initiative to respond to the wishes expressed by the Consumer Working Party by proposing to this Congress a veritable Charter which, in the first place, fills a gap, since other non-co-operative organisations have already seized the opportunity, in a more or less agreeable way, to formulate similar declarations. In the second place, this text will prevent any wastage of the effects of the efforts of the co-operative movements which, in the present situation, risk being dispersed and at the mercy of national circumstances.

The declaration opens up brilliant prospects for the realisation of concerted strategies, equally for large-scale international operations. And still more, as an echo to several interventions during this Congress which emphasised the necessity for co-operation to rely upon itself and not to shut itself away in an ivory tower of good intention, the declaration implies a willingness to collaborate with all who are working towards the same end and thus strengthen our action. In fact, it is not enough for us to assure the best service to consumers. We must come down into the street, immerse ourselves in public affairs and protect the consumer in every field where its protection is insufficiently assured.

Having regard to the experience of the co-operative movements within the Common Market, it is clear that, faced by the growing ascendancy of monopolies and pressure groups, and by the elaboration of a unique economic and social legislation affecting the lives of 200 million consumers, isolated national action is no longer sufficient. On the contrary, on the basis of a common programme, it is quite possible to undertake effective action having a certain impact on the different authorities responsible for community policy. In respect of the harmonisation legislation in particular, the imperfections of the Common Market are so obvious and so glaring that we cannot evade problems whose solution is the concern of us all. Moreover, if the prospects for the enlargement of the Common Market are interesting, they also contain specific dangers for the consumer, hundreds of millions of individuals, to whose interests we cannot be indifferent.

What is now being worked out in Brussels concerns not only the Europe of the Six, plus one, two, three, four, five, six or seven countries, but also most of the developing countries, some of which are already feeling the cruel effects of a rigorous system of Community preference. When a door closes in Europe, it is the millions of individuals in Africa, Latin America, in Asia who will be thrown out of work.

It is for these reasons that we see in the declaration of the Alliance the hope of greater collaboration between the co-operative movements for the elaboration jointly of a real consumer policy. We have good reason to believe that, on this particular question, the ICA, especially through the medium of its Consumer Working Party and its two newly created sub-committees, will in the coming weeks seriously attack the problems which will follow the enlargement of the Europe of today. In view of the status of the Consumer Working Party, which has not yet been raised to the level of an Auxiliary Committee, this task will not affect the budget of the Alliance and we shall undertake it simply because we believe it is our duty.

**Mr G. G. Groenewegen, Netherlands:** On behalf of the Dutch delegation I should like to say something about point 7 of section III which gives advice to national co-operative movements for promoting consumer interests. The national movements should take the initiative, in collaboration with other organisations involved in consumer affairs, to co-ordinate the promotion of consumer rights in an effort to achieve joint action, to promote consumer interests in all spheres of community life.

If you agree with that point, there arises the question in what way the national movements should take the initiative to reach their goal as defined. In principle, one can distinguish between two different ways. The first is that each time in the opinion of a national movement initiative is necessary, it seeks contact with other consumer organisations and tries to come to a joint action. This is a possible way but, in our opinion, not a very efficient one. It seems better to us to implement the second way which is to form, together with the other consumer organisations, a permanent non-governmental body that has the function of a private national representative organisation on consumer affairs. I shall call that body a *Contact Committee of consumer organisations*. Such a *Contact Committee* has the task to co-ordinate the promotion of consumer rights and to represent the consumer with the governmental and private bodies that take decisions affecting the consumer or having consumer aspects. The forming of such a *Contact Committee* gives a chance to all consumer organisations, including the consumer co-operatives, to be alert to seeing that the voice of the consumer can be heard in all circles where decisions about consumers are taken.

Behind the formation of such a *Contact Committee* lies the philosophy that the consumer co-operative is not the only consumer organisation. There exist other consumer organisations and that fact must be accepted. Here, as in other spheres of social life, a certain division of labour has taken place. Every organisation dealing with consumer affairs operates in that part of the wide field of consumer affairs for which it has, on principle or historical grounds, the best equipment. It is not typical that it should be the only consumer organisation, but that it is a specific consumer organisation in the sense that it is the only one for which the business activity is essential. The consumer co-operative will, therefore, concentrate its actions for the consumer primarily in the business sphere, leaving a selection of other activities to those consumer organisations which are the best equipped for the activities in question. In such a situation, however, a permanent body is needed to co-ordinate the activities of the various organisations and to prevent the duplication of activity.

In our country, the Netherlands, we have had experience with a contact committee of consumer organisations for a period of twelve years. That committee is now recognised by governmental and non-governmental authorities as the focal point for consumer affairs. At national level, the committee has the same function as the European Contact Committee in the Common Market, and I draw attention to the fact that, in section IV of the proposed declaration, many international organisations are mentioned but not the European Contact Committee in which European consumer organisations play such an important role.

Coming back to point 7, I would comment on the relation between the national contact committee and the official governmental organisation for consumer affairs, known in many countries as the consumer council. The declaration does not mention the consumer council, though it can be agreed that there are not yet consumer councils in all western countries and those which exist at the present time do not always function as they should do from the consumer's point of view. Nevertheless, the consumer council is becoming an accepted institution in modern society and the consumer co-operatives are bound to define their position in relation to the consumer council in their country. The question arises whether a contact committee of consumer organisations still has a function if a consumer council exists. We would give a positive answer to this question.

To sum up, the Dutch delegation considers it desirable that, on the basis of point 7 of section III of the declaration, the consumer co-operatives consider the formation of a national contact committee of consumer organisations as a practical way to reach the goal defined. Further, in our opinion, it is desirable that, in the conception of working together with other consumer organisations, the consumer councils should be involved.

My more general question deals with the declaration as a whole. While it is accepted by the Dutch delegation, if it is the intention of Congress to publish it, it seems desirable that an explanation is given to the points of the declaration, enabling the ICA to explain the philosophy lying behind the declaration. If you allow us to make a suggestion on this point, this might be a task for the Consumer Working Party which no doubt would fulfil the task with pleasure.

**Mr P. Kuoppala, Finland:** Let me first state on behalf of the KK delegation that we wholeheartedly support the proposed international declaration of consumer rights. It is only proper that the co-operative movement, as the first and oldest consumer organisation, wants

to define its consumer policy. It is supported by the fact that various national and international organisations have been founded to protect the consumer, also that in several countries the government has found it necessary to take action in the consumer field by setting up consumer councils, financing test institutes, etc. In these circumstances it is opportune for co-operation to clarify its standpoint with regard to consumer questions.

The main purpose of this declaration is to give the national movements, as well as the ICA, a model to help evaluate our own activities, carry out improvements in day-to-day business and shape future policies. Here lies the greatest value of the declaration.

I find it well-founded to state, as is done in section II, point 2, that the concept of consumption has widened to embrace all that affects the health and welfare of mankind. This means that, in campaigning for legislation to protect the consumer, the co-operative movement must pay increased attention to factors affecting the environment in which we live.

I understand that it is not possible to propose any amendments to the text we have before us at this stage; nevertheless, I feel it necessary to emphasise that the problem of food adulteration is still topical, also in the industrialised countries. Now-a-days it exists in the form of chemical stress due to residues and additives. Furthermore, the eventual effects of the ever-growing amounts of chemicals we eat and drink are unknown, and this, indeed, is a threat to the survival of man. Therefore, the text would be more in accordance with reality if in section II, point 1, line 3, the words "in many parts of the world" were deleted.

The wording of the text we have before us has been passed by the Central Committee, and although some further clarifications and minor amendments could be suggested, the Board of Management of KK has unanimously decided to support the declaration. It provides in any case a good umbrella programme for the consumer policy of the ICA and its member organisations. Finally, I want to support the proposal made by Mrs Strom with regard to preparing a special report for the next Congress.

**Mr S. Apelqvist, Sweden:** In 1945, when the atom bombs exploded over Hiroshima and Nagasaki, hundreds of thousands of people of all ages died, many more were invalidated for life, and injuries due to genetic effects of radio-activity will probably be detectable for many generations. These incidents gave us for the first time a realistic illustration of how small our planet is in reality. In less than two weeks it was possible for researchers to note, through measurements of radio-activity, that dust from Japan had been carried round the whole globe. How fast the winds could carry pestilence round the world had never possessed real significance before. The toxic pollution of the River Rhine at the end of June 1969 is yet another illustration of the risks of contamination in modern society.

Human beings have every reason to consider their situation seriously. Resources are limited and the growth of population is explosive. Our environment is being spoiled at an accelerating pace and now on a global scale. Air, water and soil are being poisoned or ravaged in a way which, in the short run, is a threat to our health and, in the long run, a serious threat to human survival. We must, therefore, study, analyse and examine the consequences of technology that we are evolving in many fields.

The problem here discussed has previously been mainly concerned with the aesthetic, humanitarian and cultural aspects; but make no mistake it is also a grave and serious economic question for consumers in all countries all over the world. The proposal that we could solve our problems by moving large numbers of the world's population to other parts of the universe is based on sheer fantasy and has no basis in reality. It is here, on our own earth, among the various nations and with the help of our own common sense, that we must seek ways of countering the enormous risks of various kinds which threaten our existence, and it would seem that we have very little time to spare.

What is most important just now is to get reliable scientific information, and to ensure that all kinds of co-operative societies, with every means available to them, participate in the dissemination of information concerning the continual pollution of the environment, how it can be prevented and the damage already done put right.

I ask Congress to accept the proposal of the Central Committee concerning the International Declaration of Consumer Rights. I make my recommendation also on behalf of the

**Insurance Conference held in Hamburg** a few days ago, with 100 delegates from 32 countries. The proposal had their unanimous support.

**Mr J. E. Fisher, USA:** We are all consumers, including producers and corporations, therefore this declaration has far-reaching implications. In endorsing the declaration on behalf of the Co-operative League I hope Congress may find it of interest to hear of some recent developments in the consumer movement in the USA, which I think will illustrate the timeliness of the motion.

In preparing these brief remarks on the US consumer movement I was struck once again by the significance of two events this past year. In January the Consumer Federation of America, just a little more than a year old, held its second annual assembly, and it was able to report an increase in membership from 56 to 136 organisations. Equally important and impressive was the fact that the assembly's opening night reception included as guests 150 members of the national congress.

The second event occurred about two months ago when a private entrepreneur, Mr Charles Y. Lazarus, President of the American Retail Association, spoke to the consumer group in the state of California. He said, "The consumer interest has now become the new standard for public policy. After centuries of being lost and unidentified in the loud traffic of special interests, the consumer has now appeared not merely as a new element in the political mix but as the symbol of the common interest."

These events reflect the growing importance of the consumer movement in the United States, but the question now is whether this rejuvenated movement will grow to a healthy maturity. The Consumer Federation of America has enjoyed rapid growth, paralleled by the equally rapid development of local and state consumer groups. There has also been important legislative progress. In 1968 alone the US Congress passed 28 pieces of consumer legislation covering credit practices, packaging, consumer safety and a host of other issues. New consumer protection laws have also been passed at state and local levels. The consumer movement is not winning every battle, yet in a very short time it has built an impressive record. But there are still formidable obstacles ahead, including some determined opposition, public apathy, and the movement's own lack of experience. If it is to realise its full potential, the consumer movement needs help and I see co-operatives as a major source of that help. This is, of course, only natural; the two movements have so much in common. Co-operatives are based on the democratic concept of people working together to meet their economic and social needs, so is the consumer movement. Co-operatives are committed to giving people a voice in their own affairs; so is the consumer movement. In a very real sense, the co-operative movement is the father of today's consumer movement, because co-operatives with their concern for people started the whole thing.

In the United States the co-operative movement is playing a vital role in fostering the growth of consumer organisations. The Co-operative League of the USA has been working hand-in-hand with the Consumer Federation of America. Just last month the Co-operative League published an illustrated outline of some of the consumer information and protection activities of American co-operatives. This publication, entitled "To Tell the Truth", will be a valuable source in the consumer information fields at home and, we hope, abroad. My own company, Nationwide Insurance, is, by Board policy, giving time, talent and money to organise consumer groups at every level. Many other co-operative organisations are involved in this building process, in fact, co-operative groups comprise more than one-half of the membership of the Consumer Federation of America. It is no exaggeration to say that, without the support of US co-operatives, our consumer movement would be only a shadow of what it is today.

This brings me back to the Declaration on Consumer Rights now before the Congress. On behalf of the US delegation, I urge you to support the declaration. In our view, it is a strong reaffirmation of the objectives common to both the co-operative and consumer movements, and a firm commitment to joint action on behalf of people everywhere. Its passage will be applauded by US consumer groups, who are keenly aware of their debt to the co-operative movement.

**Mr W. Sommerhoff, Chile:** I have already mentioned that an important problem before human beings is to strive for more adequate leisure time and the opportunity to use it properly. This aim is being exploited by the affluent society, but not always in a morally sound way. Consumer



co-operatives need to concern themselves with this problem of the search for entertainment and leisure, and this is a task which should be close to the women, to the mothers, whose help is of overriding importance here. The developments conditioned by various economies have already been described by Mr Dutweiler, the great Swiss, who in his organisation tried to satisfy these requirements. Therefore I would like to suggest that the words "culture and leisure" be added to the opening sentence of the Declaration, which would then state "The ICA declares that consumers have a right to: 1. A reasonable standard of nutrition, clothing and housing, culture and leisure." I am afraid that because of the rules of procedure my proposal will not be taken into consideration; however, I take the liberty of submitting it.

Finally, I would make the point that the poisoning of the mind is much more dangerous than the poisoning of the air or water.

**Mr W. B. Melvin, Canada:** I should like to take this opportunity to express the very full support of the representatives of Canada for this Declaration on Consumer Rights and consumer affairs. We believe it is a valuable statement to emanate from this gathering, and also a very useful guide for action for us when we go back to our own situations.

The co-operative movement in Canada is directly related to the Consumers' Association of Canada through membership and through active participation in many of its activities. We also have a Consumers' Department in our Federal Government which has appointed an Advisory Council, and a member of that Council is a person actively involved as a manager in the co-operative movement.

Regional co-operative wholesale organisations scattered across the country have at various times issued and adopted statements of principle and action in this field of consumer affairs, which they use as guides for action in their particular fields of operation. A new development, and I think a promising one, is that during the past year we have made very fruitful contact with the social action departments of the major religious denominations, particularly with regard to co-operative housing, which is an area in which we have not done a great deal up to now. We have envied European and other developments in this field but we are now beginning to become active, I think in a hopeful way, and it promises well that we are working with the social action departments of these denominations which have a great concern for human values and human welfare.

Finally, may I express the belief that it is still true, and I say this with respect to Canada, as a gentleman once said, "Your actions speak so loudly I cannot hear what you are saying!" I really feel, as I am sure the other members of our delegation do, that in order to become effective in this area and to be heard in governmental and business circles and elsewhere, it is necessary for us at home to increase the scope, the vigour, the service of our economic co-operative institutions. So often when one speaks to people and urges them to do this or that, they say, "What are you doing?" We had better be busy or, as they say, "get with it" and be doing things. Then we shall be heard with more confidence. I am speaking of our own situation but if it happens to apply elsewhere maybe this is not amiss.

**The President:** I ask Dr Kohler now to wind up the discussion.

**Dr R. Kohler:** I would like to thank you wholeheartedly for your most valuable contributions to this discussion, and for the unanimous support you have extended to the proposals submitted by the Central Committee, all of which have emphasised the importance of the Declaration. I am sure all members of the Central Committee are very happy that there has been such unanimous and wholehearted support for the Declaration.

In particular I should like to mention some references to the generality of the text. Speakers said that more scope should be given to a further expansion and brushing up of this text. The ICA through its Secretariat will continue this work. So far they have given support to the Consumer Working Party, and I am sure we can enlist their help in the future.

There was a reference by the speaker from Italy to the struggle against monopolies about which there is an appropriate paragraph in the Declaration. It goes without saying that the active struggle against monopolies in all parts of the world is a task for the co-operatives.

We have also listened with satisfaction to the description of the efforts of the USSR, Sweden, Canada and a number of other countries. It is essential that everything should be done in every country, and in particular that which is most appropriate to the conditions obtaining in each country, whether in co-operation with government circles or with the private or semi-public sector is irrelevant and is left to the discretion of the individual co-operatives.

The main thing for us is to assure that our activities are crowned with success. It is most important that in the individual movements we have the co-operation of all those not operating exclusively in the consumption sector. We need the co-operation of all co-operatives, be they credit, finance, insurance, retail, wholesale or anything else. Everybody should lend a hand towards the achievement of this lofty task.

Mr Semler-Collery, I think, made a very interesting point concerning the pursuit of these tasks in the international framework. Through the publicising of our Declaration we shall, of course, increase our leadership and the numbers of those who will be informed about our campaign. It is important that our efforts should be carried on successfully everywhere. It is equally important that our attempts in this connection be co-ordinated, and I would appeal to all those who are active in the European Economic Community countries to inform the competent authorities of the problems we have been dealing with. I wish you every success in your representation of consumer interests.

With regard to the practical steps to be taken I should like to mention that the Consumer Working Party of the ICA is already about to elaborate practical proposals and to publish relevant reports. It is, therefore, to be hoped that in the very near future the members of the ICA will be informed about these activities and that the data will be available to them.

I would like to tell Mr Sommerhoff from my purely national point of view that the consumer movement in Switzerland did not start with Mr Dutweiler. I would be very happy to supply him with all the relevant documentation about the consumer movement in our country, so that he can supplement his knowledge of it.

It has been stated that the Declaration is largely based on conditions prevailing in Europe. This is true to a large extent, but going through the text very carefully it will be noticed that the wording is such that it can be applied to all parts of the world, to the east and to the west, to industrialised countries and to newly developing countries, because the basic problems are the same everywhere and our task is also the same everywhere.

In conclusion, I would emphasise that we need to be fully conscious of the fact that a Declaration is not enough and must not now sit back and be satisfied that it is being publicised. Once this Declaration is being brought to public attention we shall incur additional responsibility, for not only our competitors but also the consumers will follow very carefully what we do in practice to implement the provisions of the Declaration. There can be hardly any doubt that our success will largely depend on whether we are capable of translating the ideals of the Declaration into practice.

**The President:** I thank Dr Kohler for his very comprehensive reply to the discussion.

It was suggested by Mrs Broch, on behalf of the Norwegian delegation, that in point 2 of the preamble "noise and" should be added before the word "pollution". Further, Mr Sommerhoff from Chile wanted to include the words "culture and leisure activities", but he recognised that from the procedural point of view it is not possible at this late stage to deal with proposals, for that would mean that the Congress Committee must produce a new text. I wish to draw the attention of Mrs Broch and Mr Sommerhoff to the text as it stands in section II, Consumer Policy, the second paragraph of which states: "This basic principle has now-a-days come to imply considerably more. The previously rather narrow concept of consumption has widened to embrace all that affects the health and welfare of mankind. Clean air, clean and wholesome water, and in general a world fit for mankind have come to stand out as ever more urgent requirements".

I submit that, as far as the question of noise is concerned, it is not only a problem of the convenience of our living, but also of the detrimental effect of supersonic aircraft which is now being discussed. This is clearly included within the general framework here and can be brought

out further. The same applies also to some extent to culture, but we are not specifically dealing with the very very wide aspect of culture and leisure. I hope that the delegates from Norway and Chile will be satisfied with these remarks and not press us to make any additions to the text at this late stage of Congress.

It has been suggested that not only the question of the implementation should be studied by the Consumer Working Party, but also that a fuller document, as Dr Kohler said, should in the near future be worked out by the Party to supplement the Declaration as it stands now. The present document is going to be widely published and in the follow-up action it would be very valuable to have a supplementary document.

The President then took a vote by show of hands on the Declaration recommended by the Central Committee (without the second amendment of Lega Nazionale, to the content of which no objection was expressed in principle) and

**Declared the Declaration adopted unanimously.**

## Reports of the Auxiliary Committees

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### The International Committee on Agricultural Co-operation

#### General

The general programme of the Agricultural Committee was outlined in the report to the Vienna Congress, and was based on the decisions of the Belgrade meeting in September 1964. The tasks of the Committee between the two Congresses, 1966 to 1969, emerged from the decisions of the Vienna Congress and the deliberations of the 7th Agricultural Conference held in Vienna immediately before the Congress. These were: membership; promotion of co-operative processing; follow up of the FAO/ICA study on Agricultural Credit through Co-operatives and other Institutions; trade of agricultural co-operatives; promotion of the work of the Fisheries' Sub-Committee; establishment of the Sub-Committee for Agricultural Co-operation in South-East Asia; close co-operation with United Nations Agencies, especially FAO and ILO; co-ordination of work with IFAP and other non-governmental organisations working in the field of agricultural co-operatives.

Since the Vienna Congress, the Agricultural Committee and its Executive have had the following meetings: the Committee held its 16th meeting in Prague on 11th September, 1967, and its 17th meeting in Glasgow on 1st and 2nd September, 1968. The Executive held its 18th meeting in Rome on 19th March, 1967, and its 19th meeting in Malmö on 13th May, 1968.

The membership of the Committee has continued to increase; at the end of 1968 37 organisations from 27 countries participated in its work and the number of representatives was 44.

	1963	1966	1968/69
Countries .. .. .	12	18	27
Organisations .. .. .	12	24	37

Following up the deliberations of the Vienna Congress, the Committee discussed at its meetings in Prague and Glasgow the co-operative principles in relation to agricultural co-operatives. The papers and background material which served as the basis for discussion were sent to the members of the ICA Central Committee.

#### Co-operative Processing of Agricultural Produce

The Conference in Vienna made recommendations concerning the contribution of co-operative marketing and processing of agricultural produce to agricultural development. The resolution called upon co-operative movements both in developed and developing countries, national governments, inter-governmental and non-governmental organisations and international financial agencies to increase their activities and co-ordinate their efforts with the purpose of strengthening co-operative marketing and processing in developing countries. These recommendations were followed up by Dr L. Malfettani, Chairman of the Committee, who made a statement at the 13th FAO Conference urging the delegates to give support to co-operative efforts in this field. The Agricultural Secretary attended a seminar in Bangalore, India, organised by the ICA Regional Office on How to Set up a Co-operative Processing Plant, he is also assisting the FAO in editing the study on co-operative processing of agricultural produce, which will comprise a set of case studies from European countries and countries of South-East Asia. The ICA Executive, through its Technical Assistance Sub-Committee, allocated £1,200 to support the work on this study.

### **Finance of Co-operatives at International Level**

At the meeting of the Committee in Prague, the IFAP meeting in Rome and the 14th FAO Conference in Rome (November 1967), a programme for the promotion of co-operatives in developing countries was discussed. Agreement was reached between the FAO, ICA and IFAP (ILO is yet to give its formal acceptance) to form a Liaison Committee, with a Secretariat temporarily located in Rome, which has the general task of covering the gaps in finance and technical assistance for co-operatives and to avoid overlapping. A joint study, to be initiated and largely executed by the ICA, has been agreed upon under the title Study on Guarantee Funds to Promote International Financing of Co-operative Enterprise. As an intention of its earnest, the ICA Executive has earmarked £3,000; the ILO and FAO are likely to give support, also the IFAP. Assistance has already been assured by the International Co-operative Bank in Basle.

The Agricultural Secretary of the ICA attended the 4th World Conference on Agricultural Credit, held in Zurich in 1967, and made a statement on behalf of the Agricultural Committee supporting the idea of finding ways and means for improving the financing of agricultural co-operatives at the international level.

### **Co-operative Trade**

The Agricultural Secretary contributed to the 3rd Asian Agricultural Co-operative Conference, New Delhi, January 1967, the main theme of which was co-operative trade. The Agricultural Sub-Committee for South-East Asia was commissioned to follow up the deliberations of this Conference. Another Conference on South-East Asian trade problems was held in Tokyo in June 1968, attended by the Agricultural Secretary, which was devoted mainly to the problems of the organisation of co-operative trade in this region.

As the follow-up of the Palermo Conference on co-operative trade in fruit and vegetables, a meeting of experts in pre-packaging and the cold chain system of fruit and vegetables was held in Malmo, May 1968, attended by 40 delegates from 12 countries. Its purpose was to survey the latest developments in pre-packaging and the cold chain system and to study how co-operative consumer and producer societies could improve these methods and thus help in increasing the consumption of fruit and vegetables. Reports were given on progress in these fields in Sweden, Poland and other countries, and the participants had an opportunity of seeing what Sweden was doing in the way of research, storage and refrigeration to supply consumers with good quality fruit and vegetables. Great support was given by Kooperativa Forbundet, Sweden, also by Sveriges Lantbruksforbund.

### **Conference on Co-operative Trade in Animal Feedingstuffs**

This Conference will be organised in Paris, 8th to 10th September, 1969 and commodities discussed will be animal feedingstuffs, especially maize, soya beans, soft red winter wheat, alfalfa pellets, concentrates, fish meal and milo.

The main theme of the Conference will be the promotion of international co-operative trade in animal feedingstuffs, and the Agenda covers the present stage of co-operative trade in animal feedingstuffs; increasing the farmers' income by improving feeding methods; the feed manufacturers' needs and problems in Western Europe; technological problems of the animal feedingstuffs industry in Poland; position and trade in animal feedingstuffs in Japan; inter-relationship between stage of production of animal feedingstuffs and economic development of various countries.

### **Agricultural Sub-Committee for South-East Asia**

The Sub-Committee was organised to give the opportunity to the countries in South-East Asia to discuss and deal with problems of their region, and held its first meeting in Tokyo on 6th and 7th November, 1967. Mr H. Yanagida of the Central Union of Agricultural Co-operatives, Japan, was elected Chairman, and Mr S. Futagami, of the ICA Regional Office, was appointed Secretary. The following countries were represented: Australia, Ceylon, India, Japan, Korea, Pakistan and the Philippines, later Iran and Malaysia joined the Sub-Committee.

The main elements of an operative programme of the Sub-Committee are: exchange of information on various agricultural co-operative movements in the area; case study of a co-operative organisation which should be used either for the Joint FAO, ICA study on co-operative processing of agricultural procedure or the FAO World Education Conference on Agriculture; further seminars are planned in collaboration with the Education Centre on farm guidance activities of agricultural co-operatives, also a seminar for managers of food grain marketing co-operatives; follow-up of the agricultural co-operative trade conference in Tokyo, June 1968, and review of the recent development of technical assistance in the field of agricultural co-operatives with the aim of establishing priorities.

#### **Fisheries' Sub-Committee**

This Sub-Committee was organised to help fishermen's co-operatives to discuss their problems at the international level. It was convenient to have it within the scope of the Agricultural Committee because of the liaison which the latter has maintained with FAO whose Fisheries' Department is very active. The main tasks of the Sub-Committee at this stage are: production of a manual for co-operative marketing and supply for fishermen jointly with FAO's Fisheries' Department; to hold seminars organised jointly by the FAO and the Sub-Committee in South-East Asia, Latin America and Africa; provision of assistance to fishermen's co-operative projects in developing countries. To study problems of management of fishermen's co-operatives, a questionnaire was sent out to establish their position and requirements and a list of fishermen's co-operatives was published.

To induce the strong Japanese fishermen's co-operatives to become more active within the scope of the Sub-Committee and to create a nucleus of a South-East Asian Sub-Committee for fishermen, the Chairman and Secretary of the Agricultural Committee visited Japan and neighbouring countries.

#### **Relations with United Nations Agencies**

Within the United Nations Agencies, the Committee has its main contacts with the FAO, which are growing from resolutions into steady work with a planned programme. Examples of this are: the FAO, ILO, ICA, IFAP Liaison Committee, the joint study on finance of co-operatives at international level and the study on co-operative processing of agricultural produce. The Chairman and Secretary of the Committee attended the 13th and 14th FAO Conferences and the Land Reform Conference. There have been meetings between Dr Sen and Dr Boerma, Director-Generals of the FAO, the ICA President and Director, and IFAP General Secretary, in order to further co-operation between the FAO and non-governmental organisations in the field of co-operatives and agriculture. Future co-operation will develop very much within the Liaison Committee and in the preparations for the World Food Congress and the World Conference on Agricultural Education.

#### **Non-Governmental Organisations**

Closest co-operation has been maintained with the IFAP to avoid overlapping and to advise jointly, whenever desirable, the United Nations Agencies. One such action was the statement on a World Food Programme adopted by the ICA, ICFTU and IFAP. The Agricultural Secretary attends IFAP meetings, and the IFAP Secretary of the Standing Committee on Agricultural Co-operation attends meetings of the ICA Agricultural Committee.

A meeting of African co-operative farm leaders was organised by FAO, ILO and IFAP in Niger in 1967, which was attended also by the Agricultural Secretary. A second consultation will be held in Nairobi, Kenya, and the ICA has accepted, in principle, to be a co-sponsor. It is very likely that IFAP and ICA will contribute jointly to the FAO World Conference on Agricultural Education. The ICA will support the IFAP in a study on co-operative trade in Africa, and they will jointly sponsor with FAO and ILO a seminar for co-operative farm leaders in Eastern Africa.

Chairman:  
Dr L. Malfettani

Secretary:  
B. Zlataric

## Discussion

**The President:** The report of the Agricultural Committee will be introduced by Dr Malfettani.

**Dr L. Malfettani, Italy:** At the Agricultural Conference in Hamburg on 26th August, I presented a report on the activities of the Agricultural Committee and I will now add some further information on the text presented to Congress. One of the most urgent problems of our time is to raise the income levels of small and medium producers who, in comparison with workers in industry, find themselves economically in an unfavourable situation.

The Vienna Conference gave us the task of following up action already undertaken in the sector of the conservation, processing and marketing of agricultural products. Therefore, our present preoccupation is to promote the formation of structures capable of putting the producer into direct contact with the market. But these initiatives will be in vain unless they are supported by the necessary disposable funds, which the producers themselves do not always have available, also by men able to direct and manage the processing and sale's organisations which, like all activities today, are conditioned by the technical evolution.

Accordingly, we have undertaken two studies which were the principal subject of discussion at our Conference here. One study, which was entrusted to our Secretary, concerns the financing of agricultural co-operatives at international level, a problem to which Mr Orizet referred. The other study, how to educate a new type of manager for agricultural co-operative societies, was entrusted to Mr Heikkila of Finland. The object of these studies is to assure recognition of the co-operative as the principal channel for financing agriculture, provided it is guaranteed, vis-a-vis banking and governmental authorities, and that highly qualified managers with modern ideas are available.

During the past three years we have had the satisfaction of seeing the establishment of the Fisheries' Sub-Committee, presided over by Mr Lacour, who will report, also of the Sub-Committee for South-East Asia, about which Mr Wijesuriya, of Ceylon, will speak.

I would mention a journey I made to Delhi in January 1967 to take part in the third Conference of Asian Agricultural Co-operatives, at which the basis for the constitution of a Regional Sub-Committee was decided. Three months ago I had the opportunity to make contact in Japan with the Central Union of Agricultural Co-operatives, also to visit several agricultural villages, and thus promoted their closer links with our Committee.

The development of our contacts with the UN organs, especially the FAO, is well known and I should like to thank Dr Braid who yesterday referred to the cordial collaboration which exists with the President and Secretariat of the Agricultural Committee. The FAO, it must be remembered, is governed by a Council composed of governmental representatives. While we try to create an increasing interest in co-operation on the part of this important organisation, it is necessary to influence the governments themselves through the medium of the national co-operative movements, and to exert direct influence through regular participation in FAO meetings.

We may now regard the FAO, ILO, IFAP, ICA Liaison Committee as a *fait accompli* and a remarkable success. A meeting of the Committee took place in Hamburg with the inspiring presence of President Bonow and the Director, Dr Saxena. Its object is to select and harmonise initiatives for technical assistance and financial aid at international level.

Particular mention must be made of our relations with IFAP, with which a systematic exchange of representatives at each other's meetings has been established.

The Agricultural Conference on 26th August showed again the ever-increasing importance of the agricultural movement in our international organisation by the participation of delegates from twenty-one countries, also of observers from FAO, ILO and IFAP.

What do we see as our future activities? One immediately envisaged is our conference on the co-operative production of animal feed which will take place in Paris from 8th to 10th September. Later we shall be preparing for the next FAO Conference and the conference on agricultural education.

But the most difficult task will be to prepare the Conference in 1971 on the Role of Agricultural Co-operation in the World Co-operative Movement, which emanates from proposals by the Polish Central Union of Agricultural Co-operatives and the Co-operative League of the USA. This conference will examine the most important problems of agricultural

co-operation according to geographical areas and different economic systems, and will be realised with the help of non-governmental organisations which collaborate with us, especially I hope the IFAP, and governmental organisations, particularly the FAO. It will last three days and will be open to all co-operative organisations, including non-members of the ICA.

I would conclude by expressing warm thanks to President Bonow and the Director, Dr Saxena, also sincere gratitude to my friend, the Secretary of the Agricultural Committee.

While the aims of the Committee are to explore the structural, technical and economic problems of agricultural co-operation at international level, the one predominant problem for which we must find a solution is the promotion of a new expansion, an appropriate development of the co-operative movement in agricultural.

None of our efforts will be sufficient without the solidarity of our international co-operative family, and we ask that we may count upon your understanding, confidence and support.

**Mr E. Wijesuriya**, Ceylon: It is a great pleasure for me, on behalf of Mr Yanagida who prepared it, to read this report on the work of the ICA Agricultural Sub-Committee for South-East Asia. Unfortunately, urgent business has obliged Mr Yanagida to return to Japan.

The Sub-Committee has had three meetings since its establishment in 1967, the third in New Delhi in February 1969. The members from seven countries attended, and various problems in the following three major areas were discussed: Seminars and publications in the field of agricultural co-operation to be undertaken by the ICA Regional Office and Education Centre; Technical assistance and co-operative trade; Support to the ICA Regional Office and Education Centre. The major points of the discussion were —

*Seminars and Publications.* The Sub-Committee discussed various ways and means of disseminating information regarding the achievements of the movement in the region and suggested making use of existing means of communication, such as the ICA Information Bulletin, with a view to giving trade and other information on the movements. It also discussed the areas of the needs of the movement in which more educational activities were required and suggested priority upon the productivity, marketing and processing areas. Keeping this in mind, the Sub-Committee suggested that the Regional Seminar on the marketing of fruits and vegetables should have top priority among these to be organised by the Education Centre in 1970. The second and third priorities should be on production credit and personnel management and training respectively.

*Technical Assistance and Co-operative Trade.* With regard to the proposal made at the second meeting for the exchange of business executives, the member for Australia offered to receive two advanced technical trainees from India in the fields of fruits, cereals, grass, processing. The Sub-Committee discussed the need for a commodity conference on marketing (including export) of agricultural produce and suggested that it be organised in 1970.

*Support to the ICA Regional Office and Education Centre.* The proposal for financial contributions towards the activities of the Sub-Committee which was made at the second meeting in Kuala Lumpur was discussed again and it was decided that the member organisations should make a minimum contribution of £50, or its equivalent, towards the expenditure incurred by the Regional Office and Education Centre in respect of the work done for the Sub-Committee and for the purpose of strengthening the activities of the Regional Office in the field of agricultural co-operation.

The Sub-Committee also discussed how it can make a more effective contribution to the development of agricultural co-operation in Asia, and was of the opinion that it should work directly with the Regional Office and Education Centre so that in effect it would advise the Regional Office in the field of agricultural co-operation. It was further suggested that it should work in relation to the Advisory Council in the same manner as the Agricultural Committee works vis-a-vis the ICA Head Office, that in future there might be other groups for other aspects of co-operation and that the recommendations of these groups should come before the Advisory Council, which could then advise the Regional Office and Education Centre on such matters as are put up to them by these groups, so that in fact the Sub-Committee and other groups would function like sub-committees of the Advisory Council.



*Follow-up of Recommendations.* At the second meeting it was decided to collect basic statistical information on agricultural co-operatives in the region on an annual basis. The proforma from six countries have been received in the Regional Office, three others are yet to be received. The data will be compiled and made ready for distribution by the end of the year. The Sub-Committee also suggested at its second meeting that, in view of the importance of farm guidance service of agricultural co-operatives for the increase of productivity, cases of successful performance should be circulated among the members for their benefit. Such cases are now under preparation in connection with the Regional Seminar on farm guidance to be organised in Korea in October 1969.

With regard to the study on co-operative processing undertaken by the FAO in collaboration with the ICA, Japanese agricultural co-operatives have extended their assistance by inviting the Secretary of the Sub-Committee to help the expert appointed by the FAO for the study in the collection and compilation of data on co-operative feedstuff processing in Japan.

According to the suggestions at the third meeting with regard to seminars and conferences, the Regional Office and Education Centre has decided to hold a Regional Seminar on fruit and vegetable marketing, a Regional Seminar on co-operative credit with special reference to production credit, as well as a Commodity Conference in 1970, the programmes for all of which are being prepared. The seminar on fruit and vegetable marketing and the commodity conferences will be organised in May 1970 in Tokyo. The commodities to be taken up in the conference will be selected from agricultural products which are actually exported or imported through co-operatives in the region.

**Mr P. Lacour, France:** Since our last Congress, fishery co-operatives, through the medium of the Fisheries' Sub-Committee, have become better acquainted with each other by personal contact instead of merely by the exchange of letters. I would specially thank our Japanese fishery friends who enabled us to visit and admire their co-operatives, veritable models of their type, which have sent some twenty representatives to take part in the meetings of Congress. In the first place these contacts have permitted an exchange of experience particularly on the structure of the co-operatives and methods employed to ensure a better liaison, a better co-ordination and a better participation between the members and the administration of the Societies. Increased trade between the different countries has followed and this we hope to develop still further by the creation of international trade organisations for the import and export of our respective products. Preliminary discussions are going well and we hope soon to announce the creation of these organisms.

At Vienna I mentioned the sending of a questionnaire to assess the needs of the developing countries. Replies from forty-four countries which have been examined show a considerable need for experienced men and for capital, but they are silent on questions of organisation, which shows how greatly they need men of experience in direction and management. The Sub-Committee has, therefore, tried to strengthen the bureau of expertise and advice which was created three years ago, known as IBASSAC. A number of co-operative management training centres have agreed to help us and I would especially thank Mr Zlataric, our Secretary, for the decisive part he has played in these developments.

The Sub-Committee has concluded the editing of a manual on co-operative marketing and supply for fishery co-operatives, destined to the developing countries, which will be published by the FAO, and should appear by the end of the year.

In 1970, with financial help from the FAO, the Sub-Committee hopes to organise a regional seminar for managers of fishery co-operatives. Next week it will be represented at the Paris Conference on animal feed, and at the FAO meeting on fisheries. Lastly, with the aid of the ICA and its Technical Assistance Sub-Committee, the Fisheries' Sub-Committee has organised an assistance project for Ceylon. At first it was only a question of selecting a site for a cannery, but the experts we sent considered that a limited programme of financing was not of much use. Inspired by the example of our Swiss friends in Dahomey it is now hoped to undertake a more ambitious project with the help of the ICA, FAO and ILO, in effect to promote the fisheries in the region with technical help offered by French co-operative fishermen. I hope this project will come within the scheme of sub-contracting promised by Mr Orizet and for which I thank him. This really is a case where mechanics can help colleagues of the same trade without excessive cost but by creating between men ties of friendship and human solidarity which are one of the forces of co-operatives.

The Sub-Committee has been greatly aided in its work by the ICA and, in its name, I express my gratitude to President Bonow and Dr Saxena. It was thanks to them that the Liaison Committee FAO, ILO, ICA, IFAP was constituted which gives us great hopes in our tasks of technical assistance for developing countries. One should also mention the persevering activity of the former Director, Mr Alexander. In this field, as in many others, it was he who cooked the soup, I nearly said the fish, we now enjoy.

**Mr V. Kondratov, USSR:** As we see in the report of the Agricultural Committee, agricultural co-operation is developing in all countries and its participation is also increasing within the ICA. It is particularly important that the ICA should include all national agricultural co-operatives and this is why our representative spoke against co-operation with the Raiffeisen Union. There is also a parallel organisation, and the concern for unity in this organisation has been expressed in a message to this Congress. The President tried to say this was not really an international organisation but only a research bureau, but it is quite clear that the body intends to become an international body. We have been told by Mr Klimov that the question was referred to at the Executive meeting in London. We were amazed by the President's statement that the German Raiffeisen Union could join the ICA automatically. As far as I know no organisation has enjoyed such a privilege, and in accordance with the rules decisions on membership are the prerogative of the Executive.

If we combined all our efforts in our Agricultural Committee, and pooled the resources of all co-operatives, it would become an authentic organ for assisting the development of co-operation in agriculture and, in particular, in the developing countries which are so direly in need of it.

**Mr C. Durazzo, Italy:** I would first thank all those who at the last Congress insisted upon the creation of this Fisheries' Sub-Committee, especially the Chairman of the Agricultural Committee, Dr Malfettani. The Sub-Committee is most ably presided by Mr Lacour, with the help of the Secretary of the Agricultural Committee, Mr Zlataric. Already a concrete project for the construction of a sardine cannery in Ceylon has been realised and a wealth of information has been received about fishery co-operatives in member countries. Close relations have been established between the different countries, especially Japan, following the visit of the Chairman and Secretary. That journey might well promote not only the future development of the co-operatives in South-East Asia, but also of the European co-operatives.

Our Japanese friends have developed very advanced techniques in the breeding of fish and shell-fish, especially eels, shrimps and oysters. In the future, their experiences and their knowledge will serve to make more profitable the salt and fresh waters of our countries by increasing their yield. We can, therefore, foresee great possibilities. Many fishermen could be employed in fish farming, which is more profitable and less dangerous than sea fishing, and serious studies must be made.

Thanks to the creation of this Sub-Committee, the ICA now groups 1,480,000 fishermen, represented by their associations. This figure cannot but increase, not only in the developed countries, but especially in the developing countries. In the future fishing must play an important role in countries with long sea coastlines, which can produce low-cost proteins, indispensable to their populations. These seas which, in the past, have been exploited little, or not at all, offer today immense possibilities for the development of new fisheries. The Fisheries' Sub-Committee can and must play a very important role in giving technical assistance to the development of these new exploitations.

**Mr J. Musundi, Kenya:** I am encouraged to note the view which the ICA holds towards the problems facing mankind today, particularly the crucial problem of food shortage. The world is often warned of this great danger, and you, Mr President, reminded us in your address yesterday about the world food shortage in relation to world population. The fact that tens of thousands of people today are going without their basic food cannot be disputed, yet at the same time there are some kinds of agricultural products which are not properly organised.

We, therefore, see a gap between the developed countries and the lesser developed countries, between the two socio-economic groups, which is widening all the time. I feel what is needed is an examination of the best method of distributing a surplus from one area to another, depending on which area needs it most. A number of developed countries in recent years have had a revolution in their food production and have realised surpluses of some crops. These

countries should be helped to sell their surpluses in areas which need them. The danger facing the developing countries is competition from developed countries on the world market. Consequently the prices realised by the developing countries for certain agricultural products are normally so low that they kill the incentive among the farmers, and the governments of these countries have to lower prices to discourage the local people from producing more of a particular commodity.

The other threat which faces the developing countries is the invention of synthetics. They can ill afford to meet the threat and the challenge thus forced on them, and very often go out of production in some basic agricultural products. It is ridiculous to tell the lesser developed countries to produce more when they are not able to sell what they already produce.

Therefore, I would suggest that the following proposals be considered by the ICA — to organise study tours in collaboration with the UN specialised agencies to find new markets which have remained untapped for the disposal of agricultural products produced in some developing countries, to collaborate with developing countries in setting up processing plants of agricultural products so that they can sell the finished goods to other countries, what happens at the moment is that developing countries which are able to produce certain products are forced to sell the raw material to developed countries which the latter convert into finished goods and sell these goods to developing countries, but in so doing they are not helping the developing countries to meet their own requirements; to examine the possibilities of improving infra-structures in developing countries in order to facilitate the inflow of products from one country to another and to ascertain the best method of distributing food products to meet human needs; to consider the best method of constructing storage for surplus foodstuffs for strategic reserve.

In my view the co-operators of the world can take the lead in this problem by demonstrating that through the spirit of mutual help and the care of one another the world will be a place where humanity will have enough to eat and be able to live in peace.

**The President:** Thank you, Mr Musundi. I would mention that the ICA, IFAP and ICFTU have together made representations concerning the world food programme which deals with many aspects you touched upon. This is a short term programme over a decade or two perhaps, in view of the fact that, in the long run, the developing countries must increase their own agricultural production and diversify it through processing.

As to the gap between the prices of the raw material and the finished products, there again ICA, together with IFAP, has supported international commodity-agreements which have the aim of stabilising raw material prices which are so important for the lesser developed countries. As regards the storage problem, under the new Director-General of the FAO there has been mention of five priority areas for increasing world food production. At the same time, there are possibilities of avoiding the very great losses which insufficient and bad storage facilities mean in a number of lesser developed countries. This priority programme which covers a number of items is also of great interest to the ICA, and we are prepared to assist. Here again, I suggest that co-operative organisations, properly backed with financial means, could be the solution for a number of storage problems in the developing countries.

**Mr A. Mayr, Italy:** Mention has been made of co-operative trade, a subject which has figured on the agenda of many co-operative conferences of the Regional Office for South-East Asia, also of the Tokyo Conference, and to which our President paid appropriate reference in his opening address. Co-operatives also see their task as one of promoting social justice and of improving standards of living.

The agricultural co-operatives have to market, as well as they can, the produce delivered by the production co-operatives, and their natural partners at this level are the consumer co-operatives. There is a natural link between production and consumer co-operatives, but unfortunately this link is not always seen to function satisfactorily. Agricultural products are perishable and if they are not marketed immediately their quality deteriorates. Without an intermediary time and money are wasted. Mutual confidence is needed between agricultural and consumer co-operatives in order that trade relations may be developed in a spirit of mutual understanding and co-operation. We have already seen interesting examples of this between agricultural productive and consumer co-operatives, and now that co-operatives are moving over to worldwide trade it is necessary to promote still further such co-operation. So far there

are no standards or regulations, and it is very difficult to find regulations which would result in a vertical integration process which is so necessary today because of the development of markets and trading conditions. We need to provide the consumer with the finished product in a satisfactory condition. Even if there are differences in the quality of assortment patterns I am convinced that it is possible to co-ordinate between the two partners to reach mutual agreement, and avoid duplication in co-operative trade.

Such patterns in productive and agricultural co-operatives will yield interesting results on the productive side. We must have experts to choose the proper assortment of products and assure that they are standardised. The processing will then pass to the consumption side where the interests of the consumer will be safeguarded.

If we follow these lines then in this era of technical progress we shall succeed. We will be able to co-operate more fully and derive the greatest benefits from modern developments.

When a large part of the people of the world are still suffering from hunger it is unthinkable that available foods should be allowed to perish. We must assure that every hungry person is properly fed.

**Mr B. Melvin, Canada:** Previous speakers have referred to some of the points which I would raise briefly. I would refer to the fact that it is planned to hold a conference on co-operative trade in animal feeding stuffs in Paris shortly after this Congress. The Canadian delegation is very pleased indeed to know of this and particularly happy that it is so timed that a representative from Canada can attend this conference. Understandably, we sometimes feel rather far removed from events that take place in the co-operative world in Europe and sometimes we feel a little out of touch, but that feeling will be somewhat dispelled at the conference next week. Our co-operative movement in Canada is still largely oriented toward farm and marketing organisations and toward the farmer, so that the Paris conference will be of special interest to our co-operative people. In passing, I might mention that we have a very serious situation with regard to the marketing of grain, of wheat particularly, and if there are suggestions and initiatives at this conference which will help in that direction it may be helpful not only to Canadian farmers but to others who might receive these products.

I am convinced, as are others in our Canadian co-operative movement, that we will not really begin to develop and achieve the success for which we hope until we develop co-operative trade more strongly at the international level. This is illustrated clearly by something which comes to mind with regard to our fisheries' co-operative on the Pacific coast. I have had some acquaintance with the organisation for some years and even until recently we thought our competition in our fisheries there was with Canadian and private capitalist interests. This was true, but I was surprised to learn only a short while ago that those organisations are now owned and controlled by interests in the United Kingdom and the eastern United States. So our fisheries' co-operative is not competing with organisations that are based in the same territory but with organisations which have financial, technical and personnel resources of a much wider organisation to assist them. Until we too move into this larger area we cannot achieve as much as we could.

I assume our co-operative principles, our co-operative orientation, will not allow the concentration of ownership and control that is peculiar to the other type of organisation, but I am sure we can develop other arrangements, other forms of mutual assistance that will give us the strength that we need.

We are not without illustrations of strong international co-operative activity. I would look particularly at the Scandinavian Co-operative Wholesale Society which, I understand, was orientated from the consumer end rather than the producer, and is a very viable, strong and growing organisation. We have the International Co-operative Petroleum Association, not so old and not so strong, but alive, viable and developing. We have the International Co-operative Bank which, behind it all, we may use as an instrument to develop the finance we so sorely need and will need in greater measure in the future.

In conclusion, let me express the hope of our delegation and, I am sure, all of us, that the conference in Paris next week will be the first step in the direction of significant co-operative trading, particularly in the agricultural field. If that is so, I am sure we can have great hope for the future and for the success of our co-operative endeavours.

**Mr K. F. Harding, Canada:** Catching fish as a source of food is an activity probably as old as mankind. The organisation of such catching and the processing and marketing of the resulting products are activities that naturally lend themselves to co-operative endeavour. Fishermen adapt readily to the co-operative technique as the very nature of their activities is based on co-operation. I commend strongly, therefore, one of the principal activities of the Fisheries' Sub-Committee: that of assisting in the development of fisheries' co-operatives in the developing countries. I would suggest, further, that the Sub-Committee should continuously explore the possibility of further development of fisheries' co-operatives not only in the developing countries but also in the so-called developed countries.

In this connection I was interested to read in a recent report by the Canadian Trade Commissioner on the state of fisheries in the Federal Republic of Germany, that during the last years the fisheries of this country are largely controlled by two giants, Unilever, Limited, and the GEG. We were surprised to find a consumer co-operative such as GEG has such a large role in the fishing industry.

I would commend to the Fisheries' Sub-Committee as a source of study the relationship between producers' co-operatives, as we know them, or marketing co-operatives, and the role of the consumer co-operative in developing amongst producers. In this respect the work of the Sub-Committee is probably related somewhat to the Committee on International Trade.

In conclusion may I say that, as a result of contacts made at the Congress in Vienna, our fisheries' co-operatives in Canada have done business during the past year with the Japanese Fishermen's Co-operative. This is a small instance of international trade between co-operatives.

## The International Banking Committee

The last full Meeting of the Banking Committee took place on 31st August, 1966, in connection with the ICA Congress in Vienna. The Executive met on 13th September, 1967, in Prague, and on 4th September, 1968, in Glasgow.

Future meetings are planned as follows: Executive, 24th March, 1969, Tel-Aviv; 27th August, 1969, Hamburg. Full Committee, 27th August, 1969, Hamburg.

Upon the joint initiative of the Banking Committee and the International Co-operative Banking Company, Ltd. INGEBA, a Banking Conference was held in Glasgow on 3rd September, 1968, attended by 40 delegates from 32 Banks and Co-operative Organisations. A number of basic questions were discussed with the following aim: to achieve a better collaboration in the various fields of activity in the future; to find an appropriate system for the distribution of dividend; to establish an information centre within the Secretariat of the Banking Committee; to elaborate a uniform system for the statistics of Co-operative Banks; to create facilities regarding credits for Co-operative Organisations; to promote contacts with the appropriate International and Supra-national Organisations; and to prepare the issue of Co-op Bonds in 1970.

During the period under review, the Executive has introduced a change in the Standing Orders which is significant in as much as the Banking Committee from now on will hold a full Meeting once a year. Until now, meetings were convened every three years in connection with the ICA Congress, but this has proved to be insufficient in the face of the growing responsibilities of the Committee. The meetings of the Executive will continue to be held between meetings of the Committee and more often if necessary.

When Mr R. C. Yelland resigned from his post as Secretary of the Banking Committee in August 1967, he was succeeded by Mr. H.-U. Mathias which means that the Secretariat of the Committee is now at the International Co-operative Banking Company, Ltd., Basle. In view of the great number of identical activities and common objectives, this solution has proved to be very useful from all points of view. Membership of the ICA Banking Committee is open to all Co-operative Banks and Central Co-operative Credit Organisations, directly or indirectly affiliated to the ICA. There are no membership fees, and costs are met by INGEBA.

In a joint effort with the INGEBA, the Banking Committee is trying to promote relations between all Co-operative Banks and other Co-operatives, to participate in the creation of new Banks, to deepen existing connections with International and Supra-national Organisations and to make new contacts. All Co-operative Organisations and Banks are urged to participate actively in the work of the Banking Committee, to make available all information and documentation material on a continuous basis and to support the Committee in all its projects.

During 1969, the Banking Committee will undertake the necessary preparations for, and within the limits of its possibilities make a special effort to initiate, a worldwide issue of Co-op Bonds in order to raise long-term capital needed by the various Co-operative Organisations for their investments.

*Chairman:*  
W. Hesselbach

*Secretary:*  
H.-U. Mathias

### Discussion

**The President:** Mr Mathias will present the report of the Banking Committee.

**Mr H.-U. Mathias, Switzerland:** In the absence of the Chairman, because of other engagements, I would like to comment briefly on the International Co-operative Bank which was established in 1957 as a co-operative association with headquarters in Basle, and in March 1965 was transformed into a shareholders' company, in co-operation with the ICA. During the period 1957-1965 the bank enjoyed what might be called a leisure period, but this changed in 1965. Since that date it has undergone stormy transformations, and the original very small capital of 1.2 million Swiss francs has risen to 30 million. A capital increase in stock was made at the meeting in Tel-Aviv and today the total balance sheet is 450 million Swiss francs. We cherish what we think are justified hopes that towards the end of this year it will be 500 million Swiss francs.

The turnover amounts to several hundred million francs and the results achieved in recent years have permitted the maintenance of reserves which are essential to every bank. Now we are paying a reasonable dividend: 4 per cent in 1965, 5 per cent in 1966 and 1967, and 6 per cent in 1968. It would be premature to forecast for 1969, but without being over-optimistic I would say that the dividend will certainly be satisfactory.

Our shareholders are forty-eight enterprises from fourteen European and seven overseas countries. Co-operative production and distribution sectors are represented by sixteen organisations, financial circles by twenty-three banks and financial institutions, and the insurance sector by nine companies. We would welcome the further strengthening of the Bank by new shareholders in the housing and tourist sectors which would enable the Bank to increase its business contacts considerably. We are very happy that the ICA, CUNA International of Madison, USA, the Co-operative League of the USA and also the CEGEF Co-op have recently decided to become shareholders. Here again we have proof that the initiatives started several years ago are beginning to yield fruit. We also welcome the decision taken by the Executive of the Banking Committee at its meeting in Prague to join the INGEBA, when I was appointed its representative.

The targets before us and the objectives of the Banking Committee and the INGEBA are the same. There is no duplication or overlapping, on the contrary, there is full co-operation in our activities. All co-operative banking, credit and savings institutions, directly or indirectly affiliated to the ICA, can join the Banking Committee. All costs are initially borne by the INGEBA. Whereas the Banking Committee formerly met every three years, now, in accordance with decisions taken at our Hamburg meeting, the rules have been amended and there will be an annual plenary meeting.

The meeting at Hamburg, which was attended by sixty-five delegates from twenty countries, decided to increase the membership of the Executive from eight to ten. All former members were re-elected unanimously for a period of three years, and Mr Bertold Tronet, of Sweden, was elected as a new member. The tenth member was not elected because, in view of the further expansion of activities, this place is being reserved for a representative of another important organisation. The Committee tries, in co-operation with the ICA and INGEBA, to maintain a businesslike secretariat to deal with its manifold tasks, also to create a basis for co-ordination on which all initiatives can be pooled and integrated. We plan to publish a new directory to include all member banks, credit and savings institutions, and would also like to publish reliable statistics relating to them.

These are some of the problems, but the main task of the Committee and INGEBA is to promote co-operation between co-operative organisations, to increase our membership and to further expand our contacts both internationally and nationally. We are very grateful to the ICA for the very efficient co-operation we have enjoyed and which we hope will continue.

Our plan to float a loan in ICA's Jubilee Year has not materialised because conditions on the capital market are not conducive at present. However, we shall always endeavour to meet the wishes of our members and, within the framework of the possibilities, to implement their requirements and projects. Thus we, too, will make a practical contribution to greater international co-operation.

When our friend Peder Søiland was speaking about technical assistance, the idea came to me that perhaps a system could be evolved whereby organisations wishing to donate a percentage of their technical assistance funds to the ICA Development Fund could deposit such funds with INGEBA. The Bank would charge a fair market rate on these deposits and pay interest to the depositors. We would thus have a relevant asset item on our balance sheet, which would receive interest, and INGEBA, on the other hand, would be able to get part of the funds it requires to meet the credit demands of co-operative members. Funds so deposited would be earmarked for the developing countries. In this way we would avoid misunderstanding and suspicion, and would simply carry out a business transaction between the depositor and the bank. I would recommend all organisations to consider this idea and endorse it. It would then be much easier to loan funds for a certain period against interest, than by making simple gifts.

## The International Co-operative Housing Committee

**Preamble** In the period under review, the provision of housing and related facilities, the planning of our cities and the environment, have all over the world become an increasing concern of the authorities, the inhabitants and the consumers. In spite of ambitious efforts in the industrialised countries, there is still the need for housing and a human milieu has not been satisfied for large groups of the population. The shortage of housing in the developing countries is becoming an ever increasing problem comparable with that of malnutrition. To remedy the housing situation calls for enormous efforts from the nations and peoples of the world. Thus, the UN through its organs active in the field of housing is devoting increasing attention to improving housing conditions, particularly for low-income earners. It is encouraging to note that the UN bodies in many cases recommend the application of co-operative methods in the realisation of housing programmes.

The housing co-operatives in the industrialised countries, in spite of having to overcome difficulties with financing, increasing costs and charges have, in general, been able to keep their share of the market. In several countries, especially of Eastern Europe, the co-operatives have been given new and big tasks in the fulfilment of the respective national housing programmes. The above facts constitute the background of the considerably increased activities of the Committee in the last three years.

**The Governing Bodies** The Rules of the Committee provide for an Executive of seven. At Vienna (1966), Mr Sven Kypengren of HSB, Sweden, was re-elected Chairman. Also re-elected were Mr Leon Robert of the HLM Co-operatives, France, and Dr Walter Ruf of VSK, Switzerland; and Messrs Wallace J. Campbell and Dwight D. Townsend have, alternately, represented the Co-operative League of the USA. Following the death in 1967 of the Vice-Chairman, Dr Ernst Bodien, this post has been vacant, but in his place, as a member of the Executive, was appointed Mr Wolfgang Ambrosius, his successor in the German Organisation.

The vacancy caused by the retirement of Mr J. H. Simpson of the Co-operative Permanent Building Society, UK, in 1967, was filled by his successor, Mr L. E. H. Williams. Mr Ake Johnsson of HSB, acting Special Secretary of the Committee, has withdrawn from the Executive and this vacancy was filled by Mr Verner Jørgensen of the Danish Federation of Non-profit Making Housing Organisations. Messrs A. Johnsson HSB, and R. P. B. Davies, Secretary for Administration, ICA, have been acting Joint Secretaries and attend ex officio the Executive.

Within the Committee regular correspondents have been nominated from each member organisation. At Committee meetings most member organisations have been represented by one or two delegates, and in some cases observers have participated by invitation.

**Membership.** The number of regularly participating members is 24 compared with 22 at the last Congress. Three new members have been admitted; Co-operative Planning Ltd., of UK, Société Nationale des Cités Coopératives of France, and Udruzenje Stambenih Zadruga Jugoslavije of Yugoslavia. The French Organisation BATICOOP has withdrawn but is represented by the Confédération des Coopératives de Construction et d'Habitation.

Considering the difficulties in arranging for a regular participation at meetings from Housing Co-operatives in non-European countries, relations with these are only maintained by correspondence. This is the case with the Housing Co-operatives of Malaysia, Chile, and several other countries. There are hopes in the future for additional members from European as well as non-European countries.

**Meetings of the Committee and Themes.** A Triennial Housing Conference was held in Vienna in conjunction with the last Congress, attended by 78 delegates from 24 countries. It considered three main subjects introduced by special Papers, namely: Co-operative Housing in Meeting New Demands, Methods for Housing in Developing Countries, and Collaboration between Housing Co-operatives and United Nations Organisations.

The Executive has met twice a year, and the full Committee once a year. Thus, the Executive has met in Paris, Jerusalem, Cologne and Rome, and the Committee meetings were convened in Jerusalem in 1967 and Rome in 1968. All meetings were well attended and those of the Committee were followed by studies of housing developments in the respective countries. The Special Secretary has visited member Organisations on several occasions.



At the meetings, apart from routine matters, collaboration with the UN and its organs has regularly been considered, as well as problems of technical assistance. Specialist questions have provided great interest after introductory reports prepared by the participants. At Committee meetings, papers have been presented and discussed on issues such as Monetary Problems and Social Policy affecting Co-operative Housing, and Mobilisation of Finance for Co-operative Housing from Co-operative and other non-profit Sources. The question of the Structure and Standing of the Committee and the work of the Special Secretariat has been considered in the light of the discussions by the ICA Central Committee. The possibility of a review of the Rules of the Housing Committee has also been considered.

**Collaboration with UN and its Organs and Technical Assistance.** The Committee has regularly collaborated with different organs of the United Nations acting in the field of housing, thus, it has been represented at the Annual Meetings of the ECE Housing Committee. It has further participated at several Seminars arranged by the latter Committee and is at present involved in the study of Non-profit Making Housing Organisations. In the preparation of this report the Housing Co-operatives are represented by two rapporteurs.

Close relations have been maintained with the UN Centre for Housing, Building and Planning, the Committee was represented at the General Meeting and at meetings of special groups. The Committee supports the plans to facilitate international financing of housing in developing countries through an International Housing Finance Corporation, the establishment of which is under consideration within the United Nations.

Through the intermediary of the Committee, the German member, "Gesamtverband", prepared a report on Co-operative Housing and sent a lecturer to the Seminar on Technical and Social Problems of Urbanisation in Addis Ababa in January, 1969, convened by the Economic Commission for Africa. Several members have reported in the Committee on their respective engagements in technical assistance work. Of special interest in this field is the ambitious work carried out in Latin America by the Foundation for Co-operative Housing of the USA. Plans for the future as far as technical assistance is concerned have also been reviewed in the Committee, they include the holding of co-operative housing seminars, special projects and participation in the United Nations Programmes.

**Collaboration with other Organisations.** The Committee has entered into collaboration with the International Committee of Workers' Co-operative Productive and Artisanal Societies, whose representatives participated in the last meeting of the Housing Committee. Plans for the future include exchange of participation in seminars arranged by the two Committees and assistance in the arrangement of study tours. Joint representation has also been arranged by the two Committees at seminars convened by the ECE.

At the request of the ICA Women Co-operators' Advisory Council, the Committee considered a report on The Views of Women living in Housing Co-operatives, and collaboration with the Council is planned for the future.

Ten member Organisations of the Committee have formed the International Co-operative Housing Development Association, the aim of which is to render services primarily to the United Nations in supplying guidance on co-operative methods in housing in technical assistance work. It has on contract prepared a study on Financing Co-operative and non-profit Housing Developments which appears as a UN document. The Association is considering applying for membership of the ICA, thus being incorporated in the work of the Housing Committee. The activities of the Association are regularly reported to the Committee.

**Finance and Publicity.** As during the previous Congress period, regularly participating members have made a basic annual voluntary contribution to the Special Secretariat, located at the Swedish member Organisation HSB, which has provided facilities for it. A number of member Organisations have also made generous additional contributions to meet the costs of the Secretariat.

The publication *Co-op Housing Bulletin* has irregularly appeared, but difficulties are faced in its continued publication, which is under review to be remedied. The Committee has encouraged publications on co-operative housing by international organs and national groups.

**Triennial Conference in Hamburg.** A two-day Housing Conference will be convened in conjunction with the ICA Congress in Hamburg. The main themes of the Conference will be:

Immobilienfond (real estate) as one Form of Financing Co-operative Housing.

Aspects of Co-operative Democracy in Housing Co-operatives.

Assistance in the Promotion of Co-operative Housing in the Developing Countries. A Study of the Foundation for Co-operative Housing.

Collaboration with the United Nations and its Agencies in the field of Housing.

**Conclusion.** The members of the Committee are aware of the serious housing conditions prevailing in most countries, specially those in the stage of development, and they realise the necessity of solving the housing problems for the broad masses and the need for the mobilisation of all forces, those of governments, local authorities, the building industry and the peoples themselves. The utilisation of co-operative methods is, therefore, self-evident, as they serve the genuine interests of the consumers of housing and thus act in the interests of a society governed by democratic principles. It is hoped that resources will be made available for the co-operatives and within the co-operatives to develop the ideas of co-operation in the field of providing proper housing for the peoples. An international collaboration in achieving these aims is more than ever felt to be needed.

*Chairman:*  
S. Kypengren

*Joint Secretaries:*  
A. Johansson  
R. P. B. Davies

#### Discussion

**The President:** The Housing Committee's report will be presented by Mr Kypengren.

**Mr S. Kypengren:** As the printed report includes the main features of the activities of the Housing Committee I will limit myself to emphasising some of the problems with which housing co-operatives are especially concerned.

Whilst the affluent countries seem to have a rich supply of consumer goods of varying quality, there is a shortage of one basic need, that of housing. Governments, public bodies and co-operatives of these countries are very concerned with planning and providing decent homes for every family, but the infra-structural changes taking place in the developed industrialised countries give rise to many problems. The co-operatives, with their long tradition and ideas, have an efficient and viable organisation in housing. They have also had in their work as forerunners in good housing, basic conceptions which have been progressive toward good housing policies, and they are deeply engaged in providing housing with their own industries, their own contracting organisations and so on.

The Housing Committee with its close collaboration through the ICA with the United Nations and sister organisations in developing countries, is aware of the seriousness of the housing problem, not only in the growing urban centres of the developed countries but with infra-structural changes now taking place in the developing countries. Our generation has seen the uprooting of sections of people the world over, based on political and national conceptions. The process of development in the non-industrialised countries carries with it a conglomeration of the population and, on all forecasts and forward projections, will confront us with enormous problems. The slums, the bidonvilles, the shanty towns around the major cities of the world are terrible evidence not only of the circumstances of human living but of lack of foresight.

The United Nations, in its review at the beginning of the 1960s, recommended member governments to maintain construction at ten new housing units per thousand inhabitants a year. At the close of the decade reliable statistics show that the provision of housing in the developed countries has, in very few cases, kept up with this figure, while in the developing countries only the appalling figure of between one and three new units has been reached. The housing crisis all over the world is aggravated in a way which in itself constitutes a danger to the social order in some parts.

Quite recently our President pointed out that, next to the problem of malnutrition, there is no other such enormous problem facing mankind as housing. The problem we have to face, not only today but still more in the future, calls for a mobilisation of all efforts, national as well as international. It is quite clear that self-help movements like the co-operative cannot master this enormous task alone. There must be collaboration from the grass roots, self-help groups of people, municipalities and states, also international action. The United Nations' agencies involved in housing are, like us, aware of the magnitude of the problem and the difficulties in solving it. They often recommend that co-operative methods in housing, which have so successfully contributed to the solution of the problem in the industrialised countries, should be encouraged.

The Housing Committee, in tackling the problem, has formed a Development Association of ten of the largest national organisations as a means of actively fulfilling its aims and tasks, and I am glad to report that the Committee jointly with the Development Association is now entering upon practical work. We have a number of requests from developing countries on our files.

But the task confronting us cannot be solved by international housing co-operative efforts alone. It is definitely too big. We need and we seek the participation of all co-operators within the ICA. We also need the assistance of the national co-operatives to bring the problem to the attention of their governments and to urge their representatives to the UN to support its activity in the promotion of housing programmes.

At the Housing Conference in Hamburg the future programme of work of the Committee was drawn up. Thus, in the 1970s, we will engage more deeply in the development of more humane and better environmental planning and milieu, which means that new complex problems will face the housing co-operatives. The protection of the consumer will be further considered by the housing co-operatives and in this field international collaboration, exchange of experiences will be more needed than ever before, in order to create a better future society.

**Mr W. J. Campbell, USA:** Mr Kypengren has given a comprehensive report on the work of the Housing Committee and I would like just to underline two points. First, the very great importance of multi-national technical assistance and development. We are doing quite a lot in the international housing field, working on a direct relationship with co-operators in other countries. We have found in the International Co-operative Housing Development Association that there is greater support and interest and better results with a multi-national basis of co-operation. My other point is that we must ourselves begin to understand the priority that is necessary in housing. Much of our problem is not with an inability to get this job done but the inability to understand the seriousness of the problem and the necessary priority. This is necessary with us here in Congress, it is necessary in our governments and in the United Nations.

There is a silent crisis in the housing field which is strangling the cities of Latin America and will strangle South-East Asia if it continues. The shortage of housing is critical in the eastern countries as well as the western. I have seen cities in Latin America where 25 to 40 per cent of the people are squatters who came to the cities from rural areas or from other countries because they thought conditions must be better. There was no available housing and so they squatted; they took over public or private land without rights; they used tin from gasoline cans for roofs, cardboard or rugs for walls, and this was home. That applied to 25 to 40 per cent of the people living in five of the largest cities in Latin America. In the Philippines, if anything, the situation is worse, while India and Pakistan have urban areas that defy description. For millions of people this is a way of life. We may think we can ignore this in the richer countries but we cannot. Even in the United States we are falling behind our new housing needs every year. Our new administration felt it could attract new money for housing by raising the interest rate 1 per cent on all federal insured housing. This served as a sign to increase interest rates all across the board, and new construction is down 39 per cent on last year.

A few years ago the United Nations established a modest target for the construction of ten new houses for every 1,000 people each year. Over the last five years only two countries have reached the target. They are Sweden which produced 11.8 per cent per 1,000 people, and West Germany 10.1 per cent. Just below that goal were the USSR with 9.8 per cent, the Netherlands with 8.9, Denmark with 8.3, France with 8, the United States with only 7.4 and Great

Britain with 7.1 per cent. Even in these eight richest countries we are losing the race for a decent house for every family, but the crisis is not inevitable and is certainly not necessary. Even in the poorest countries of the world there is land, there is manpower, there are, in addition, materials; financial resources exist within most countries which have not been mobilised to meet the housing crisis. The techniques of credit and construction have been used successfully in some parts of the world, but are unknown or neglected in other areas. The most critical problem is the attitude of the policy-makers and governments, which give very low priority for decent housing for their people.

In conclusion I would quote a poem by Edwin Markham who wrote:

“Two things, said Kant, fill me with awe –  
the starry heavens and the moral law.  
Of one thing you can be sure –  
of the long, long patience of the plundered poor.”

The crisis that we face may not see the silent, plundered poor for very long but we have, in the co-operative movement and the resources of each country, as Mr Lincoln said some time ago: “The tools to fashion our own destiny”.

**Dr W. Ruf, Switzerland:** Now that the co-operative movement is recognised by one and all its international position has been strengthened, and this marks an important step forward.

In connection with Mr Kypengren's statement, I too would like to speak of progress in the sphere of housing. As you know, the ICA is an active participant in the work of the Economic Commission for Europe. Within the framework of the ECE we have a special committee on housing and planning which, this year, has elected a sub-committee to deal solely and exclusively with co-operative housing. There was unanimity for setting up the Sub-Committee, largely as a result of the participation and co-operation of representatives from non-governmental organisations. There is every reason to thank the ECE for the understanding it has shown, but as far as the ICA Housing Committee is concerned, we have to shoulder more responsibility. We must assist this new Sub-Committee and provide it with material which the states and governments are not always capable of doing, and we must take up the necessary contacts with the government representatives.

Within the framework of the ECE there will still be a number of possibilities for co-operation with the ICA and, as with UNESCO, I think we should have two or three more representatives to co-operate with the sub-committees. We need to go all the way in order to make the best use of this opportunity.

**Mr H. E. Campbell, United Kingdom:** In view of what a previous speaker said about the need for co-operation between housing co-operatives in industrialised countries and the developing countries which want to establish co-operative housing societies, I should like the Congress to know what has happened during the last decade in Britain, which was, until quite recently, undeveloped so far as co-operative housing is concerned.

I want to pay tribute personally to my friends in Sweden, particularly Mr Johnsson, to Mr Bo in Denmark, to friends in the co-operative housing movement in Czechoslovakia, in the GDR as well as in the Federal Republic of Germany; and in particular to Mr Wallace Campbell of America. Had it not been for their personal interest, advice and consideration, and their invitations to me to visit their countries, I think the development of co-operative housing in the UK would have been set back a considerable period.

Until this decade there was literally no genuine co-operative housing in Great Britain. It is true that a number of consumer co-operatives had, for a long period, been interested in the question and had, indeed, built houses to rent or to sell to their members, but the houses were not co-operative in any other sense than that they had been built with co-operative capital. As a result of a number of factors, not least the efforts of the consumer co-operative movement and the co-operative party, a Government agency, known as the Housing Corporation, was set up in 1964 with £100 million of Government money. The building societies lent their support with a further £200 million. So the co-operative housing movement was launched, and the first tentative steps have been taken to build up this important new housing sector.

The Housing Corporation, whose Chairman is the Deputy Chairman of the Co-operative Permanent Building Society, can now boast that it has an organisation, the expertise and the technique to build at least 20,000 co-operative homes a year. Because of the present economic difficulties we are limited in the next year or two to 5,000 homes a year, but we have the organisation to begin building 20,000 houses now. It is a remarkable fact that, for the first time in Britain, a government has been persuaded to introduce measures through Parliament for the development of a new form of co-operative activity.

One of the problems that my colleagues in the consumer movement will have to face is that growing up in their midst is a new body of co-operators, most of them not associated with the consumer movement or really aware of what the co-operative idea is about, but who have been persuaded that through co-operation they can find a way of meeting and solving their housing needs. What we have to do in the consumer co-operative movement is to link ourselves with them and, through educational resources teach them the fundamentals of co-operation.

## The Co-operative Insurance Committee

Since the last Congress in Vienna only three years ago, the world has probably seen greater technological developments than in any previous decade. Today we are privileged to live in exciting times where miracles of heart and other transplants are overshadowed by the more spectacular achievements in lunar and other space probes.

But let us not forget that even in these days insurance plays a not insignificant part since, without the protection of insurance, industry and commerce would not have made the rapid and remarkable progress which we have all witnessed, particularly in recent years.

In the management of our respective companies, whether large or small, we must now be ever ready to adapt ourselves to the use of modern developments and techniques which will increase our efficiency and reduce administrative costs for the benefit of our policy holders. In recent years, many of us have installed computers in our offices, with the consequent headaches until we have adapted our systems to this new aid. For those who have not yet reached the computer age, we can assure them that the end amply justifies the means.

**Allnations Inc.** Following the approval by the Conference in Vienna of the establishment of Allnations the Executive passed the necessary consequential Resolutions, and Allnations Inc. is now a corporate body. The Loan Guarantee Fund, created at the Bournemouth Conference in 1963, has been transferred to Allnations and contributions will continue, as before agreed, until the Fund reaches the sum of £20,000 as originally envisaged. The Executive of the Insurance Committee is now also the Board of Directors of Allnations, and the members of the Committee are the shareholders of the Company.

**Retirement of the Chairman.** At the Meeting of the Executive in October, 1967, Mr Robert Dinnage tendered his resignation consequent upon his retirement from the CIS of the United Kingdom. In view of his long service as Chairman of the Insurance Committee, the following Resolution was passed unanimously by the Executive:

“Whereas, Robert Dinnage is retiring as Chairman of the Insurance Committee after twenty years of faithful service; and

Whereas, Robert Dinnage in his capacity as Chairman has so effectively directed the efforts of the Committee in its joint investigation, exchange of information and establishment of international co-operative insurance relations; and

Whereas, Robert Dinnage has so completely served as ambassador of co-operation, presenting at home and abroad the advantages and opportunities of co-operative economic democracy as opposed to State monopoly and capitalistic profit motive; and

Whereas, we shall greatly miss the inspired leadership, wise counsel and firm but always kindly restraint of Chairman Robert Dinnage.

Now be it therefore Resolved, that the members of the Insurance Committee of the International Co-operative Alliance do hereby express their gratitude and deep appreciation to Robert Dinnage and be it therefore Resolved, that this resolution be placed in the Minutes of this meeting and reproduced as a citation for and be presented to the retiring Chairman, Robert Dinnage.”

**Election of new Officers.** Mr Bowman Doss of Nationwide, USA, was elected Chairman and Mr N. A. Kularajah of MCIS, Malaysia, was elected Vice-Chairman.

Mr H. Lemaire having proposed that the duties of Secretary and Treasurer should be separated, Mr H. Seeley of CIS, who had been co-opted on to the Executive following Mr Dinnage's retirement, was elected Secretary, and Mr W. Maurer of Co-op Leben, Switzerland, was elected Treasurer, subject to the consequential amendment of the Rules being submitted to the Conference in 1969, and his appointment being approved retrospectively. A new Rule will be proposed at the Conference at Hamburg.

**Communication of Information.** This matter has occupied the attention of the Executive on a number of occasions in the last three years and in February, 1968, it was decided that a summary of the main points discussed and decisions taken at the Executive meetings should be sent to the members of the Committee to keep them informed of what was being done. Twelve

months later, it was agreed to publish a *Bulletin*, quarterly if sufficient information became available, on matters of interest to members, including general and non-confidential information relating to meetings of the Executive, the International Co-operative Reinsurance Bureau, ICRB, the International Insurance Development Bureau, IDB, and Allnations. As the success of any regular publication is dependent upon the receipt of items for inclusion in it, we appeal to all members to appoint a senior official in their organisation who will be responsible for supplying the Secretary with information for publication. The future of the *Bulletin* will depend on the response of the members.

**Memorandum on the Structure of the ICA.** The Director of the ICA was commissioned in 1967 by the ICA Executive to make a study of the organisation of the ICA including the Auxiliary Committees, of which the Insurance Committee is one. The Memorandum which he produced was carefully studied by the Executive and the ICA was informed that the Insurance Committee would support an examination of the structure of the ICA, its relationship with the Auxiliary Committees and its desire for a better exchange of information with them. It is, nevertheless, considered that the Insurance Committee should maintain its autonomy as the present arrangement has worked well for many years.

**International Co-operative Reinsurance Bureau.** Under the Chairmanship of Mr R. Lemaire, the Bureau has continued its good work and made very satisfactory progress at a time when the reinsurance market has been extremely competitive.

**Insurance Development Bureau.** This Bureau, under Mr K. Back's able Chairmanship, has been extremely active in the last three years and the Conference at Hamburg will be invited to approve the Executive's recommendation that the Bureau be reappointed for a further three years.

**Affiliated Societies.** Since the last Congress, two new members, from Korea and Argentina, have been admitted to membership, whilst one former American member has resigned, so that there are now 57 affiliated members from 25 countries in 5 continents.

**Premium Income.** It is extremely satisfactory to see from the premium income returns submitted each year by the members to the Secretary that all are expanding their business despite the increased competition from the state-owned and capitalistic companies.

Chairman:  
B. Doss (retired April 1969)

Secretary:  
H. Seeley

#### Discussion

**The President:** The report of the Insurance Committee will be introduced by Mr Raymond Lemaire.

**Mr R. Lemaire, Belgium:** The report to Congress shows that in the insurance sector our movement is developing remarkably well. Our Committee, in which are united all the insurance companies affiliated to the ICA, includes 57 societies from 25 countries in 5 continents, and together they insure more than 60 million people and represent an annual premium income of more than £600 million.

The re-insurance bureau, a technical sub-committee, has been able to negotiate 541 re-insurance agreements between co-operative societies representing more than £5 million, which thus remains in the co-operative sector, but had it not been for our re-insurance bureau would have gone to capitalist re-insurance companies.

While our oldest co-operative insurance societies are in Europe and North Africa we rejoice at the remarkable developments in Asia and South America, especially in Argentina. By delegations from the Insurance Committee, by personal visits and by correspondence contact is maintained with these two important parts of the world.

Last week, societies affiliated to our Committee met in conference, when more than 100 delegates from all parts of the world were present. The questions discussed included – International collaboration between co-operative insurance societies, the report on which suggested a series of concrete proposals for a vast international co-operative capable of fighting successfully against capitalist mergers on a continental scale; Studies of investment funds which, combined with life assurance, would permit us to present a more modern form of our products, since it would offer at the same time the traditional protection in the form of life assurance and a means of combating the effects of inflation; Research into the means of combating the dangerous increase of general costs; and The catastrophic effects of pollution, in all its forms, involving the destruction of nature, as an example of which I would cite the recent tragic effects of the pollution of the Rhine.

While the Insurance Committee is concerned with the interests of the consumer, therefore of the insured person, by the continuous study of technical problems which affect him, it is also concerned with more general problems. It is in this spirit that it requests the highest authorities of the ICA, when drafting, and later, publishing its annual declaration to alert public opinion to the problem of pollution, which threatens the whole of humanity.

**Mr R. Vanderbeek, USA:** My comments concern co-operative insurance in Latin America. Insurance co-operatives can be a very important factor in the development of capital resources and in providing needed insurance services. In Latin America, as in other areas of the world, private, commercial and capitalistic insurance companies have been more interested in making progress than in meeting the insurance needs of the people, thus there is a real need for a low cost co-operative insurance programme to meet the needs of Latin American co-operatives, their members and the common man.

In Argentina there have been insurance co-operatives for more than 75 years, in other countries until 1966 there had been only limited development. Since 1966 new insurance co-operatives have been established in Bolivia, Peru, Honduras and Chile, which have grown rapidly, are providing low cost insurance, and are operating by, for and through co-operatives. Even though they are new, they already provide insurance protection for more than 250,000 people. They have also reduced the cost of insurance for thousands of other people, because the private companies have now reduced their rates and premiums in an attempt to meet the competition of the new organisations. These co-operatives did not develop automatically or come into existence because of correspondence or sporadic study trips by experts. It has taken the maximum support and efforts of many organisations and individuals. Support has come from governments, from credit union federations and other co-operative organisations, through the ICA, the OCA and the Co-operative League of the USA. Co-ordinated training and continuous top-level technical assistance and re-insurance have been provided by the North American co-operative insurance companies.

In every country the two factors for the success of a new insurance co-operative have been, and must continue to be, first, the quality of the management staff and, second, the extent to which the co-operative movement in the country has the size, strength and unity to establish successfully and actively support the new organisation. During the next three years insurance co-operatives will be established in other Latin American countries. There has been interest in co-operative insurance in many countries of Asia and Africa, but very little real progress has been made. It is hoped that the Latin American experience will be of value to other countries that are interested in organising insurance co-operatives.

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In view of the time factor and with the consent of their respective officials, **The President** proposed, and Congress agreed, to dispense with the introduction and discussion of the reports of the other Auxiliary Committees and International Member Organisations, which follow.

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## **Committee of Workers' Productive and Artisanal Co-operative Societies**

### **Meetings**

During the past three years, the Committee has met as follows: 29th August, 1966, at Vienna; 13rd September, 1967, at Prague; 1st September, 1968, at Glasgow.

### **New Members**

The Hungarian Federation of Co-operatives which joined the ICA in 1968 has signified its wish to take part in the work of our Committee. The Federation has 1,107 co-operatives, with a total membership of 225,000 shareholders, of the following types: 665 artisanal co-operatives (men); 113 artisanal co-operatives (women); 225 building co-operatives; 74 service co-operatives.

Discussions are now taking place which we hope will result in an agreement to admit the Federation of Labour Co-operatives of Argentina, which has 236 co-operatives with a total membership of 20,000 shareholders. The Co-operatives are to be found in a great many sectors of activity, for example: transportation, electrotechnical industries, engineering, printing, textiles, glassware, education and the professions.

### **Composition of Committee**

Following notification by the Co-operative Productive Federation of the United Kingdom, and the Osterreichischer Genossenschaftsverband of Austria of cessation of membership of the ICA, and taking into account the admission of the Hungarian organisation, our Committee now includes 22 national organisations from the following countries: Ceylon, Denmark, France (3), Hungary, India, Israel, Italy (3), Malaysia, Mexico, Nigeria (2), Netherlands, Pakistan, Poland, Sweden, Switzerland, Czechoslovakia and Yugoslavia.

### **Statistics**

The statistical researches undertaken by the Secretariat on the basis of the decision taken in 1962 at Scheveningen, are still actively pursued.

As soon as the large-scale statistical survey on the Co-operative Movement undertaken by the ILO has been completed, and figures and other data can be checked the 1966 results will be brought up to date and the final report of the Secretariat will be issued.

### **Monographs**

The monograph on co-operatives in the service sector will be published similarly to those previously undertaken, very probably during 1969. The synthesis of the various monographs has not yet been completed since we have not been able to hold the necessary meeting with representatives of the ILO, but we hope to publish this document during 1969.

### **Comparative law studies**

Mr Antoni, the President, has completed the studies on comparative law and presented the results at the Prague meeting in 1967.

This work was in two parts. The first sets down a certain grouping of ideas which, together with the general principles of co-operation, must be present at the inception of any workers' productive co-operative society and, where necessary, at any transformation of existing movements into such societies.

The second part contains a comparative table showing actual laws in force in seven countries, Italy, France, Britain, Denmark, Mexico, Poland and Czechoslovakia; the table was compiled from documents submitted to the Secretariat, and would normally be completed by data from still more countries, India and Israel, in particular.

The basic principles and the table taken together make up the practical basis of a work which merits further and deeper study.

#### **Seminars for leaders of industrial co-operatives**

It will be recalled that, in 1966, the first international seminar for leaders of workers' productive and artisanal co-operative societies was held at Chamarande. This was held in the form of an open meeting with the widest range of discussions possible and was governed in a similar way by the programme of the international schools of the ICA which, at the request of our President, participated in the organisation of the seminar.

This first seminar was organised by the French Confederation which paid all the costs involved, and one of its members, La Construction Moderne Française, acted as hosts. The seminar was run by Mr W. P. Watkins, former Director of the ICA, and co-operators participated from France, Britain, Netherlands, Israel, Italy, Poland and Czechoslovakia. The theme of the seminar was workers' productive societies and the basic principles of co-operation.

The second international seminar of the same type was scheduled for the last two weeks of May 1968 in Czechoslovakia, at Tatranska Lomnica, in accordance with the decisions taken at Prague in September, 1967, on the subject of Position and role of Workers' productive co-operatives and artisanal co-operatives in an advanced industrial society. For a variety of reasons the seminar was put off until November 1968, and once more delayed until spring 1969. The programme lists three main reports which will be prepared and presented by the Czech organisation, and two supplementary reports for each of the three main reports. The supplementary reports will be presented by delegates of other organisations taking part in the seminar.

#### **Seminars for technicians of building co-operatives**

We have also arranged for technical information courses. For the moment, one only has been organised, on the theme of: Bearing structures in reinforced concrete and steel, comparison of both systems from technical, functional and economic points of view, principal characteristics of both types of structures especially from the point of view of volume, weight and size in relation to area and volume available. This seminar will be held at Genoa, Italy, in March 1969.

There are plans for a second international seminar of a technical nature with the theme: Mediterranean architecture, New techniques and new materials, which will take place in spring 1969. The President and Secretary both hope that these initiatives so vital to our era will enjoy the success they deserve and serve as a basis for others to become interested in new categories of industrial co-operatives.

#### **Interchange of techniques and of experience**

The Secretariat has missed no opportunity to recommend, and to facilitate in so far as it could, exchanges of visits by technicians and of ideas and experience between the committee's member organisations. This has only proved possible in a limited number of cases and with great difficulties. It may well be that developments in the technical and economic climates will force us to adopt this quick and practical type of liaison between undertakings which belong to the same movement and have the same objectives, but it will be necessary to discern new economic objectives more clearly than has been the case until now.

#### **Visits to various technical establishments**

In pursuance of the principles enunciated above, the Committee, at its meeting on 1st September, 1968, in Glasgow, decided to arrange for a series of visits by technicians of the building industry and other sectors, to show them a number of achievements by workers' productive societies in various countries and of special interest to them.

Travel costs involved would be paid by the participants, but the costs of the stay during the visit would be met by the inviting organisation, which would also arrange for interpreters in the languages required for the convenience of the visitors.

The Committee thought it would be useful to ask the help of the Housing Committee to ensure that reports on the experiences of various organisations and comparisons between them should be more complete and productive.

### **UN Committee for Housing, Building and Planning**

The Committee for Housing, Building and Planning of the UN Economic Commission for Europe organised its second seminar for building industries from 24th April to 4th May, 1967, in France. The seminar was devoted to discussions on future building plans and the possibilities offered by pre-fabricated materials.

At the request of the ICA, one of its two representatives was appointed by our Committee. This was Professor Frederic Gorio of the University of Rome, Director of the Italian Organisation's Centre for Building Studies.

### **Relations with the ICA Housing Committee**

On 27th April, 1967, there was a meeting at the headquarters of the French organisation in Paris in which the President and Secretary of our Committee and President and Secretary of the Housing Committee took part. Various points of common interest were examined, the meeting took place in a spirit of complete cordiality and terminated in a satisfactory manner. As a result the Secretaries of the two Committees on 11th July, 1967, at Rome, signed a joint declaration which defined the forms and methods of future collaboration between the Committees and stimulated renewal of the relations which had led to such useful meetings and exchanges of viewpoints.

The common working programme drawn up by the two Secretariats dealt with joint studies of technical and administrative problems through seminars and other types of meetings; business agreements dealing with purchase of materials or use of patents; exchanges of technical information which might be useful to the committees' member organisations; co-ordination as regards participation in the work of the UN Housing Committee and other international organisations, in agreement with the ICA, and co-ordination of assistance schemes to developing countries.

The joint declaration was approved by our Committee at its meeting in September, 1967 at Prague, and by the Housing Committee in October, 1967 in Israel.

At the meeting of the Housing Committee on 20th and 21st November, 1968, at Rome, our Secretary gave a brief survey of the structure and activities of the Committee for Workers' Productive and Artisanal Co-operative Societies, as well as the forms and methods of any future collaboration between the two Committees.

### **Workers' Productive Societies and developing nations**

It was the expressed desire of the Committee at its meeting in 1960 to do everything possible to help new co-operative movements then being formed in the developing countries, and this has been followed up by its leading-members. The possibility of acting in more practical ways was offered during 1968 and we believe that this action will have concrete results.

### **Publications**

During the past three years, the Committee has published a report on the first international seminar for leaders of workers' productive and artisanal societies in both English and French. This is a comprehensive document, covering all the basic papers discussed, as well as the conclusions drawn in the discussion groups, day by day, plus the closing speech of the Director of the seminar.

Another interesting publication deals with the study of comparative law drawn up by the President, Mr Antoni, entitled: Regulations governing workers' productive societies in certain countries. At the moment this is only available in French, but plans are in hand for an English translation.

Both these publications were produced solely by the French Confederation of Workers' Productive Societies.

We have not yet been able to embark on our project for an *Information Bulletin*. The ICA had suggested that news items which would have been printed in our publication should appear in its *News Service* of the ICA, but the lack of response on the part of member organisations has not been sufficient to make the effort worth while.

#### **Participation of Workers' Co-operatives in Consumer co-operative undertakings**

At our meeting at Prague, September, 1967, we passed a resolution presented by the Dutch organisation, on the possibilities of participation by workers' co-operatives in the productive undertakings of the consumer co-operative movement. In accordance with the decisions taken, the Secretariat drew up a questionnaire which was sent to all member organisations requesting their answers on the views and actual facts prevailing in the various countries. We did not have sufficient data to reach a conclusion at our meeting in September 1968, but we hope to do so at the Hamburg meeting.

#### **Structure of ICA and the role of Auxiliary Committees**

Subsequent to the memorandum sent out in June, 1968 by the ICA to all member organisations, our President has deemed it useful to pursue enquiries with member-organisations as to their ideas on the role and position of the auxiliary committees.

As the meeting at Glasgow did not fully exhaust this subject the Committee decided that it should be considered further at the Hamburg meeting, and asked the Secretariat to ensure that a survey, as complete as possible, be available setting out the member organisations' points of view.

In connection with this question, the Committee has also examined the possibility of making certain amendments to its own Statutes and has asked the President to prepare a draft.

#### **Research on development of industrial co-operation**

The ILO and the new United Nations Industrial Development Organisation (UNIDO) are particularly interested in the problems arising in our branch of co-operation and the ICA has been entrusted with research on the role of co-operatives in the industrialisation of developing countries. The study is being undertaken with assistance from our Committee.

#### **Co-operative solidarity**

Following the severe floods in Italy in November, 1966, the majority of member organisations sent funds to the ICA to help Italian co-operatives. The French General Confederation of Workers' Productive Societies sent approximately half the funds collected direct to our Secretariat in Italy, leaving it to allocate the moneys to those co-operatives most affected.

#### **Conclusions**

Not all the problems concerning Workers' Productive Societies have been dealt with, but the present state of world economy is creating new problems for our movement. This is true not only in the developing countries, but also, and perhaps most crucially, in the industrially advanced countries where new ideas, new systems and new difficulties impose new mentalities and the adoption of new methods, to which, it must be stressed, the co-operative movement is adapting itself with praiseworthy flexibility.

It is obvious that there is strength in unity and our Committee having on several occasions analysed current problems in depth, stresses that closer collaboration in both social and technical matters will provide us with the weapons with which to come to grips with, and resolve, all the problems of tomorrow.

Chairman:  
A. Antoni

Secretary:  
E. Mondini

## Committee on Retail Distribution (CRD)

### Member Organisations

Konsumverband (Austria), Central Co-operative 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), Bund deutscher Konsumgenossenschaften (Federal Republic of Germany), The Co-operative Union, Ltd. (United Kingdom), CO-OP Nederland (Holland), Samband islenzkra samvinnufélag (Iceland), Co-operative Union (Israel), Lega Nazionale delle Cooperative e Mutue (Italy), Norges Kooperative Landsforening (Norway), Central Agricultural Union of "Peasant Self-Aid" Co-operatives (Poland), Kooperativa Förbundet (Sweden), Co-op Schweiz (Switzerland). Israel, Italy and Poland have been members since 1966; Iceland since 1968.

Meetings of the full Committee were held in Vienna on 2nd September, 1966, in Prague on 13th September, 1967, and in Glasgow on 4th September, 1968.

### Management Sub-Committee

The following changes have taken place during the period under review: Mr R. Gjers (Sweden) was replaced by Mr E. O. Hultman; Mr E. Horlacher (Switzerland) by Mr O. Schmutz; Mr R. Schoneweg (Federal Republic of Germany) by Mr H. Anders.

The Management Sub-Committee now consists of the following members: Mr K. Nielsen, Denmark (Chairman); Mr C. C. Hilditch, United Kingdom (Vice-Chairman); Mr Ch. Veverka, France; Mr J. F. van Netten, Holland; Mr H. Anders, Federal Republic of Germany; Mr E. O. Hultman, Sweden; Mr O. Schmutz, Switzerland.

The Sub-Committee met in Vienna, 2nd September, 1966; in Berne, 7th May, 1967; in Prague, 13th September, 1967; in The Hague, 13th May, 1968, and in Glasgow, 4th September, 1968.

### The Secretariat

The Secretariat is headed by Dr G. Lindblad and is located in Stockholm (address: Kungsgatan 56/H, S-111 22 Stockholm, Sweden).

### News Service

The news service continued to deal with items and surveys of current interest and was circulated about once a month. A total of 50 CRD-Documents have appeared.

### Group Activities

The Working Party on Food, consisting of 11 members, held 5 meetings during the period under review. Topics dealt with were: Time studies in food shops, pre-packaging of meat, price- and date-marking, co-op food shops in rural areas, shop planning, shop structure, order policy, night stocking, discount stores, etc.

The Working Party and Erfa (Erfahrungsaustausch) Group on Non-Food, consisting of 12 to 14 members held 5 meetings which dealt with: Shopping centres, stock assortment, time-studies in department stores, location of a department store (town planning and economic research in connection with the establishment of a dept. store), discounting in Western Europe, staff recruitment and training, five-day week, assortment policy, the CO-OP Non-Food Centre at Wangen (Switzerland), pre-selling of non-foods, cost problems, sales campaigns, store cleaning.

### Interco-op

Under this title two large international conferences were arranged, one in Berne from 8th to 11th May, 1967, which dealt with non-food questions, the other in The Hague from 12th to 17th May, 1968, which dealt with food retailing. Over 100 participants attended each conference, 13 countries were represented at the 1967 conference and 16 countries at the 1968 conference.

**Joint Meeting with CWC: "Meat goes self-service"**

CWC and CRD arranged a joint meeting on meat in self-service which was held in Copenhagen from 23rd to 25th April, 1968, and was attended by 46 participants.

**Future Activity – Merger of CRD and CWC**

Owing to the general trend towards an integration of wholesaling and retailing and also to the fact that CWC and CRD mainly have the same members, a merger of the two committees was proposed at the members' meeting in Glasgow, 4th September, 1968, and was unanimously approved. A Committee consisting of 4 members, Mr Nielsen and Mr Hilditch from CRD and Mr Flüge and Mr Groes from CWC, was appointed to study the questions involved in a merger.

The activity of the Secretariat and the Working Parties will be carried on in accordance with the guiding principles laid down in the rules of the CRD.

The Interco-op 69 Conference was held in Stockholm in association with KF. The main topic being integration of wholesaling and retailing, with the DOMUS chain as a case study.

Chairman:  
K. Nielsen

Secretary:  
Dr G. Lindblad

## Co-operative Wholesale Committee

In the period under review, the work of the CWC proceeded in accordance with the working programme which was adopted by the members' meeting in Belgrade in October, 1964, and supplemented by the Helsinki resolution of September, 1965, which fixed in greater detail the guide-lines for the commercial collaboration between CWC members.

By the Helsinki resolution it was decided that all buying agencies abroad belonging to individual members or groups of members should be utilised in common by all members. The resolution also stipulated that a closer collaboration regarding the supply of goods for the members should be established, in the first place for the following commodity groups: coffee, tea, canned fruit and vegetables, canned fish and non-food goods. For the implementation of this decision expert groups were established for the commodities in question.

Regarding the Non-Food Sector, a special organisation was established, headed by a Non-Food Committee comprising the top managers of the non-food departments and consisting of a number of expert groups for the commodities which were to be the subject of collaboration. Some of these were decided already by the Helsinki resolution, and it was left to the Non-Food Committee to suggest further ranges for joint action.

During the period under review, commercial collaboration has developed satisfactorily along these lines. At an early stage it appeared that within the **Food Sector** no advantages of any significance could be achieved by the pooling of orders and consequently efforts were concentrated upon the joint utilisation of the buying offices dealing with commodities specified in the Helsinki resolution.

Regarding Coffee, the non-Scandinavian members channelled to a large extent their purchases of Brazilian coffee through the NAF-office in Santos. In 1968, additional purchases amounted to US\$ 1 million.

The expert group for Tea unanimously chose the Co-operative Tea Society, London (formerly The English and Scottish Joint CWS), as their main supplier for blended teas and, to a certain extent, also for original teas. They also decided to introduce on the European market a common tea package with a typical English tea, produced by the CTS and carrying the circle symbol and the brand-name "Tea Circle 99" or "Tea 99" (where the use of the word "Circle" is not allowed).

Regarding Canned Fruit, the purchases from the main supplying regions, California and Australia, were channelled through the co-operative buying depots in these regions, respectively, the NAF-office in San Francisco and the CWS buying agency in Sydney. Dried fruit and some other commodities were also channelled through the NAF-office in California. Additional purchases by the non-British and non-Scandinavian organisations through the co-operative agencies in California and Australia in 1968 amounted to about US\$ 1.5 million. The expert group recommended the introduction of a common co-operative brand for canned fruit imported from the two regions in question and chose the name Rainbow. Also a common label under this brand was procured, and its application was started in some countries in 1968.

In the Canned Fish field the channelling of purchases via co-operative agencies proved to be impracticable, and therefore the endeavours of the expert group in question concentrated upon the mutual exchange of canned fish from factories belonging to some of the members. A valuable mutual trade has now developed in this field.

In the **Non-Food Sector** it was quite clear from the very beginning that joint buying operations would be the most important task. All the expert groups, comprising now the ranges camping/sport articles, ladies' and children's wear, men's and boys' wear, toys, garden implements and tools, clocks and optics, and linen goods, worked very intensively to map out the common interests, fix the assortment for joint buying and undertake the common purchases in the most effective way. In 1968 the volume of joint purchases amounted to US\$ 16.8 million, an increase of 89 per cent compared with 1967 and about three times the figure for 1966. The largest figures were obtained within the groups for camping and sport articles and for textiles. The groups established in 1968, garden implements and tools, clocks and optics, linen goods, showed rather modest initial figures, but the prospect is very promising in these fields too.

According to the Belgrade programme, the CWC should also foster, further and develop the exchange of experiences and information among the member organisations on structural, organisational, commercial and other relevant matters. The activities in question are performed partly through the above mentioned expert groups for commercial collaboration, partly through other working groups and parties and lastly, but not least, through conferences on special subjects, by newsletters and special information material which is submitted by the Secretariat.

Permanent working parties for exchange of experiences are established for some industrial lines such as flour mills, chocolate factories and soap and detergent factories, and all of these parties met several times during the three-year-period.

Furthermore, the Committee arranged the fourth International Co-operative Conference on Regional Warehousing (1967) and the first International Co-operative top Management Conference on Problems of Investment Planning and Financing Methods.

Finally, the first International Conference on Wholesale and Retail Distribution of Meat and Meat Products in the Era of Self-Service ("Meat Goes Self-Service") took place in 1968; this Conference was arranged jointly by the CWC and the ICA Committee on Retail Distribution (CRD).

#### **Members**

In the period under review, the membership was enlarged by the admission of two co-operative wholesale organisations, i.e. Coop-Italia and Bien-Etre, Belgium: the number of members now totals 18.

Copenhagen remains the headquarters of the Committee.

Chairman:  
E. Groes

Secretary:  
N. Hoff



## **International Co-operative Banking Company Ltd., Basle (INGEBA)**

At the time of the ICA Congress in Vienna, INGEBA was still in a state of development; but the figures published at the end of 1966 pointed to good future prospects. With a capital of 10 million Swiss francs, total assets amounted to about 1.5 million Swiss francs. In 1967, there was another allocation to reserves and a dividend of 5 per cent.

At the end of 1967, INGEBA was able to report that its establishment had been completed. Total assets then amounted to 276.1 million Swiss francs and there was a net surplus of 1.5 million. In 1967, there was another allocation to reserves and a dividend of 5 per cent.

The following special events of 1967 are worth mentioning: in January, the Swiss Banking Commission awarded INGEBA the status of a Bank; in April capital was increased to 10 million Swiss francs; in September the Secretariat of the ICA Banking Committee was established at INGEBA; the number of shareholders increased to 32 co-operative organisations and banks in 16 countries.

During 1968, new shareholders were admitted, among them the International Co-operative Alliance, which can be regarded as a symbol of the good relationship between the ICA and INGEBA.

Results of the year were again very satisfactory. Total assets increased to 367.9 million, and net surplus exceeded 2.1 million Swiss francs. Free reserves were increased to 2 million and dividend was raised by 1 per cent to 6 per cent. The relationship between credits and deposits show that INGEBA is transacting business with its own funds to an increasing extent. At the end of 1966, shareholders accounted for 15.45 per cent of credits and 86.45 per cent of deposits, at the end of 1968, the respective figures were 18.32 per cent and 64.38 per cent, and other economic sectors participated in the credits granted to the amount of 77.56 per cent. At the end of 1966, the figure was 75.86 per cent. The increase in total assets in 1968 will necessitate a further increase in capital by 10 million Swiss francs, and a decision must be taken at the General Meeting in Tel-Aviv on 24th March, 1969.

The number of shareholders will increase considerably yet again, as a number of well-known firms have made known their interest in participating in INGEBA's activities. The admission of new shareholders will not just look good, but will make it possible for the Bank to expand its activities and make new business contacts.

In 1969, a number of initiatives already taken will have their effect so that a further favourable development can be expected in spite of existing economic difficulties and monetary unrest.

INGEBA is trying to create the proper conditions for the establishment of a Central Institution which is greatly needed, as the necessary collaboration of all co-operative organisations and Banks at the international level and with supra-national organisations can be achieved only through joint efforts.

President:  
C. Wiederkehr  
Vice-Chairman:  
W. Hesselbach

H.-U. Mathias  
W. Bleile  
Board of Directors

## International Co-operative Petroleum Association

Since the last ICA Congress the ICPA has continued to grow in volume, in membership and in services rendered. The volume for the fiscal year 1967 was \$7,961,000 which was a record for any fiscal year. Also since that time, the subscribed capital stock of the Association has been increased from \$766,600 to \$1,385,000, and the balance sheet figure of assets and liabilities from \$3,340,000 to \$3,532,000. The fixed assets of the blending plant in Holland have now been increased to \$1,119,000. Volume was somewhat reduced during the fiscal year 1968, because of international political difficulties which were reflected in disruption of normal shipping and trade, but 1969 is showing a substantial increase over the prior year.

OK, Denmark, Pakistan Co-operative Petroleum Association, and SCUPA s.a. of Belgium have all come into membership since the last Congress. In addition, ICPA has grown in a number of areas in the variety and type of service it renders, such as the lubricating oil blending plant which is presently being built in Ceylon for its member Ceylon Petroleum Corporation. This plant, when completed, will have a throughput of approximately 20,000 tons per year, and it is estimated that the savings resulting from this plant will enable the CPC to pay for its entire cost in a two-year period. Work is also progressing in other areas for similar projects and it is anticipated that in the future ICPA will be giving more and more of this type of service activity to its membership.

At the end of the ICA Congress in Vienna, Howard A. Cowden of the United States, who was one of the founders of the ICPA, retired as President and Arne Carlsson of Sweden was elected as the new President. Since that time he has been annually re-elected, and Ralph Booker of the United States has been elected Vice-President. Other Directors include: K. Alvapillai, Ceylon, Herman Kramer, Holland, René G. Orsini, France, André Vuilleumier, Switzerland.

ICPA's own oil blending plant at Dordrecht, Holland, has continued to grow, and substantial additions have been made to it to provide for the increase in throughput, and additional facilities for a wider range of products. Negotiations are now under way for "custom packaging" for other companies, and it is expected that this type of business can be expanded. This will give greater volume to the plant, and result in increased economic advantages to the members.

Work is also continuing between ICPA and some of its members in crude oil, in order to provide a broader basis for the various petroleum activities carried out by the co-operative members. Many members are also individually engaged in crude oil work, including those in Sweden, Egypt, and a number in the United States.

The organisation is continuing to work in developing countries towards more co-operative distribution of petroleum in these areas. It is also continuing to emphasise training of personnel of members from different countries, through technical and co-operative information supplied to the membership, through seminars and group conferences, and through training of individual employees at the installations of different members.

Emphasis has also been placed on the use, wherever possible, of a common trade-mark or emblem. More and more ICPA members are adopting the trade-mark OK, which originated in Sweden, as their symbol of identification.

Many co-operatives which are affiliated with ICPA have expanded their services in the areas they serve during the past three years. This has been accomplished by merging some of their operations into more efficient producing and distributing units, by expanding their services through additional outlets, and through additional products that can be supplied to their local societies.

Since the Vienna meeting, the ICPA has commemorated its twenty-first anniversary, and continues as the only international co-operative trading body. Last year, it was admitted as an individual member of the ICA. Throughout its twenty-one years of co-operative and business activity, it has striven to promote co-operation among co-operatives, and this continues to be its goal. Primarily, of course, this joint co-operation is directed towards the supply of petroleum products, and the development of petroleum production and distribution among co-operatives. Through the medium of the ICPA, however, many other projects and activities can be developed and will be developed in the years ahead.

President:  
A. Carlsson

Secretary:  
W. McCann

## Amendments to the Rules of the ICA and Standing Orders Governing the Procedure of Congress

Proposed changes are in italics

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### Amendments to the Rules of the ICA and Standing Orders Governing the Procedure of Congress

**Proposed by:** Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Poland.

THE 24TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE

TAKES into consideration the universal and democratic nature of the International Co-operative Alliance;

HAS in mind the need to sanction the full representation of all associated organisations in the Rules of the ICA;

INTRODUCES the following amendments to the Rules of the ICA:

**Article 2. Constituent Members:** After the words "which have as their aim the promotion of co-operation", the following words are added: "*irrespective of political economic and social systems of the countries in which they develop their activities*".

**Article 32. Executive:** In paragraph 1, after the words "members elected by the Central Committee from amongst its members immediately after each Congress", the following words are added: "*on the basis of equal representation of member organisations, acting in different socio-economic systems and in various geographical regions*".

**Article 33. Duties of the Executive:** (d) will read as follows: "*To be responsible for the appointment of the ICA staff, taking into consideration the representation of the co-operative organisations acting in different socio-economic systems and in various geographical regions, as well as for the removal and the remuneration of the ICA staff*".

**Proposed by:** Ustredni Rada Druzstev, Czechoslovakia.

**Article 32. Executive:** 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.

*"In the election of the Executive, members shall be assured an adequate representation of organisations from various groups of countries in the world with regard to the membership and importance of the respective co-operative movements. The principles of the election safeguarding the realisation of this provision shall be determined by the Central Committee."*

The Organisations of one country, or union of countries, shall not have more than two representatives on the Executive, excluding the President of the ICA.

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. Such appointments shall be notified to the Director.

#### Discussion

**Mrs Z. Staros, Poland:** On behalf of the Central Agricultural Union I should like to present the following comments on our proposed amendments which we think touch only the most important and urgent problems.

The first of them concerns the role of the ICA in the world, its universal character. We have often emphasised and stated with great satisfaction that the ICA is the only non-governmental organisation in which representatives of countries with different political and economic systems come together. Moreover, the rules have enshrined in them the principles of political and religious independence. This universal character of our organisation must imply of necessity that membership of the Alliance is open to all co-operative organisations which wish to become members and in their own activities are inspired by co-operative ideas. The ICA must determine the composition of its constituent organs and its staff in such a manner that there is a proper representation of all its affiliated organisations. The Executive and the Secretariat must include representation of all geographical regions and of the most important political and economic systems, in so far as this is possible.

The amendments proposed are intended as a constructive suggestion for solving these problems. In our opinion if they were inserted in the rules, they would have an impact on the future development of the ICA.

**Mr A. Rossini, Italy:** I shall not support the amendments proposed to Article 32 by the Polish organisation since it is obvious that they are motivated by political reasons.

I desire, however, to draw the attention of Congress to the fact that the new Executive Committee includes only three non-European members. We, the Italian delegates, proposed to the Vienna Congress an increase in the number of members of the Executive, hoping that the non-European countries would have a larger number of representatives. Our proposition was approved, but our hopes have not been realised. I am confident, however, that by the next Congress this question will be considered.

**Mr G. J. Nijhof, Netherlands:** I wish to make a statement on behalf of the Dutch delegation. We do not clearly understand why our Polish friends have made their suggestions concerning Article 2 and Article 32. We all know that we are living under different political, economic and social systems, and we do not want to criticise them, we are aware that they exist and that we have to live with them together in this world. Therefore, we feel that we should not change Article 2, because it clearly states that the ICA comprises "associations of persons or organisations which have as their aim the promotion of co-operation". That is a simple but clear statement, and we can work with it in a practical way. If we want to weaken this and raise a lot of questions and discussion we should accept this amendment. Our delegation does not want to weaken it and is, therefore, opposed to the amendment.

As to Article 32, our opinion is that the Central Committee must be free to elect from among its members those whom it is felt are most suited for the work of serving on the Executive. They should obviously be of outstanding qualifications.

If I may deal also with the Czechoslovakia amendment to Article 32 we feel that this amendment, if adopted, would give rise to a lot of discussion in the Central Committee. The amendment reads "In the election of the Executive members shall be assured an adequate representation of organisations from various groups of countries . . ." What is an adequate representation? We are against the amendment.

**Mr F. F. Rondeau, USA:** The Co-operative League of the USA will not support the Polish amendments. We feel that the amendment to Article 32 contains two conflicting concepts, one which we would oppose, one which we would be inclined to support. I refer specifically to representation on the Executive from different socio-economic systems. This we are opposed to because we feel it would promote division within the ICA, rather than the unity that we are all striving to achieve. We believe that the ICA brings together for common purposes and common objectives different kinds of organisations which share the basic idea and principles of co-operation, and that we should not introduce into our rules any elements that would tend to divide the organisation rather than promote unity.

That part of the amendment which refers to representation from various geographical regions, however, we would favour, as we did in Vienna three years ago, because we feel there should be a more complete geographical representation on the Executive. This is an expression of our opinion and we hope the time will come when there is representation from other regions. We know this needs to be based on national organisations of substance playing an active role in the ICA and, of course, on qualifications and competence of the individuals.

Regarding Article 32, we feel the concept of difference socio-economic systems would have the effect of promoting division rather than unity and the Co-operative League delegation will have to vote against the proposal.

Just a comment on the Czechoslovak amendment to Article 32. We shall not support this because we feel, as the previous speaker indicated, that it is rather vague and, we think, quite unnecessary.

**Mr R. Holec**, Czechoslovakia: The representatives of the Polish co-operative movement have put forward an amendment to Article 32 of the Statutes which is in the same sense as that put forward by the Central Council of Czech Co-operatives and has the same objectives.

In view of the fact that the Polish proposal is wider in scope than ours, we shall withdraw our own proposal and shall support the Polish proposal.

**The President:** I thank the Czechoslovak delegates for withdrawing their amendment. This will simplify our procedure.

✓ **Mr R. Ahmed**, Pakistan: Having seen the amendments to Article 32 proposed by the Polish and Czech delegations I thought the Polish amendment was likely to create misunderstandings in the sense that representation was to be given to different socio-economic systems. The socio-economic systems prevalent in the world today cannot be very well defined or placed in watertight compartments. There are different shades of socio-economic systems and, therefore, it is very difficult to define the various systems and then to allocate seats to them.

I would have preferred the Czech amendment and I had asked to speak because I wanted to support it. Now that the Czech amendment has been withdrawn I am out of court!

**Mr V. N. Puri**, India: I have been authorised by the Indian delegation to speak on the amendments to Article 32. We are broadly in agreement with the Polish amendment although we have a certain thinking in our movement that it might go a little too far. As the representative of Pakistan said, it may be difficult to define definite specified areas where one socio-economic system ends and another starts. But certainly we think more representation should be given to the lesser developed countries so far as the co-operative movement is concerned.

Reference was made by the Italian delegate that even in the reconstituted Executive today there are only three members out of sixteen coming from the non-European world. This leads to various inequalities; the problems that exist in other spheres of activity than the consumer movement do not find a proper place in the deliberations of the ICA. We feel handicapped on that plane. The ICA has a Regional Office in South-East Asia, which is doing very useful work, and it has a recently opened office in Africa, and some useful work is also being done in South America. But certainly in the affairs of ICA's general body, the Congress, we find most of the reports deal only with the consumer movement as it pertains to Europe.

On the other amendments I think some misunderstandings might arise but, broadly speaking, we support the Polish amendment to Article 32, and leave to the good sense of Congress and the Executive of the ICA to move towards the direction of attaining equality of representation in the various bodies of the ICA.

**Mr P. Sjøiland**, Norway: I have asked for the floor to say a few words on the proposed alteration of Article 32. The amendment which we have before us would, if accepted, alter the position of the Executive as one of the bodies of the ICA. As you all know, it is the Central Committee which is the representative body, and in this Committee every organisation has its representatives. But when we come to the Executive that is an administrative body of the ICA. As you all know, it is the Central Committee which elects the Executive and the Central Committee must select those persons whom it thinks could best work on the Executive. That is the reason why we cannot lay down in the rules of the ICA, as a principle, that the Executive should be composed according to nations, regions and so on.

Another thing is that, in practical life, we must take into consideration that people come from different countries and different regions, and you will have seen that this has been taken into consideration by the election of the new Executive.

I should like to appeal to our Polish friends to withdraw their amendments.

**Mr I. Krumin, USSR:** The Soviet delegation supports the amendment to Article 32 submitted by the Central Agricultural Union of Poland, because it reflects the very changes which have occurred in the ICA in the last ten years, and also the existing situation. Is not the Alliance a union of co-operative movements acting in different socio-economic systems? The amendment to Article 32 is appropriate and the time has come to implement such an amendment. The Soviet co-operators share the view of the Polish co-operative organisations that the Executive will be a much more effective body if its members are representatives from different socio-economic systems and geographical regions, they will then be fully acquainted with the problems obtaining in these systems and in these regions. They will be able to solve the problems with a better insight into the situation, and the Executive will enjoy considerable respect and understanding.

We have already said that, in the ICA Secretariat, a number of officials from different socio-economic systems would afford the possibility of drafting documents which would satisfy all national organisations and this would then relieve the Executive, the Central Committee and the Congress from lengthy discussions when it comes to different points of view. There would be better understanding and we, therefore, support this amendment.

The practice of the ICA activities in recent years has been satisfactory, because we have had several rapporteurs to deal with one subject and putting forward different points of view. This means that the ICA understands the importance of appreciating different socio-economic systems. All we are proposing then is to embody this attitude and point of view in Article 32. This is why we support the amendment.

**Mr R. Southern:** I am speaking on behalf of the Central Committee and I am to ask Congress to reject the three proposals brought forward by the Peasant Self-Aid Co-operatives of Poland. I will state briefly the considerations which are in the mind of the Central Committee.

Article 2 describes the nature of the International Co-operative Alliance as a world federation of organisations which have for their aim the promotion of co-operation. That is a clear and simple statement which needs no qualification whatever. It is desirable that, in judging the character of any organisation, whether in the membership of the Alliance or not, we must bring all considerations into account. The Polish proposal would exclude political, economic and social considerations.

I know that there is a history behind this matter, but this is in the past. Let us look for a moment at the present. We shall, later today, be considering an emergency resolution on Greece. I would remind you that the Co-operative Federation of Greece is a member of the ICA. It is not at the moment represented on the Central Committee; it is not represented in this Congress. But should this organisation attempt to exercise its membership rights then immediately we would have to consider whether or not its aim was the promotion of co-operation and, in giving this consideration we would undoubtedly have to take into account the nature of the régime in Greece and the consequences for the co-operative movement of the actions of that régime. For that reason alone I would submit that this is a very unfortunate time indeed to be bringing forward this proposal to amend Article 2.

Regarding Article 32, which deals with the election of the Executive by the Central Committee, you are asked to adopt a formula which is vague in the extreme. It is impossible to understand how such a two-directional formula could be set out in detail and applied. But the important consideration is that the Executive is not a body representative of our member organisations. Its function and nature are executive and it can be left to the good sense of the Central Committee to elect an executive having regard to the suitability of the candidates, the degree of competence there is in the quality of their leadership, and also their availability for attending meetings. The proposal to amend Article 32 must surely be totally unacceptable.

You are also asked here to adopt a principle that members of the staff of the ICA should be representative of co-operative organisations acting in different socio-economic

systems and in various geographical regions. Let me remind you that the present Director is an Indian; our Administrative Secretary is British; our Education Secretary is Czech; the Agricultural Secretary is Yugoslav; our Women's Officer is British; our Research Officer is American; the Director of our South-East Asian Regional Office is Ceylonese; the Librarian is Swedish; our Publications Editor is British and the Director of our African office is Swedish. Amongst the supporting staff of the Alliance we have French, Austrian, Egyptian and Argentinian people. Clearly it is not in that content of the staff that there is any particular bias for or against particular nations. Surely in the appointment of staff of this or any other organisation the only criteria which should be applied is that the person concerned is suitably qualified for the job to be done? It is only on the basis of this primary consideration that we can hope to secure efficient administration, an administration that has only one loyalty, that is, to the direction of the ICA, to the Executive, to the Central Committee and to Congress. We cannot have a situation in which members of the staff have a loyalty to external organisations.

For these reasons the Central Committee recommend Congress to reject all these amendments standing in the name of the Polish Peasant Self-Aid Organisation.

**Mr T. Janczyk, Poland:** In connection with our amendment to Article 32 of the Rules and the discussion we have had, I would say a few words to wind up the debate.

First of all, it seems to me that all speakers, even those who spoke against our amendment, were convinced that the intention of our organisation was quite right and justified. It is true that the ICA is an international organisation which should represent all the co-operative organisations of the world, irrespective of the socio-economic system. But, of course, representatives are from countries which endorse the principles of the Constitution of the Alliance.

The second point is the reason for proposing the amendment. Let us remember the very recent past when the organisations in some countries were discriminated against. Our Polish organisation for many years could not join and was not acceptable to the ICA for well-known reasons. The same applies to the Hungarian co-operative movement. It is quite true that now we have broken fresh ground and are opening up new vistas, and now have members from socialist countries which were not members before in the Alliance. As Mr Southern stated, we now have in the Secretariat officials from different countries; other speakers also brought out this point. But I cannot agree when some speakers say that it is not known what the socio-economic system is and what various geographical regions are and mean. If we recall the discussion about co-operative democracy, in Mr Korp's statement and that of Mr Thedin, it was made strikingly clear that it is quite well known and understood what is meant by different socio-economic systems and various geographical regions.

Considering that perhaps our amendment to modify Article 32 could bring about some difficulties in elections for the committees, and also considering the unanimity which so far has existed here, the Polish delegation is prepared to withdraw its proposed amendments to the Rules. But we would like our amendments to be included in the Minutes and later on to be referred as a recommendation to the Central Committee of the ICA.

**The President:** Will Congress agree to the withdrawal of the Polish amendments on the understanding that they be further studied by the authorities of the ICA?

Agreed.

**The President** reported that, at the Central Committee meeting preceding Congress, a Swiss proposal to amend Article 3(g) of the Rules to read "To work for the establishment of lasting peace and security through economic and economic-political measures", had been withdrawn on certain conditions which the Swiss Co-operative Movement had found satisfactory and this amendment, therefore, was not before Congress.

### Amendments Recommended by the Central Committee

*The 23rd Congress of the International Co-operative Alliance authorised the Central Committee and its Executive to make such recommendations for changes in the Rules and Standing Orders of the ICA as were considered necessary, arising out of the decisions of the Congress on the Report of the ICA Commission on Co-operative Principles. The following amendments to the Rules and Standing Orders of the ICA are, therefore, submitted to Congress for approval and are recommended by the Central Committee.*

#### Article 1. Name

Delete the second paragraph.

New text reads as follows:

The International Co-operative Alliance, in continuance of the work of the Rochdale Pioneers, and in accordance with *Co-operative Principles*, seeks, in complete independence and by its own methods, to substitute for the profit-making régime a co-operative system organised in the interests of the whole community and based upon mutual self-help.

#### Article 3. Objects

Consequent on the adoption of the phrase “Co-operative Principles” in Article 1, Article 3 (a) will now read as follows:

To be the universal representative of Co-operative Organisations of all types which, in practice, observe *the Co-operative Principles*.

Add the words “*through co-operative efforts*” in 3 (g).

New text reads:

To work for the establishment of lasting peace and security *through co-operative efforts*.

#### Article 8. Eligibility

Delete the following

Voluntary Membership;

Democratic Control assured by the election of the administrative organs of the Association by the members freely and on the basis of equality;

The Distribution of the Surplus to the members in proportion to their participation in the social transactions or in the social services of the Association;

Limited Interest on Capital.

New text reads as follows:

Associations of persons or Co-operative Organisations which observe the Aims of the ICA and the Policy laid down by its Congress shall be eligible for membership of the ICA.

Any Association of persons, or of Societies, irrespective of its legal constitution, shall be recognised as a Co-operative Society provided that it has for its object the economic and social betterment of its members by means of the exploitation of an enterprise based upon mutual aid, and that it conforms to the *Co-operative Principles as established by the Rochdale Pioneers and as reformulated by the 23rd Congress of the ICA*:

(i) *Membership of a co-operative society shall be voluntary and available without artificial restriction or any social, political, racial or religious discrimination to all persons who can make use of its services and are willing to accept the responsibilities of membership.*

(ii) *Co-operative societies are democratic organisations. Their affairs shall be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies shall enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration shall be conducted on a democratic basis in a suitable form.*

(iii) *Share capital shall only receive a strictly limited rate of interest, if any.*



(iv) *The economic results arising out of the operations of a society belong to the members of that society and shall 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:*

*By provision for development of the business of the co-operative;*

*by provision of common services; or*

*by distribution among the members in proportion to their transactions with the society.*

(v) *All co-operative societies shall make provision for the education of their members, officers and employees, and of the general public, in the principles and techniques of co-operation, both economic and democratic.*

(vi) *All co-operative organisations, in order to best serve the interests of their members and their communities, shall actively co-operate in every practical way with other co-operatives at local, national and international levels.*

Subject to compliance with these conditions, the types of Association eligible for membership shall include the following:

(a) National Unions or Federations of Co-operative Societies of the types mentioned in (f), (g), (h), (i), (j).

(b) National Federations of Co-operative Unions.

(c) Regional Unions of Co-operative Societies.

(d) Consumers' or Agricultural Co-operative Wholesale Societies.

(e) Co-operative Banks and Co-operative Insurance Societies.

(f) Consumers' Co-operative Societies.

(g) Co-operative Societies of Industrial Producers or Artisanal Co-operatives.

(h) Agricultural or Fishery Co-operative Societies.

(i) Co-operative Credit Societies.

(j) Housing and Building Societies.

(k) Supra-National or International Co-operative Organisations.

(l) Other Associations of persons or Associations which have as their aim the Promotion of Co-operation.

#### **Article 13. Obligations of Members**

**Delete** paragraph (a).

**New text** reads as follows:

(a) To observe the aims and policy of the ICA and to conform in its activity to the Co-operative Principles as defined in Article 8.

#### **Article 23. Representation at Congress**

**Delete** the word "vote" on the last line of (a).

**Delete** the word "vote" on the third line of (b) (in both cases).

**Delete** the word "vote" on the second line of (c).

**New text** reads as follows:

Representation at Congress, subject to the full discharge of their financial obligations to the ICA, 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 co-operative organisations, shall not exercise more than 15 per cent of the total voting power of the Congress:

(a) National Organisations admitted under clauses (a), (b), (c), (d) and (e) and supra-national or international co-operative organisations admitted under clause (k) of Article 8 on the basis of Individual Membership (Article 18 II) shall be entitled to one delegate.

(b) National Organisations admitted under clauses (a) and (b) of Article 8 on the basis of Collective Membership (Article 18 III), shall be entitled to one delegate in respect of membership, and an additional delegate for each complete £135 of subscriptions.

(c) Organisations admitted under clauses (f), (g), (h), (i), (j) and (l) of Article 8 shall be grouped nationally and each national group shall be accorded one *delegate* for each complete £135 of their global subscription.

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Each delegate shall have been for at least 12 months previous to appointment a member of the affiliated Society or Union making the nomination, or of a constituent member of such Union.

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 24. Voting at Congress**

**Delete** the word "They" on the second line.

**New text** reads as follows:

Organisations shall be entitled to one vote for each delegate appointed under Article 23. *Organisations* shall have the right to entrust all their votes to one or more delegates, provided that no delegates shall hold more than ten votes.

#### **Article 25. Motions**

**Delete** the last two paragraphs.

**New text** reads as follows:

(a) All Motions and Resolutions of affiliated Organisations to be included in the Provisional Agenda issued under Article 20 shall be sent in writing to the Executive at least six months before the date of the Congress.

(b) Emergency Resolutions which any affiliated Organisation may desire to submit to the Congress must be handed in to the Director by noon on the first day of Congress and shall be considered by the Congress Committee, who will report on them to the Congress as first business on the second day. *No proposal will be accepted which could have been submitted under Article 25 (a).*

The text of all Emergency Resolutions *as agreed by the Congress Committee* and accepted for submission to Congress shall be distributed to delegates at the end of the second day.

*Amendments may exceptionally be moved at Congress subject to the procedure laid down in the Standing Orders governing the Procedure of Congress.*

*Consideration of Emergency Resolutions will take place at a time recommended to Congress by the Congress Committee.*

#### **Article 29. Duties of the Central Committee**

**New text** reads as follows:

The Central Committee shall have the following duties:

(a) To interpret the Policy and to carry out the Programme of the ICA established by the Congress.

(b) To elect the President and the two Vice-Presidents of the ICA, also the Executive.

(c) To approve decisions of the Executive regarding the admission of Associates.

(d) To appoint the Director of the ICA and to fix his remuneration.

(e) To appoint the Auditor.

(f) To confirm the budget of the ICA drawn up by the Executive.

(g) To decide the Agenda and the date of the Congress, *as well as the order of Congress business*, and to report on all matters submitted to Congress.

(h) To confirm agreements which impose permanent obligations upon the ICA.

(i) To deal with appeals and with the exclusion of members.

(j) To appoint the Trustees and if thought expedient to do so to remove the Trustees or any of them from time to time and to appoint new Trustees in the places of any Trustees who shall die, resign, or be removed as aforesaid.

(k) To make or authorise on behalf of the ICA all purchases, leases, sales, exchanges, mortgages, and other matters referred to in Article 38 (b) hereof.

(l) To decide on matters not provided for in the Rules.

## **Amendments to the Standing Orders Governing the Procedure of Congress**

### **The Congress Sessions**

**Delete** the words “urgent motions” on the last line of Number 4.

**New text** reads as follows:

4. A time-table shall be prepared for the discussion of each subject which shall be strictly adhered to, subject only to such modifications as the Congress Committee may find necessary for the admission of *emergency resolutions* under Article 25 (b).

### **Order of Debate**

**Delete** the words “or an amendment” on the first line of Number 11.

**New text** reads as follows:

11. The mover of a motion shall be allowed ten minutes for his speech and five minutes in which to reply to the discussion before the motion or amendment is put to the vote. Such reply must be strictly limited to points raised in the discussion. *The mover of an amendment shall be allowed ten minutes for his speech, but has no right of reply unless the amendment is carried and becomes the substantive motion.*

**Delete** the whole of the second paragraph of Number 14.

**New text** reads as follows:

14. When more than one motion or amendment is submitted for discussion on any item of the Agenda (except motions of procedure and formal matters) they shall be referred to the Congress Committee, which shall endeavour to prepare an agreed text. *Exceptionally, an amendment proposed in the course of the discussion may, at the discretion of the President and with the approval of Congress, be considered by Congress. If an amendment is so accepted by Congress for consideration the President has discretion to deal with it immediately or to refer it to the Congress Committee.*

**New text** of Number 15 reads as follows:

15. *In the preparation of any agreed text under Standing Order 14 above, the mover of any motion or amendment shall have the right to attend the meeting of the Congress Committee to support his motion or amendment.*

**Delete** Number 16.

**Re-number** Numbers 17 and 18 as 16 and 17.

### **Voting**

**Re-number** Numbers 19 to 25 as 18 to 24.

**Delete** the whole former Number 19.

**New text** of new Number 18 reads as follows:

18. All motions *and amendments* shall be decided by a show of *delegates' attendance cards, unless a card vote is required to be taken by the Congress Committee, or on the written request of five member Organisations or on the demand of 50 delegates.*

**Delete** “voting” on the first line and “count” on the second line of former Number 22.

**New text** of new Number 21 reads as follows:

21. Cards shall be provided for use in all cases in which a demand for a *card vote* is made under Standing Order Number 18.

### **Emergency Appointments**

**Re-number** Standing Order 26 as 25.

**Add** new Standing Order 26 to read as follows:

*Suspension of Standing Orders*

26. *No motion to suspend a Standing Order shall be accepted unless notice in writing has been given to the Director by not less than 20 delegates stating the reason for the motion. The motion to suspend Standing Orders shall be put to the vote after it has been moved and formally seconded, and not more than one speech made in opposition. A card vote must be taken on the motion to suspend Standing Orders and approved by a three-fourths majority. If defeated, no second motion can be permitted for the same purpose.*

#### Discussion

**Mr R. Southern:** Standing in the name of the Central Committee are many amendments to the Statutes and Standing Orders of the Alliance. The perfect way of considering these detailed submissions would be for each of us to have in one hand a copy of the Agenda and in the other hand a copy of the Statutes. But we cannot, in this large assembly, conduct this business in that very desirable way, nor would it be appropriate for me to enter into the detailed consideration of every single word presented to you. I will, however, briefly draw to the attention of Congress the more important aspects of the propositions which are now submitted.

It is proposed to add words to Article 3 to indicate that in pursuit of the policy of lasting peace and security we should do so through co-operative efforts. That will be a constant reminder as to why we are in our International Co-operative Alliance and it may well serve also to prevent our energies being diverted along the by-ways of political controversy. That is the intention behind the addition of these simple words.

The proposed alteration to Article 8 is the most important. The Vienna Congress adopted the report of the Commission on Co-operative Principles and the Central Committee was charged with the responsibility of considering how far the Rules of the Alliance needed to be amended in the light of the re-formulated Principles. That exercise has been done and the Central Committee feels that it cannot do better than propose the incorporation in the Rules of the Alliance of the Principles stated by the Commission. In future these Principles will be described as the Rochdale Principles, reformulated by the Vienna Congress. There are various consequential wording amendments which follow from that major incorporation in Article 8.

In Article 23 the question of representation at Congress is mixed up with voting at Congress. It is simply desired, by the amendment to Article 23, to deal separately with delegates and with votes. There is essentially no change in the respective situations but these alterations will mean that delegates and voting are separately dealt with in the Rules.

Then an alteration is proposed to strengthen Article 25. At the present time member organisations can submit proposals for Congress up to a date six months before the Congress. That time is necessary for the purposes of translation, circulation and consideration and also it is important that member organisations should have the opportunity, before they come to Congress, of submitting amendments to the proposed business. So at the present time we can submit amendments up to six months before Congress. In addition, however, the present Rule and Standing Orders present another opportunity of submitting amendments by which delegates at Congress may get up on the rostrum and, in the course of the discussion, may introduce amendments to the business. At that point the submission of an amendment in the course of discussion has to be referred to the Congress Committee, which means a suspension of consideration of the particular matter until the Congress Committee can report back as to whether or not the amendment should be considered. That is a wholly unsatisfactory procedure. There should not be an interruption from the floor of Congress business as there may be at the present time. So, for the protection of Congress, it is recommended that this right to introduce amendments in the course of discussion should be removed with the safeguard that, exceptionally, an amendment may be introduced in the course of discussion and that exception would possibly be for language difficulties or an amendment which was necessary because of some very urgent consideration. So the rights of delegates are adequately protected and, at the same time, Congress will also be protected from capricious and untimely proposals of amendments in the course of debate.

There is a small alteration to Article 29 which simply indicates that, in addition to settling the Agenda of Congress, the Central Committee shall also have power to determine the

order of business. That is not very important in this Congress because we probably have enough time in which to accomplish our business, but if there were too many proposals to be dealt with in our four days of deliberations it would be necessary for someone to determine which matters should be given priority. That is the simple reason behind this amendment of Article 29.

In regard to the Standing Orders, at the present time the proposer of a resolution is given ten minutes and the proposer of an amendment is given ten minutes. There is to be no alteration of those time allowances. The Standing Orders also give the proposer of a motion the right to reply to the debate, and there is to be no change under that head at all. The change proposed is that the mover of an amendment should not have the right to reply, the simple reason being that the proposer of an amendment is seeking to change a proposition and only the mover of the proposition should have the right to reply.

Standing Order 14 covers the same point as Article 25 of the Rules, that is, to limit the possibility of submitting amendments in the course of debate at Congress.

The proposed amendment to Standing Order 19 is fairly simple, and means that in voting at Congress instead of showing our hands we will show our delegate cards. There is to be preserved the right of five member organisations to request a card vote and the right of fifty delegates to do the same, also the right of Congress Committee to order a card vote.

Lastly, it is proposed to add a new Standing Order which gives Congress the right to suspend its Standing Orders. It is hardly likely that the need for this will arise but it may do and this addition has simply been made to complete the Standing Orders.

I have pleasure in moving the recommendations of the Central Committee for amendment of the Rules and of the Standing Orders.

**Mr S. Syulemezov, Bulgaria:** It is an undeniable fact that the development of the human being and the development of the ICA are unthinkable without conditions of peace for creative effort. I would draw attention to all the suffering and destruction as a result of wars; they are known to everybody, particularly during the course of the second world war. Even now, in some areas of the world there are warlike activities. War is a terrible scourge which brings untold suffering to mankind. It is the end of creative forces; the destruction of raw materials; the demolition of buildings and cultural achievements. If we are to create conditions for the eradication of the causes of war then instead of spending vast resources on defence they will have to be released to work for creative activities; humanity will be the happier for it.

The co-operative idea is a humane one; it is a proponent of equality, the right distribution of goods and services and is against exploitation and monopolies. It is, therefore, the sacred duty of every single co-operator to struggle for peace with all the means available, to attain a sound and lasting peace.

If we adopt the amendment to Article 3(g) then the authority of the competent bodies of the ICA will be reduced. Therefore, I move that the amendment should not be accepted.

**Professor P. Lambert, Belgium:** I should like to concentrate attention on the new texts of co-operative principles, and to ask you to accept the version which has unanimously been approved by the Central Committee. It is obvious that if any one of us were to be entrusted anew with the task of expressing co-operative principles in the Rules of the Alliance, we would of necessity produce a version different from that which is now proposed. As an example, I would recall the principal amendments submitted by the Société Générale Coopérative at the Vienna Congress, and to tell you why we can now abandon them. I shall list the proposed amendments in order of importance.

We said at first that if co-operative societies were to be recommended to reach an understanding and collaborate with other co-operative societies, it would be desirable to specify another equally important duty, that of watching over the proper functioning of co-operative democracy in our societies. It is quite clear that the text which was voted unanimously by Congress yesterday gives entire satisfaction to all of us on this point. In the second place, we would have liked the authenticity of public co-operatives to be expressly recognised. We recognise that public co-operatives are little known outside French speaking countries and, furthermore, that they are rare even in that area of the world. We do observe that the text does not exclude public co-operatives and it would be for the Executive to examine the qualification of one of these co-operatives should it make application to join the Alliance.

There is another important point. We were worried by a former proposition, that "the savings of a society belong to the members", for many of us think that, in principle, the savings or in other words the reserves of a society belong to the society. Thanks to the understanding of our American friends, the word "savings" no longer appears in the text. It is now purely a question of the economic results of the activities of a society. Furthermore, we base our thinking on the formula which provides that the economic results must be distributed in such manner as to ensure that no one gains at the expense of the others. The spirit behind this text is that the members may not share what they have not themselves earned by their participation in their co-operative. It seems to me contrary to the spirit of the text, that one might distribute among the members of today the reserves accumulated by previous generations of members.

Lastly, we had wished that the reference to Rochdale should be explicit in the Rules. If we were only dealing with the new Article 1, there would have been a sort of abandonment of the reference to Rochdale as regards the principles, since the new text is as follows: "The International Co-operative Alliance, in continuance of the work of the Rochdale Pioneers, and in accordance with co-operative principles . . ." whereas the old text read: "The International Co-operative Alliance, in continuance of the work of the Rochdale Pioneers, and in accordance with their Principles . . .".

Fortunately, the new text of Article 8 contains the phrase "Any Association of persons . . . shall be recognised as a co-operative society provided that it . . . conforms to the co-operative principles as established by the Rochdale Pioneers and as reformulated by the 23rd Congress of the ICA." This is, in fact, the recognition of an historical truth, since no new principle has been formulated, either an explicit text or a practice of the Rochdale Pioneers, and this is at the same time the affirmation of the continuity of our movement.

It is even extraordinary, when one considers the enormous changes which have taken place in economic and social structures, in technical and many other fields, to think that the Principles enunciated and practised by the Rochdale Pioneers retain their full validity today. For all these reasons, I hope that these Principles, in their present formula, will be accepted unanimously. It is extremely important that, despite different economic and social systems, despite the difference between the older and the newer countries, we all conform to the same Principles.

**Mr J. Sobieszczanski, Poland:** Among many proposed amendments to the Rules there is one which proposes the alteration of Article 3(g) by the addition to the present text, which reads that one of the aims of the ICA is "To work for the establishment of lasting peace and security", of the words "through co-operative efforts."

Polish co-operators will vote against this amendment, not because we are against co-operative efforts but simply because we are of the opinion that the present formulation is sufficiently clear and gives the liberty to discuss matters, important not only for co-operators but for the whole of humanity. Polish experiences force us to fight for peace all the time and everywhere the danger of war appears. We cannot accept the formulation which, under the cover of co-operative efforts, can represent an obstacle in the defence of peace. That is why we shall vote against the adoption of this amendment and we appeal to Congress to reject it.

**Mr V. Kondratov, USSR:** The Rules and Standing Orders form a basic document determining both the substance of the Alliance, the order of procedure, and participation of member organisations. All questions of amendment, therefore, should be considered very seriously. As the submission of these amendments involves amending a very important part of the rules, it would be worthwhile, I think, to see what caused these amendments and what the results of the amendments would be.

These proposed changes have been brought about by the report of the Commission on Co-operative Principles, also by the decision of the Central Committee. The amendment of Articles 1 and 8 follows decisions taken at the last Congress and also correctly reflects the conclusions arrived at by the Commission on Co-operative Principles.

The amendments to Articles 23 and 24 do not give rise to any problems. But there are other proposals, and in considering them we should think for a moment whether they are

going to improve or worsen the results of our activities. First of all, we cannot agree with the amendment to Article 3(g), which another speaker will mention, I would only state that if we are to look very carefully at the amendments to Article 25 and some others, it would follow from the statement made on behalf of Central Committee by Mr Southern that we have serious and even dangerous trends for our Congress, trends to reduce the role or powers of the higher authorities of the Alliance.

When Mr Southern mentioned the amendments put forward by our Polish friends he said the Executive was an administrative authority, and that the decision-making organs were the Central Committee and Congress. Now it is being suggested that we should reduce the right of these bodies, reduce the power of Congress and the powers of members so that they would participate in the vote but not have the right to speak to it. This means turning the Congress into a sort of wretched scarecrow; it would merely rubber-stamp decisions made by the Executive and Central Committee.

What are we coming to? When Mr Thedin spoke yesterday he mentioned several remarks by Lenin, but instead of praising him he brought him down to such a low level as mentioning the purchase of a suit in a co-operative. The delegate who wanted to answer did not have the right to do so. Is this a fair practice? Are we to amend the rules in such a way that the members will not be authorised to bring up emergency resolutions during Congress on topics which are of concern to the entire community? I do not think this is the right practice.

The Congress Committee is an elected body, but now we are asked to reduce its powers and transfer them to the President. Everybody agrees that the President already enjoys a reasonable amount of authority and enjoys the respect of the highest bodies and members of Congress. If we were to continue along this path our democracy, which has been mentioned repeatedly, would be narrowed down. If we look for a moment at the wording of the proposed amendment we see it is not always very clear, nor is it very accurate. Certain concepts are clear but the understanding of the emergency resolution is not a very clear concept. When we say "urgent" we know what it is. We know it is urgent because it was not submitted earlier. Now we cannot say whether it is an emergency resolution or not, and we give the ruling to the President. We do hold him in high esteem and respect but I do not think this is a proper practice.

This is why we feel that the proposal to amend Standing Order 11 also restricts the rights of members, who meet only once every three years. We, therefore, suggest that we should put these proposals paragraph by paragraph, as far as Article 3(g) and Standing Order 11 are concerned and take a secret ballot.

**The President:** The suggestion is made that voting should take place Article by Article and it is obvious that such a procedure should be followed.

As to the accusation that some emergency resolutions have not been dealt with properly, I must refute that because what has been brought before us in the form of emergency resolutions have been dealt with according to the Rules and Standing Orders and have been considered by the Congress Committee.

**Mr N. Djavahidze, USSR:** Article 3(g) reflects accurately one of the most important objectives of the Alliance, concerning peace and security. If we look back on the history of the ICA, it is one of developing contacts with public organisations and other co-operative movements. This is not only a right but it is also useful for the Alliance. The ICA has within it members from all countries with different socio-economic conditions and I do not think it limits the efforts towards peace and security to co-operative effort, because it combines all organisations including youth and women's organisations. Peace can be established and maintained when the peoples themselves unite in the struggle to establish and maintain it, and co-operatives from all countries expect the ICA to struggle for the achievement of this lofty idea. We should not limit our efforts in the struggle for peace and security to co-operative efforts only. We must not lower or reduce our activities, but enhance them. The ICA does not confine itself to co-operative efforts because it is also heard in international forums. Why should we put a limit to this very important effort? We do not want the ICA to become a mini United Nations. However, the struggle for lasting peace and security through co-operative efforts only would be tantamount to taking a step downwards.

Therefore, Centrosoyus moves that Article 3(g) should remain as it is in the present text, and would like to have a card vote on this question.

**Mr I. Alexe, Rumania:** Rumanian co-operators consider the proposal to modify Article 3(g) of the rules in the sense that the Alliance should contribute to the establishment of lasting peace and security through co-operative efforts limits the sphere of its contribution to the establishment of lasting peace in the world.

The ICA is an international organisation whose socio-economic importance is recognised by the United Nations Organisation and its specialised agencies, and its influence for peace should not be limited only to co-operative efforts. We are obliged to make every possible effort to secure peace and to use all means which can contribute to the establishment of a climate of peace and security and eliminate the danger of a new world war which could literally destroy civilisation.

For these reasons our opinion is that it is better to maintain the present text of Article 3(g) which offers co-operators the possibility to express their position in programmes of vital interest, programmes that stir the whole of mankind and which are of interest to all people who want to carry forward the struggle for peace and progress for the benefit of the whole of society.

As far as the other proposals are concerned, we agree with them.

**Mr C. Orsolini, Italy:** In our opinion paragraph (ii) of the proposed text of Article 8 gives rise to difficulties in interpretation in the last sentence, which reads "In other than primary societies the administration shall be conducted on a democratic basis in a suitable form". The expression "in a suitable form" may result in ambiguities and lead to different interpretations, it may indeed alter the spirit of democracy so clearly expressed by this paragraph. It would seem that the way in which democracy is being considered inside the co-operative movement could be different in each country.

The co-operative movement cannot afford to leave any doubt or any misunderstanding in the rules. A great effort is necessary to bring about effective co-operative education, and the greatest clarity is required when dealing with fundamental conceptions such as those of democracy.

We consider, therefore, that the words "in a suitable form" should be deleted from this amendment. If this should not be possible, we ask that the expression should at least be explained.

**Mr G. Panunzio, Italy:** The text of paragraph (iv) of Article (8) seems to us incomplete and we think it should be further considered. It says, in particular, that the economic results of a society shall be distributed "among the members in proportion to their transactions with the society".

We suggest that this text, while it might adapt itself perfectly to consumer co-operatives and to certain types of agricultural co-operatives, cannot be adapted to other types of agricultural co-operatives, workers' productive and artisanal co-operatives. Therefore, we think it would be better to add to the last sentence of paragraph (iv) the words "or social services".

Our delegation considers that the texts of amendments to the Rules, as too often in the general policy of the ICA, are influenced by the situation of consumer co-operatives and that not enough consideration is given to workers' productive and artisanal societies and agricultural co-operatives. This influence may have been acceptable in the past, but today one must be convinced that agricultural co-operation is in constant progress in Europe as in other parts of the world.

If our proposal is not possible, it only remains for us to vote against the proposed amendment and leave intact the former text "The distribution of the surplus to the members, in proportion to their participation in the social transactions or in the social services of the Association" which has never impeded the allocation of a certain sum to the development of the society's business or to the social services, as is stated in our proposed amendment.



If we have to vote for the text of Article 8 as a whole, rather than vote against it we shall have to abstain, since we agree with the content of the other paragraphs.

**Mr J. Jalava**, Finland: I am very sorry that once again I have asked for the floor in connection with the question of principles, and I hope this will be the last time, but, as you know, the Finns are very obstinate people!

When the reformulation of the co-operative principles was discussed at the Vienna Congress three years ago, the Finnish co-operative organisations suggested that no final decisions should be made at that stage. One reason for this was that after the acceptance of the new principles we could not see any other possibility than that they should be included in the Rules of the ICA. As this is now being realised, the question arises whether the national organisations have to amend their rules accordingly. When we asked this at the meeting of the Central Committee in Glasgow, the President stated that the formulation of Article 8 of the ICA rules means recommendations embodying general principles and that it is a matter for each national movement, within the framework of these general principles, to decide for itself what action to take regarding its rules.

The question is of vital importance for the national organisations. The Co-operative Union, KK, for example, has no intention of excluding from its rules the principle of political and religious neutrality. Therefore, the Finnish co-operative organisations would be very grateful if the Congress, or the President, would give a clear and exact statement as to whether the national organisations can maintain their present rules based on the Rochdale Principles as confirmed in 1937.

**Mr R. Amaduzzi**, Italy: I have the honour to express the support of the delegation from Lega Nazionale of the proposed amendments to the rules and in particular of paragraph (iv) of Article 8. We all know that the problem of distribution of the surplus was the subject of a long debate at the last Congress and within the Central Committee.

We in Italy attach great importance to the principle of the non-distribution of reserves, that is to say of the surpluses accumulated in co-operative societies. In our view, a co-operative society should have a very long life, one might say perpetual life, and the heritage from the annual accumulation of amortisations and a part of the surpluses must remain in the society and should not be distributed to the shareholders, even if the society is dissolved.

I know there are many difficulties of terminology due to different legal provisions and tax structures, which is all the more complicated by the fact that I am obliged to express my thoughts in a language other than my own. However, I earnestly hope that all the members of the Congress have understood our attitude. We are, in any event, against the introduction in any national legislation of a type of short-term co-operative society which would allow distribution of all the accumulated surpluses to the members.

It is in this spirit that the delegates of Lega Nazionale give their approval to the proposed amendments to the Rules, and in particular Article 8(iv).

I must add, however, that we hope the former text of Standing Order 11 will be maintained.

**Mr P. Tonhauser**, Czechoslovakia: With regard to Article 3(g) the Czechoslovak delegation feels that the text as it stands at present in the rules of the ICA should remain unchanged.

**Mr P. Søyland**, Norway: I have a few words to say about the amendment to Article 3(g) but let me first say that we are dealing with the rules of the ICA which regulate its work. We are not dealing with the rules of the separate national organisations. Therefore, the national organisations will be free to use those means which they find sufficient at any time in their work for lasting peace and security; this is not a question which has any effect on how national organisations want to work but it does affect the work of the ICA. Article 3 is a very important article because it deals with the policy of the ICA.

It is true that when the Central Committee met in Oslo it was agreed to add to Article 3(g) the words "through co-operative efforts", but after that meeting our friends from Switzerland came forward with an amendment which they have now withdrawn. This raised a new discussion, in the course of which the question was asked whether it was wise to amend the

present text in the rules. I have personally come to the conclusion that it would be unwise to add anything to the present text. The discussions which we had in the Executive showed that additions to the present text would only result in new discussions, which we should try to prevent. The rules should be clearly worded in such a way that no misunderstanding can arise. I find the present text, "To work for the establishment of lasting peace and security", absolutely clear. The ICA is a co-operative organisation and, therefore, it goes without saying that we shall use co-operative efforts in our struggle for lasting peace and security.

The Norwegian delegation will vote against this amendment.

**Mr R. B. Bastin**, United Kingdom: I have a short and quite simple question to ask. Would the amendment which is proposed to 3(g) preclude educational work with, for example, UNESCO?

**The President**: The simple reply is No, because we have consultative status with a number of United Nations agencies including UNESCO.

### Reply to the Discussion

**Mr R. Southern**: The point which has raised most discussion is the proposal to amend Article 3(g) which was to add three words, so that the text would read: "To work for the establishment of lasting peace and security through co-operative efforts".

I think the consideration behind this proposal presents us with a choice. Are we here representing political parties? Are we here representing governments? Are we here representing different economic systems? I think the answer to each question is No.

We meet here as co-operators. That is our common ground and that characterises the nature of the effort we make towards securing lasting peace and security. It is clear to all of us that the promotion and development of co-operation is in itself a substantial contribution towards mutual association and understanding, and that is surely a pre-requisite of peace. We stand behind all agencies which have this object and, in particular, we are absolutely committed to supporting the peaceful efforts, inadequate though they may be, of the United Nations and its agencies. That, I think, is the simple issue behind this proposal to amend Article 3(g).

Professor Lambert raised a question which, as far as I recall, has never been thoroughly considered by any organ of the ICA. We should all know that Professor Lambert is an active and well-informed co-operator, also a leading authority in the sector of public enterprise in many countries. I gather from what he said that we should think in terms of finding a basis of association between the public sector of the economy and the co-operative sector, which in its turn is part of the public sector. This is a question which we have not yet considered. Professor Lambert also mentioned the preservation of the Rochdale description of our principles. I think we do that by referring to the Rochdale Principles as reformulated by the Vienna Congress.

Mr Kondratov raised a number of questions about Article 25 and he said, quite rightly, that this affected the Congress Committee. The proposal does not affect the Congress Committee in regard to its responsibility for dealing with emergency resolutions, but it does take from the Congress Committee the function of deciding whether or not amendments raised for the first time in the course of discussion at Congress should be considered by the Congress. This is a matter which we are proposing should now be vested in the President of Congress, because on any question raised in the course of discussion we want an immediate decision so that our proceedings will not be interrupted. There should be no hardship or difficulty here for anybody.

What we need is to do a little more thinking before we enter this Assembly, because all of us here are entitled to know exactly the terms of the business we are to consider. It is extremely difficult to do so in regard to amendments raised in the course of discussion. That is not fair to Congress. The amendments proposed here today would ensure that amendments submitted in time would be given proper consideration, and amendments coming in virtually as afterthoughts would be decided upon by the President of Congress immediately they were raised. That is a very fair and sensible procedure and should not hurt anybody.

With regard to the recognition of different social and political systems, it is all very well protesting our allegiance to the idea of peace, but in addition to those protestations we should also take account of actions and, often enough, protestations of peace are not in accord with the actions of governments. I say no more than that.

Mr Alexe suggested that Article 3(g) imposed a limitation. Yes, it does, but it is a desirable limitation for the sake of harmony and the concentration of our efforts.

Mr Orsolini and Mr Panunzio raised questions which would have involved possible amendments to the proposals before us. It is too late now for Congress to change any of the words in the proposals, but our thinking does not necessarily come to a full stop, and we have other opportunities of adjusting our thinking and our words in order to make clear exactly what we have in mind. In particular I appreciate the problem in regard to the division of surplus in relation to transactions which arises for workers' productive societies. It is a real problem to find words to cover the wide variety of our co-operative forms of activity, and there is no reason why further consideration should not be given to this particular aspect of the rules. If it is deficient or inadequate the deficiency or inadequacy can be made good at a future Congress. This indicates the need to consider these submissions with a view to formal representations being made to the Alliance before our next Congress.

I fully understand the concern of Mr Amaduzzi regarding the treatment of reserves. Looking carefully at the text before us, there may not be adequate emphasis on the importance of treating reserves as an accumulation of common capital and, therefore, increasing the financial strength of our organisations. That is good business sense for everybody, including the co-operative societies, and here there is a question, as Mr Amaduzzi pointed out, concerning the short-term utilisation of surpluses and the long-term build-up of society financial strength.

Mr Søjland indicated reasons why his delegation would vote against the proposed amendment to Article 3(g). I would submit to Mr Søjland and those who have a similar difficulty that it is not always advisable just to avoid a question because it presents a difficulty. It may be better to stand up to the question and get a decision of Congress upon it.

A point was raised by Mr Jalava as to whether or not anything decided here requires member organisations in turn to amend their rules. The answer is no. We can fully understand the position of the Finnish delegates, who are deeply concerned with political and religious neutrality being provided for in the rules. That is in keeping with the original rules of Rochdale and still stands for those who wish to utilise that particular form of expression for their own national purposes. There is no obligation flowing from this Congress to national organisations, which are quite entitled to frame their rules as they wish, as long as the rules do fairly reflect the co-operative character of their organisations. How they do so in detail is their own particular business.

It simply remains for me to emphasise to our Russian friends that there is no intention to change the procedure regarding the treatment of resolutions. There is no proposal to change the procedure about amendments which are submitted in time. The only change in procedure with which we are concerned today is the submission of late amendments in the course of discussion, and we think the Central Committee proposals deal fairly with that proposition. Rather than being regarded as taking something away from the power of Congress, the continuous proceedings of Congress will be facilitated.

The President proceeded to take a vote by show of hands Article by Article [with the exception of Article 3(g)] and to declare the result:

Article 1 – Amendment **carried** with 8 abstentions  
Article 3(a) – Amendment **carried**  
Article 8 – Amendment **carried** with 8 abstentions  
Article 13 – Amendment **carried**  
Article 23 – Amendment **carried\***  
Article 24 – Amendment **carried**  
Article 25 – Amendment **carried** with 41 against and 1 abstention  
Article 29 – Amendment **carried**  
Article 3(g) – The card vote taken which resulted in 325 votes for, 285 against, did not represent the two-thirds' majority required by the rules; the recommended amendment was, therefore, **not carried**

*\* In view of the decision of the Central Committee to increase subscriptions by 10% in 1970 and by a further 10% in 1971, the figure of £135 in paras (b) and (c) of this Article will become, respectively, £148.10.0 and £163.7.0.*

### **Standing Orders**

- Number 4 – Amendment **carried** with 10 against
- Number 11 – Amendment **carried** with 26 against
- Number 14 – Amendment **carried** with 26 against and 1 abstention
- Number 15 – Amendment **carried**
- Number 16 – Deleted, numbers 17 to 26 renumbered
- Number 18 – (Former Number 19) Amendment **carried**
- Number 21 – (Former Number 22) Amendment **carried**
- Number 26 – **New Standing Order carried**

**Contemporary  
Co-operative Democracy**

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Three Papers presented by:

**I. ICA Secretariat**

**II. A. P. Klimov**

Centrosoyus, USSR

**III. R. Kérinec**

Fédération Nationale des Coopératives de Consommation,  
France

and

**N. Thedin**

Kooperativa Förbundet, Sweden

## I. ICA Secretariat Paper

### 1. The Problem

### 2. Representational Reforms

- A. Direct versus Indirect Representation
- B. Supervisory Councils
- C. Division of Responsibility between Boards and Management
- D. Membership and Voting

### 3. Member Involvement

- A. The Concept of Accountability
- B. Communication and Information
- C. Member Education
- D. Member Control at Local Level
- E. Worker Participation

### 4. The Role of Governments

### 5. Summary

#### 1. The Problem

Co-operatives everywhere have always found it difficult to retain the full vigour of their democratic base. In recent years, however, sweeping changes in co-operative structure, fully documented and discussed at the last Congress, have greatly increased the proportions of this problem.

The structural changes in question are all designed to enhance the productive or trading efficiency of co-operatives to enable them to stand up to the increasingly severe challenge of their competitors in the modern economy.

These changes in structure involve: concentration of resources; larger, more integrated operational units; standardisation; centralisation of services and management; and conformity to universally binding development plans. The purpose is to increase efficiency through economies of scale, pooling of bargaining power, more effective use of scarce managerial skills, reduction of overhead costs for warehousing, transport, purchasing, accounting, research sales promotion, training, etc., and making it easier to attract capital to the movement.

But this process of centralisation also implies a transfer of authority from primary societies to apex organisations. Increasingly decision-making is entrusted to an experienced and professional managerial élite at the centre of the movement.

This means that in many cases societies surrender part of their authority in connection with such basic issues as assortment, financing, personnel, information, pricing and services. This loss of sovereignty is none the less real for the fact that it is usually given up voluntarily in the interest of greater efficiency for the movement. Obligations once assumed are binding, and responsibility is permanently delegated to the centre.

The major effect, in the context of democracy, is to widen the gap between members and management; to remove decision-making from the local base which had long been considered the foundation of democratic control. This emasculation of democracy can and does manifest itself in diverse ways: in member apathy, low attendance at meetings, weakening of traditional co-operative loyalty, inability to attract young people, difficulties in recruiting staff, loss of the sense of belonging and of exerting influence, encroaching bureaucracy and rigidity, even sometimes in a blurring of the end purpose of co-operation, namely to serve the interests of the members.

Many of our member organisations have been worried by these developments and have been considering ways of countering them. Some of them, in response to a circular inquiry sent out in October 1968, have reported to the ICA Secretariat on their current efforts or proposals in this respect. In the following pages an attempt will be made to summarise the information collected from this and other sources. (Where such detailed documentary evidence is used in this paper, it is indented for purposes of identification.)

These proposals all add up to devolution of responsibility, or what the Report of the ICA Principles Commission termed “judicious balancing of centralisation by decentralisation”. They can, however, be classified into two distinct categories.

The first category includes measures designed to adjust the framework of the co-operative structure in such a way as to provide **machinery for more effective representation** of the views of individual members of local societies.

The second category relates to ways of infusing the democratic spirit into co-operative enterprise by stimulating members actively to participate in the affairs of their society. This is the approach through **member involvement**. The idea is to make management more accountable to their local constituents, thereby enhancing ultimate member control.

It should be noted that both types of measures are intended to reconcile democratic control with maximum operational efficiency. No suggestions have been considered — or, for that matter, offered for consideration — which would solve the dilemma by opting for lesser efficiency. It is generally recognised that the case of democracy would not be advanced by serving the interests of members less well. **Indeed the justification for democratic control rests on the proposition that it is the members who know best what their interests are.**

## 2. Representational Reforms

### Direct versus indirect representation

In virtually all co-operative societies the highest authority is the General Assembly which meets once or twice a year. It is ordinarily the general assembly which approves or rejects the proposals of the Board and thereby determines the society's programme of action and decides on basic financial policies, disposal of surplus and administration of property. The general membership, either through the general assembly or in other ways, appoints or elects the board of management (and sometimes a supervisory council) and representatives to secondary co-operative organisations.

Formerly, when societies were smaller in size, the general assembly was a gathering of individual members each with one vote. But as societies grow larger under the influence of the structural changes described above, the general assembly of individual members becomes unwieldy and inefficient. Members are reluctant to travel long distances to attend meetings; it is difficult to find meeting halls large enough to accommodate them; personal knowledge of officers, candidates and issues diminishes; participants lose their sense of identification; and discussion in such large gatherings tends to become formal and lose spontaneity and authenticity.

As a counter to this development, more and more societies have substituted indirect for direct representation. The general meeting is replaced by a representative body with the powers of the general meeting and exercising its functions. Instead of one general meeting, the members are convened to a number of branch or district meetings, the agenda of which covers the whole field of the society's operations in addition to branch or district affairs.

Although the general principle and the motivation of the district or sectional meeting are the same everywhere, there are a number of variations in practice from country to country, e.g.:

In some cases the purpose of the district meeting is to elect representatives to a delegate general assembly of the society, usually in proportion to the number of members in the district; additionally such meetings may adopt recommendations to be brought to the delegate general assembly by their representatives. Sometimes the district meetings constitute a general assembly held in sections, that is, a number of meetings, perhaps simultaneous, with the same agenda and the same reports with speakers from the society level, and votes from all these meetings are aggregated.

Sometimes a definite limit is set to the size of a district, for example, no more than 250 members in Centrosoyus, USSR. In CO-OP Nederland, if a society numbers over 200, members may elect a members' council of at least 20 to function in place of the general meeting.

In many movements district meetings elect district committees; and these may, as sometimes happens in the United Kingdom, appoint some of the members of the central board of directors of the society. Amalgamations in the United Kingdom are resulting in the formation of more district committees. In many countries district meetings elect representatives to the general meeting of the society as a whole. In the United Kingdom it is still more usual for large societies to hold annual meetings sectionally in different localities so that all members can attend.

District committees are usually of an advisory character but often have local responsibilities which may include examination of applications for membership, convening district meetings and elections, supervising the operations of societies in the district, preparing recommendations to the board of the society and implementing its decisions in the district, providing educational services, evaluating the tasks and performance of employees and making decisions on co-operative property in the district.

In some movements, for example Spolem, Poland, there is a network of sectional meetings and committees running right through the movement from the local level to the society level and including member committees at shop or enterprise level, district committees, sectional councils and the general assembly of members or of representatives.

#### **Supervisory Councils**

Another device for extending the influence, albeit indirect via representation, of individual members over the policies of co-operative societies is the supervisory council which has gained in popularity in recent years.

The supervisory council is elected by the general assembly, as in Workers' Productive Societies in Czechoslovakia and CO-OP Nederland, or by the delegate general assembly as in KF, Sweden, and FNCC, France, or by district meetings as in NKL, Norway.

In a sense the supervisory council acts as an arm of the general assembly operative between the annual meetings. Its main purpose is to watch over the activities of the board of directors to ensure that it does not exceed the statutory authority delegated to it by the members.

Sometimes, as in KK, Finland, and the Federal Republic of Germany, it is the supervisory council which actually appoints the board and gives it instructions.

Those movements which have introduced supervisory councils at society level usually have comparable bodies at the apex level to control the board of directors of the national movement, e.g. KK, Finland, Central Agricultural Union and Spolem, Poland, Austrian Raiffeisen, NKL, Norway, and CO-OP Nederland.

In Sweden, however, the supervisory bodies (administrative councils) have now been made boards of directors at both society and national levels. The principle reason for this is the great future importance of co-ordination. The present board has been transformed into a co-ordinating body, the management committee, with the general manager as chairman. He will be the only member of the management committee on the board. Thus the elected representatives of members are given the full responsibility as the leaders of the co-operative organisation.

#### **Division of responsibility between laymen and professional managers**

As societies grow larger and their operations become more complex and technical, there is a general tendency for functions and responsibilities to be transferred from the general assembly to the society management.

But "management" is not an unambiguous term. Before describing this trend it is important to take note of certain difficulties of nomenclature. Quite apart from the obvious problems connected with translation of descriptive names, confusion arises from the fact that the same term or label may be used quite differently as between countries or even within a country. Board of directors may indicate an elected committee of laymen, or a professional



body of managers, or either, or both. Management or management committee may also be used in any or all of these senses. And to compound the confusion, management board is used to describe precisely the same organs.

Clearly, a constructive discussion of the relationship between lay members and professional managers requires the use of unambiguous terms which have the same meaning throughout all movements. Hence it is necessary, though somewhat cumbersome, to employ in this context two carefully defined, artificially constructed labels. The first is **elected committee** to designate a group of lay people elected as representatives of their fellow members. The second is **the management**, that is, people with managerial qualifications who are appointed to their posts. For purposes of analysis this distinction will be maintained wherever possible. Nevertheless it should be recognised that in practice in some societies the two kinds of body are merged into one; the following paragraphs should be read with this possibility in mind.

Elected committees are ordinarily chosen by the general assemblies of societies and are accountable to them. In the larger societies of some movements, e.g. KF, Sweden, FNCC, France, CO-OP Nederland, Społem, Poland, and Centrocoop, Roumania, their work is supplemented by smaller executive committees which carry on business in the intervals between meetings.

The members of these committees are laymen rather than professionally trained managers. In some cases they serve on a full-time basis, e.g., CAU, Poland; but more often they are only part-time and are paid only a nominal sum as in larger Dutch societies and in the UK, or not at all as in small Dutch societies and Austrian Raiffeisen. In Centrosoyus, USSR, only the chairman, deputy chairman and purchasing officer members of such committees are on a paid basis.

In connection with the problem of democracy the crucial issue is the division of responsibilities and authority as between elected committees and the management. There are cases in which there is only an elected committee which carries all of the management responsibilities, e.g. Ghana. In Społem there are such committees at both society and sectional level. Usually, however, the management is distinct from the elected committee, is appointed by it, is accountable to it, and is on a full-time paid basis with professional qualifications required.

The general principle that has evolved as to the respective jurisdictions of the elected committee and of the management is that the former is responsible for major policy decisions (planning, public relations, member relations, relations with secondary organisations, and long-term commitments of facilities, finances or manpower) and the latter for day-to-day operational decisions (personnel, processing, production, purchasing, storage, marketing, retailing and employee relations).

The exact demarcation and definitions of respective tasks vary from movement to movement, and there is certainly a secular trend towards shifting of responsibility to full-time professional management. However, the key requirement for democratic control is two-fold; a. that the respective responsibilities of the elected committee and the management should be clearly differentiated, defined and understood by all concerned; and b. that the management should be fully accountable to the elected committee as the representatives of the membership.

At the same time it is important in the interest of efficiency that the management should not be hampered in daily work by too much interference from the elected committee. In the words of Mr A. Korp, Austria:

“It is a clumsy misuse of democracy to interfere in the work (of managers). Non-professional advice should not be forced upon them . . . Democracy should consist in a policy where the guidelines of policy are first of all set down by elected bodies, but where the actual decisions are left to the professional management.” (Structural Changes in Co-operatives, Verbatim Report of Discussion at ICA Central Committee, Helsinki, 1965.)

Moreover, managers will operate effectively, and will stay with the movement, only if they are provided with a certain degree of security and a career structure that offers reasonable prospects for promotion. In many companies professional managers are considered so valuable that they are given a service contract which provides greater security but binds them to the company for a specified number of years. This does not mean, however, that they are any the less responsible to elected directors or that their powers are extended to matters of policy.

Above all, co-operatives are awakening to the need for more and better management training. Structural changes are making ever 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 becomes more fierce, the scope and impact of managerial decisions broaden correspondingly. Long-term budgeting, investment financing, mechanisation and automation of operations and expanding 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.

More and more co-operative movements are acknowledging the necessity of entrusting the managerial function to full-time professional people and are relegating the functions 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 movement and 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 performance ratios, conferences of managers, seminars, etc., as well as management contracts which make available to weaker societies the managerial talent of stronger co-operatives.

It is clearly impossible in a short review to cover the infinite variety of management training programmes in various movements. Nevertheless the following examples are illustrative of recent developments in this field:

In the Federal Republic of Germany, it is planned to supplement the existing programme for top-level and middle-level management with special training in decision-taking. Promotion prospects are to be improved and retirement from the executive will be facilitated. Plans also include new training facilities for all employees and staff from the shop assistant to the managing director and the chairman of the board.

In Centrococop, Roumania, there are 18 professional schools offering courses of four years and of two years for training accountants, merchandising experts and employees for the commercial sector and the public catering sector. There are also theoretical courses for apprentices who have qualified at the place of work in the sector of service.

The College of the British Co-operative Union offers comprehensive management development courses for recruits from university graduates and co-operative employees with degrees or professional or technical qualifications. Candidates are attached to a series of departments, and this practical experience is supplemented by study for professional qualifications.

KF, Sweden, is concentrating Vår Gård's management training activities in courses for more advanced employees. Short, intensive, practical training is offered in Vi-skolan evening classes.

KK, Finland, recently decided to transform the present Co-operative College into an institute with greater possibilities for development. There will be available courses at central and local level, instruction by correspondence, training courses for different branches, also co-operative and economic research.

In Centrosoyus, USSR, there are 5 institutes, 119 technical schools, 124 co-operative schools with a one-year course, 2,000 enterprise schools with courses from six months to one year at the site of stores, dining rooms, restaurants, bakeries and warehouses, and two to three month extension courses for management training.

The National Co-operative Union, India, offers a training programme via a network of training institutions including a national institute of co-operative management, 13 intermediary training colleges and 67 junior training centres.

For FNCC, France, l'Ecole Technique Coopérative provides three kinds of managerial training: general technical courses, correspondence courses and courses on self-service and modern sales techniques. Its work is decentralised on a regional basis.

In Lega, Italy, board members participate two or three times a year in week-end schools, and courses are available to active members.

Too often the provision of such facilities is conceived primarily in technical terms. It is important that technical courses for managers should be set within a curriculum which includes education in the fundamentals of co-operation. The division of functions which we have drawn between elected committees and the management is necessary for efficiency, but unless managers understand what co-operation is about, efficiency will be pointless. This does not mean that the technical training should be any the less down to earth and practical. But it does mean that a co-operative manager must understand the objectives of the movement.

### **Membership and voting**

In the context of co-operative democracy the rule of open membership is sometimes interpreted to mean that co-operatives are obliged to enroll all persons who may apply to join them. But the ICA Principles Commission emphatically denies that this was ever the meaning of open membership.

“One fundamental consideration, which corresponds fairly closely to the facts and normal practice of co-operative societies of all types, is that those who can make appropriate use of a co-operative society’s services should and do become its members and, conversely, that the membership of a co-operative consists of persons with needs which its services can and do supply . . .

It may also be stated as a general proposition that persons or associations who desire to join, or to form, a co-operative 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 co-operative principle, that of association among persons, considered as human beings with equal status, for mutual service.”

Examples of such justifiable exclusion are provided by the recommendations of the official governmental committee on co-operatives in India which proposed in 1964 that vested interests should be excluded from membership, and that:

Agricultural, credit, service societies should not admit money-lenders; agricultural marketing societies should admit only farmers, not traders in agricultural commodities except possibly as associate or nominal members without vote or participation in management or profits; labour co-operatives should not admit contractors and other non-labourers should be admitted only up to 5 per cent of total membership and a maximum of five in a society; transport co-operatives should not admit those with their own transport business, but only workers, traders and mechanics; consumer societies should not admit traders in consumer commodities; and industrial societies should be confined to workers and artisans.

The principle of one member, one vote at the level of primary societies is almost universal. The ICA Principles Commission stated unequivocally that:

“the status of all . . . 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 . . . Accordingly there should be no exceptions to the rule of one member, one vote in primary co-operative societies, that is, in associations of individual persons.”

Nevertheless, it occasionally happens that even this principle is called into question, for example:

on 26th September, 1967, a governmental enactment created in France a new form of co-operative society, called commercial co-operative society. Article 4 of this enactment departs from the principle one man, one vote by its provision for a balancing of votes according to the importance of the work or the quality of the service of members to the co-operatives. Some French co-operatives, e.g., the Confederation of Agricultural Co-operatives, declared their opposition to this act.

The situation concerning one member, one vote is different, however, with respect to secondary or tertiary organisations whose members are co-operative societies rather than individuals. The Report of the ICA Principles Commission points out that:

“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’ co-operative 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’ co-operative 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.”

### 3. Member Involvement

#### **The concept of accountability**

The various measures discussed in the previous section are all related to **organisational democracy** in co-operatives. They concern the representational framework or the machinery for member participation.

It is generally acknowledged, however, that the viability of contemporary co-operative democracy depends much more upon the will to participate than on the machinery for doing so. Unless members are involved, that is, unless they really care about their society and the way it is run, they will not bother to take advantage of the democratic opportunities available to them.

The problem of widespread member apathy is in part a consequence of the structural changes in co-operatives which have resulted in larger administrative units and removed the point of decision-making to centres remote from members both geographically and in terms of comprehension. Even more, however, it is part and parcel of the modern milieu with its bewildering variety of competing claims on the attention and energy of individuals. Hence the only hope of really involving members is through an appeal to their most vital interests.

The kind of interest which a member has in his society differs with the type of co-operative, and so, apparently, does the intensity of his interest. In a workers’ productive society members, most of whom are workers, are vitally concerned with the performance of the co-operative because their jobs and their incomes (salary plus bonus) are directly dependent upon its success. Significantly in most countries member participation is greater in workers’ productive societies than in other types.

In agricultural processing and marketing societies, too, there is a high degree of member involvement in that incomes are directly influenced by the effectiveness of the co-operative, and here too member participation is relatively keen, at least in developed countries.

It is primarily in consumers’ co-operatives that the problem of member apathy has caused growing concern. Presumably this is because the success or failure of a co-operative store does not appear to have as decisive an effect on the member’s purchasing power as it did

in less affluent days; the "appeal to the purse" is less compelling. Modern co-operators are less motivated than their parents were by loyalty or ideology, and their tie to the store is primarily in terms of the quality, price, assortment and presentation of the merchandise and services offered. Moreover the competitors of co-operative retailers are extremely persuasive in their appeal; hence members' protests concerning co-operative performance are more likely to be by way of voting with their feet and taking their business elsewhere, rather than by bringing pressure to bear on the management of the co-operative.

But this does not imply that the case for member involvement is hopeless. Clearly members do have a potentially substantial stake in the success of their co-operative shop; in most cases it was their hope for better goods and services at lower prices that led them to become members in the first place.

Thus the fundamental point is that it must be made possible for individual members to exert influence upon the activities of their society and their store at the local level where their interests are directly affected. Equally they should be made aware of this potential influence. Members can easily be given machinery for representation. They can be educated and informed and communicated with and entertained. But they will never be involved unless they are given a real stake in the enterprise.

It follows that the major stress of a programme for democratic participation in co-operatives must be upon accountability to members. In the words of the Principles Report:

"A co-operative, 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 . . . It follows . . . 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."

In short the members must be in a position to participate in the making of major decisions, and to control and limit the technicians of the movement, i.e., the professional managers.

". . . the co-operative sub-structure must not be demoted to a purely subordinate level, but must remain the fertile soil from which initiative and renewal will spring . . . This means that primarily co-operatives must have enough independence and freedom of decision to enable them, within the framework of a wider policy, to find their own solution to local problems . . . the co-operative system will only prosper if members and officials are granted rights and duties at local and regional level which will enable them to make a responsible contribution to the work of the movement as a whole." (Andreas Korp, *Review of International Co-operation*, Number 5, 1967, page 218.)

To say this is not to deny the structural impulse towards increased efficiency. There is no doubt of the need for co-ordination, better servicing by secondary organisations and greater centralisation in decision-taking. And there is no doubt that this implies a considerable loss of autonomy by primary societies. But this process must be safeguarded by redoubled efforts to preserve and strengthen ultimate accountability to members in terms of enabling them to participate in the decisions to centralise, as well as the continuing process of planning from the bottom up.

". . . those who have delegated their powers must be to the fullest extent associated with the preparation of the decisions to be taken. This is even more vital when power is centralised than when it is not, for decisions are taken by the movement as a whole and they will have a virtually compulsory character." (Roger Kérinec, *Review of International Co-operation*, Number 1, 1969, pages 22-23.);

expanding and improving the two-way flow of information and recommendations between individual members, primary societies, secondary organisations and the apex;

devising instruments by which members can supervise the activities of "Elected Committees" and of "management" with respect to their conformity to statutory authority and decisions taken; and

educating members for an understanding of the major issues involved in the economic as well as the political and social activities of the society and the movement. "We must seek to effect a merger between the trading and the educational/political wings of the movement at the individual society level." (Edgar Evans, *Co-operative News*, January, 1969.)

In short the objective is to combine centralised management of co-operatives for efficiency with decentralised policy-making and member involvement. And they are compatible. Efficiency and democracy in terms of member involvement are mutually reciprocal; each contributes to the other.

Efficient management makes both a direct and an indirect contribution to democratic participation. Directly, because modern, attractive premises and good value for money attract customers. Indirectly, because larger, more successful enterprises can better afford the educational, informational, social and recreational services which enable members to become effectively involved.

And the other side of the coin is that "efficiency" in the co-operative context can only be defined in terms of serving member interests. The ICA Principles Commission stated in its report that "the primary and dominant purpose of a co-operative society is to promote the interests of its membership" and it added, "What the members' interests are in a given situation only they can finally determine".

#### **Communication and information**

To an important extent co-operative democracy depends upon communication between members and management. Members must be kept fully informed on the fundamental issues and problems arising, and on the decisions being taken. Only in this way can they ascertain whether their instructions are being followed and their interests taken into account. Equally management and officials at every level must keep closely in touch with the views of individual members; and machinery must be available for the forwarding of recommendations from the "grass roots" upward. This is the only guarantee that "efficiency" will be correctly interpreted in terms of member interests.

"Collaboration between co-operatives and the central organisation cannot be fruitful unless there is the fullest information available and, in this connection (i.e. structural reforms in FNCC, France) it would be apposite to say here that the role of information will expand, since each society will no longer be called upon to make decisions affecting its regional interests, but decisions affecting the problems of the movement as a whole. Any possible errors will have serious consequences and each society will have to be in full possession of all the facts when important decisions have to be taken." (Kérinec, *op. cit.*)

A major aspect of effective communication is co-ordination to facilitate exchange of knowledge and experience throughout the movement vertically and horizontally. A fruitful way to ensure such co-ordination is to utilise the principle of overlapping, that is, of drawing on officials from one level of the movement for co-ordinating bodies at other levels:

KF, Sweden, has recently created a new national council. This will consist of general managers of local societies only, elected by the board of directors of KF. The national council will act as a consultative body in the treatment of more important problems of co-ordination and development. It also has the right to nominate five additional members of KF's board who shall be general managers of local co-operative societies. (The other members of the board consist of 25 nominated by the regions who must be employees, and two national candidates nominated by the election committee.) Also when necessary, the board of directors will appoint central consultative sub-committees, to which the KF representatives will be nominated by the appropriate member of the management committee, and the society representatives by the national council. Employees with direct experience of and contact with the sphere of activities in question should, in principle, be included in these sub-committees.

In Switzerland, the management committee of VSK, whose function is to prepare the background for and shape opinions on decisions to be taken by the entire movement, operates through a network of five expert committees and numerous sub-committees to study specific issues relating to food and beverages, consumer goods, sales promotion, press and advertising and business administration. These committees include managers of regional warehouses and of large societies.

In FNCC, France, and in Lega, Italy, the main departments of central organisations rely on work carried out by specialist technical committees which provide for leaders of co-operative societies to take part in the work of the central organisation.

In Lega, management of the warehouses of the wholesale organisation Coop-Italia is vested in committees comprising representatives of the local societies served by them. Moreover each year Coop-Italia arranges a seminar at which the managers of the more important societies can discuss and take decisions on major policy issues.

In most movements communications are being strengthened between members and officials at the local, district and regional level:

KF, Sweden, recommends that there should be a co-ordinating information council in each local society as well as at the apex.

In Austria, consumer societies have organisation leaders responsible for relations with member committees and individual members.

In FNCC, France, there are sectional committees to inform and consult with active members, to organise propaganda, and to provide a nexus between members and officials.

In the Japanese agricultural co-operatives there is a remarkable system of telecommunication at shop level for periodic dialogues between members and chief officials.

But it is in the Eastern European countries that contacts and communications between members and officials at every level, shop and enterprise, village, district and society, have been most fully developed. These are described in further detail later.

Finally it should be noted that the demands for planning, research and development are increasing and in these, too, the trend everywhere is in the direction of closer contacts between local societies and the central bodies.

In the last analysis, however, the contribution of communication to effective member participation depends upon the quality of the information that is communicated and the way in which it is presented. Annual reports and balance sheets will have the effect of involving members only if they are intelligible to them. The co-operative press will stimulate discussion and increase member awareness only if it evokes the interest of the reader.

One of the best examples of effective co-operative journalism is the Japanese paper *Ie-No-Hikari* which has a subscription running into millions.

The problem of effective and intelligible presentation of information is a complex and technical matter which cannot be covered in this context. Still it is worth noting one interesting experiment which has recently had considerable impact within the French Workers' Productive Confederation, SCOP, and is now being studied in wider circles of the French movement.

The Bilan Coopératif, or Co-operative Balance Sheet, introduced by SCOP is an attempt to present to members and to management, in simple and intelligible form, a social balance sheet comparable to the annual financial account. The elements covered in the Bilan Coopératif include demographic data on members, social capital, promotion policy, training, the organisation of information, social action, and application of participation agreements. The information is collected periodically from individual societies and collated into an annual balance sheet for the Confederation. The particular data chosen for presentation by SCOP are relevant mainly to workers' productive societies, but the general idea and the form of presentation could easily be adapted to the requirements of other types of co-operative.

### **Member education**

The concept of member education is as broad as co-operation itself.

"For the purposes of Co-operation, . . . 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 Co-operation. 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 co-operative concept is of education as a life-long process." (Report of the ICA Principles Commission.)

Any co-operative activity which evokes the active interest of members is *ipso facto* a method of educating members. This is as true of social activities, a Guild tea or a fashion show at the co-operative store or a competition staged by the co-operative press, as it is of formal courses organised by the education committee. The educational effectiveness of an activity is a direct function of its appeal to the basic pre-occupations of co-operators.

This means that the methods of member education are legion and that each society must find that combination of approaches which is best adapted to the economic, intellectual and social level of its members.

But regardless of the specific composition of the educational programme of a society, certain principles are universally applicable:

An effective programme cannot be casual or haphazard; it must be carefully planned and supervised, adequately staffed and equipped, periodically reviewed and revised, and pursued with relentless vigour.

Formal study projects of any kind, courses, seminars, study circles, discussion groups, lectures, exhibitions and demonstrations, should be focussed on the economic aspects of co-operative affairs which directly affect the interests of members; for example, assortment, purchasing, pricing and dividend policies, quality control, shop planning, amalgamations and investment policies.

Those educational methods which involve "auto-activity" or actual participation of the students in the teaching process, e.g., simulation of actual production or commercial situations, are likely to be the most effective in terms of democracy.

Effective channels of information and communication must be provided between all levels in the movement.

Full financial support and technical guidance and services (publications, audio-visual aids, etc.) must be made available by central organisations.

Although a comprehensive catalogue of the educational devices being employed by all of the member organisations of the ICA is clearly out of the question, it is worth citing a few examples:

FDB Denmark has recently re-organised its programme for member education and is now putting particular emphasis on contacts with women and with schools and young people, "welcome meetings" for new board members, special women's meetings and teenage meetings, weekend schools, study tours, "wine evenings" and consumer information in the shop. The educational council of FDB and the educational committees of the seven central departments incorporate the "overlapping principle" mentioned earlier in that they consist primarily of local education secretaries.

Centrosoyus, USSR, provides one to three day seminars for members of local control committees.

For the purpose of professional training for elected officials Centrcoop, Roumania, allocates funds for specialised courses of one to six months: the officials are released from their jobs for this purpose.

Italian co-operatives have a system of consultative committees of housewives, members and customers attached to the shops for the purpose of discussing the activities of the society relative to family needs.

Spolem, Poland, is expanding its programme of "modern housewife centres" designed to provide consumer services, courses and advice to rural families with stress on managing family budgets, rational nourishment for the family, economic and cultural development of the area, study of local folklore, culture and art, and preparation for retirement.

Student co-operatives in schools are popular in a number of countries.



Finally, a large number of movements are devoting increasing attention to consumer information and protection activities as a means of educating and involving members. These programmes include consumer advice centres (Austria); consumer corners in the shops with information on comparative goods test results, buying advice, price information, recipes, etc. (Sweden and the United States); consumer assemblies or verbraucher-tage in the Federal Republic of Germany; test kitchens and co-operative laboratories (United Kingdom, Switzerland, Germany, France, Austria, Finland, Sweden, Norway and Denmark); and special consumer information for young married couples (Sweden). A growing number of movements are adding consumer information and protection to the curricula of their formal education courses, eliciting the interest of women's guilds in consumer problems, and organising lobbying activities by members in the cause of seeking improved legislation for consumer protection and information.

#### **Member control at the local level**

Member education, formal and informal; an adequate two-way flow of relevant information between members, elected officials and professional management; fruitful social and recreational contacts between members and officials at all levels — all these are required if co-operative management is to be made responsive to member interests. But an even more essential ingredient of management accountability is the provision of mechanisms which make it possible for individual members effectively to influence the economic policies of co-operatives. This implies channels through which they can make their views and wishes known at higher levels, can participate in the actual making of decisions which once arrived at become obligatory, and can supervise and control the implementation of these decisions by the responsible officials.

A system of member committees at local level exists in a number of Western European countries:

The system was pioneered in the "Produktion" society of Hamburg in the early years of this century. Dr Heinrich Everling, who became secretary of the society in 1908 and was later a director of GEG, was the moving spirit behind the formation of these members' committees in Germany before the first world war. Member committees were organised on a shop basis by "Produktion" and later by other societies and served as a liaison between the members and the management. They served to clear up misunderstandings at local level and to win new members for their society. Members of the committees also visited co-operators in their homes. In spite of the doubts of some managers, the member committees proved their value in helping to make democracy effective in larger societies.

KK has a system of shop committees as a point of contact between co-operators as businessmen and co-operators as members; these are supported by a shop committee counsellor in KK headquarters and by correspondence courses and study circles. Recently it was proposed to fuse the present Women's Guilds and the shop committees into E-Guilds, which would be entrusted with the same tasks as are now handled by the latter. The aim is to have women and men work together in developing member relations' activities and consumer education.

Local shop committees or members' councils are also to be found in SOK, Finland, KF, Sweden, and in Austrian consumers' societies.

However, it is in the East European socialist economies that these have been most fully and effectively developed via a comprehensive network of member committees and member meetings at shop, village, district and society levels.

In Poland, Spolem and CAU operate a system of district meetings and member committees. The purpose of the meetings is to evaluate managerial performance by name, elect representatives to sectional assemblies, elect member committees for shops and service establishments, and to consider proposals from the sections.

Member committees at shop level are elected by the customers of the store, or the workshop or the catering establishment, and are composed of five to ten persons. These committees have been given almost complete autonomy over certain aspects of trade. For example, they may decide that certain goods which do not conform to accepted quality standards should either be withdrawn or sold at lower prices. Also they may authorise small expenditures for repair of shop equipment, or mediate in disputes

between co-operative staff and customers. They are in close contact with co-operative officials and exercise an influence on such matters as supplies for stores and restaurants, shop hours, management and equipment of shops, and quality and working conditions in Spolem factories.

Current efforts to reinforce the committees in the face of co-operative concentration have centred particularly on their potentialities for protecting the interests of consumers by improving services to them and stimulating exchange of information between co-operatives, consumers and professional administrators. They are increasingly concerning themselves with quality and assortment of goods, adaptation of shop hours to the needs of housewives, better information in the shops and better working conditions for staff. They are also playing an important role in the cultural and economic development of small towns where they have organised recreational facilities for women and children, courses on nutrition and dressmaking, clubs, conferences and dramatic and artistic groups. They have also persuaded co-operative officials to install facilities for cheap hairdressing, maternity schools and crèches, laundries and sewing establishments, etc. They have even participated in the building of roads, social centres and parks.

There are similar comprehensive systems of member meetings and committees at shop, village, district and society levels in Hungary, Czechoslovakia, Roumania and the USSR.

#### **Workers' participation**

In any enterprise the wage earner has some responsibility and influence and that influence is usually augmented by trade union activity. This is true of co-operatives as well as private enterprises. In addition, many co-operatives provide special machinery as channels for worker influence over certain management decisions:

In France, there is one staff representative in co-operative societies with more than 15 employees and one staff committee for those employing more than 50 people. These do not participate in the management of the co-operative but they have access to information on management. The supervisory council includes two staff representatives. In Norway, a liaison council between the staff and the board of a retail society must be established if there are more than 20 permanent staff; and there is a similar arrangement in NKL, the Norwegian wholesale society.

However, the issue of workers' participation in control of co-operative societies is akin to, but distinct from, the problem of co-operative democracy in terms of member control.

In workers' productive societies by far the majority of members are workers, and the two questions are closely intertwined. But in other types of co-operation the question of staff participation in control belongs to the context of industrial democracy, a broader issue which is obviously of keen ideological interest to co-operators but not directly relevant to the present discussion.

The only way in which the issue impinges more narrowly on co-operative democracy is in relation to authorisation for co-operative employees to serve on boards of directors or supervisory councils. In some societies, employee members are free to stand for either; in some they are eligible for the latter but not the former; in some they are excluded from both; and in others a limit is put on the number or the proportion of employee representatives. In the interest of democracy it would appear that employee members should be granted the same rights as other members to participate in the control of societies. At the same time it is important that there should be safeguards against abuse by vested interests.

In workers' productive societies the participation of workers in decision-making extends further than in any other kind of enterprise, co-operative or private. This contributes to efficiency in that members have a keener interest in the performance of the society because their jobs and their incomes are at stake; moreover there is no conflict of interest between the society and the employee, since the latter are the members. Also this high degree of worker participation in control and responsibility for work has an important bearing on standards of quality and protection for consumers.

In some workers' productive societies, as in France, co-operative labour groups are formed to assume responsibility for production in a particular department through a kind of internal sub-contracting. Many modern sociologists and industrial psychologists take the

view that a devolution of responsibility in this way helps to develop a team spirit and provides added incentive which may increase productivity.

Democracy in workers' productive societies can be conceived as a continuing dialogue between workers and management as well as the periodic election by the workers of the people who appoint the management.

At the same time, worker participation makes it even more important to ensure that there is a clear distinction between policy making and professional management; that managers are highly qualified and experienced; and that there is an adequate flow of reliable information between members and management as a basis for sound policy decisions.

#### 4. The Role of Governments

The issue of co-operative democracy is sometimes linked with co-operative autonomy and freedom from state interference.

For **mixed economies** in western countries the problem scarcely arises, since there is very little inclination for governments to interfere in co-operative affairs other than by imposing the obligation for them to conform to the same general laws as other forms of enterprise and to accept the discipline imposed by the State or the planning authorities. In the words of the ICA Principles Commission, "In a fully developed co-operative unit the management must rest in the hands of the members and all decisions be taken by co-operators themselves, with no external interference. Autonomy is, therefore, a corollary of democracy".

In countries with **state planned economies**, the promotion and supervision of co-operatives operates mainly through the national economic plan in which all have an assigned part to play, with central state control in a body such as the council of ministers working through economic councils and in collaboration with central and sometimes regional co-operative unions. The central state control is reinforced by the control of finance. Audit, advisory services, supervision, education and the fulfilment in detail of the plan are generally left to the co-operatives themselves. The degree of centralisation varies in different countries. Co-operatives receive the benefits of state aid in various forms, and they borrow from state banks for all purposes for which their own shares and reserves are inadequate. They also invest their net surplus funds in such banks.

Governments which are firmly committed to a policy of national economic planning do not regard the so-called "free" market as an adequate arbiter of resource disposal. They are convinced that a rational allocation of resources can result only from more or less centrally directed decisions taken in accordance with clearly defined economic and social objectives. Where these objectives include a strong and effective co-operative movement, it is rational to ensure that resources are allocated to this purpose.

Co-operatives in such countries play a major role in the planning operation:

CAU, Poland, reports that the central co-operative unions exercise the rights of ministries when the national plan is being elaborated. They are consulted by the central planning office about possibilities and intentions. The unions work within the general guidelines laid down by the government, but can also present their own draft plans in excess of these.

A similar process occurs at the level of the district organisations. The results are then transmitted by unions to societies which either elaborate plans within these guidelines, or present alternative plans outside the guidelines. These are decided by the general assembly of members with respect to general lines of development, while the concrete economic and financial plans are approved by the society's council.

Co-operators from the socialist economies insist that they operate under laws which guarantee them a considerable degree of independence and equal terms with other forms of enterprise:

In Hungary, the legislature states that co-operatives may carry on any activity necessary in the interests of members which can be accomplished by their own resources.

In Poland, the co-operative sections, based on towns, are independent units with their own economic and socio-educational plans, wages' fund, and freedom to settle accounts with the budgets of the people's councils.

Moreover recent developments in a number of east European economies in the direction of more decentralised management of productive and trading units have had implications also for co-operatives:

The Hungarians report a significant expansion of co-operative activity under the recent reforms. Co-operatives, they say, now have a considerable degree of autonomy and self-management concerning business, financing, purchasing, marketing and planning, and they may undertake joint economic operations with each other and with non-co-operative enterprise. Moreover there is no longer compulsory affiliation to the central federations; these have become safe-guarding organisations which also provide services at the request of the co-operatives, for example, market information, accounting, publicity, education, etc.

A similar process has been occurring in Czechoslovakia. As described by Josef Podlipny, President of the Union of Consumer Co-operatives in the *Czechoslovak Cooperator*, 1/1867: "Under the new system, the planned development of economy is linked up with the utilisation of the market mechanism, while the position of the customer in relation to that of the supplier is strengthened and the directive form of setting tasks to enterprises from economic centres is gradually being replaced by the utilisation of economic levers of management, such as prices, wages, material incentives, credit, rate of interest, etc. Individual enterprises become more independent economic units, as a result of which the earnings of their employees and the opportunities for a further expansion of the enterprises themselves will depend primarily on the quantity of the commodities produced and performances realised by them.

"The transition to the new economic system, of course, cannot be effected overnight; on the contrary, the new system will come into being as a result of a process lasting for several years. Nevertheless, the fact that this process has already begun in Czechoslovakia has enabled the consumer co-operative movement to work out a conception of its future development which will be marked by an even more important assertion of consumer co-operatives within the framework of the socialist economy, on the basis of the pre-requisites they have as large organisations of consumers. This conception is based on the principle of competition between different sectors in the production and circulation of goods." Or in the words of Pernica: "In a socialist society, the renaissance of co-operation is promoted by the process of a gradual transfer of more and more tasks from public authorities, particularly those of the socialist state, to social organisations of the working people." (Karl Pernica in the *Co-operative Movement in Socialist Czechoslovakia*, p. 12.)

In the **developing economies** a similar devolution of responsibility is occurring. In Asia and Africa, there is extensive government support for co-operatives almost regardless of political ideology or the degree of centralised state planning. Indeed the efforts of the government co-operative departments often constitute the mainspring of co-operative development. This is a consequence of the many difficulties in the way of spontaneous emergence of co-operative enterprises, or any form of enterprise, in these countries.

It is generally agreed, however, that substantial government intervention in co-operative affairs is justified only so long as temporary factors render it essential; and that such support should be withdrawn as rapidly as circumstances permit, and preferably according to a pre-scheduled time-table. This policy of "de-officialisation" usually takes the form of handing over to secondary co-operative organisations the various duties of promotion, audit, supervision, education, propaganda and financial assistance as soon as they are ready to assume such responsibilities.

"It can scarcely be contested that without the support of generous amounts of government finance, the development of co-operation 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 members to conceive the ambition of acquiring independence of government supervision and work to achieve it.<sup>17</sup>

“It must be recognised that in co-operatives which are themselves at the beginning of their development, their democratic organs also are very probably under-developed 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.” (Report of the ICA Principles Commission.)

### 5. Summary

*Contemporary co-operative democracy obviously requires an organisational structure designed to facilitate effective member representation, effective member participation in basic policy decisions and effective member control to ensure that such decisions are faithfully implemented by management.*

At the same time it is clear that democracy cannot be guaranteed through organisational machinery alone. Members will participate in representation, in policy making and in supervision only to the extent that they are really interested in the issues at stake. Member interest and involvement must be actively stimulated; they do not occur automatically. In the contemporary world co-operative democracy requires a dynamic programme for two-way communication with members, informing them, educating them, and enabling them to influence policy at the local level where their most vital interests are directly affected.

Such measures are necessary regardless of the political setting in which co-operation operates. In the mixed economies of the west, the initiative is usually taken within the movement. In the state planned economies of the east, co-operators have an important and growing role to play in determining the shape of the national plan which constitutes their economic framework; within that framework members exercise control at local and regional levels. In the developing countries there is necessarily a high degree of government intervention in co-operatives, but here, too, the stress is increasingly on devolution of responsibility.

## II. Contemporary Co-operative Democracy

(Theory and Practice of Co-operatives in Socialist Countries)

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Chairman of the Board of Centrosoyus USSR

The problem of co-operative democracy is one of the many problems which came into being in the post-war period (and in many capitalist countries still earlier). It reflects the many changes which have occurred and are occurring in the economic and social life of contemporary society.

The action of objective regulation of the development of human society appears in those processes in which the co-operative movement, in common with other economic and social mass organisations, is involved. These processes and their consequences have different qualitative content in conditions of socialism, compared with those in conditions of capitalism; that is why the socio-economic essence of the problems bred in these different conditions is completely different, as are the methods of their solution.

With regard to the problem of *co-operative democracy*, this is above all the outcome of great structural changes appearing in "co-operation" as a result of concentration and centralisation in the spheres of material production and distribution, as well as in the technical revolution which raised new questions of organisation and guidance in economic life, of the place and importance of man and technology in the management of the economic processes in its control, in the relationship of the parts played by specialist-managers and non-professional leaders.

It would, however, be wrong to deal with the problem of the co-operative movement merely as a technical and economic problem, or purely as a problem of the relationship between the elected bodies and the apparatus of hired specialists; or as one of the mutual relationship of these and others with the members of the co-operatives; or as a question of the representation of members and the exchange of information about the policy and activity of co-operatives, co-operative associations and enterprises.

It is above all a socio-political problem; it is an inalienable part of the total problem of democracy. The question of the position of co-operative democracy as a whole in these or other social conditions in any country arises because the conditions which are necessary for the existence of co-operation, the possibility of its development and the implementation of co-operative principles into reality (and this includes the principle of democracy) are determined by the existing social system. Where real democracy is ensured, i.e. democracy of the majority of the members of society, of the workers, they are translated into reality; where the actual, material and legislative legal guarantees for the enjoyment of democratic rights and freedoms are declared in the constitution, in declarations and rulings, there the problem of co-operative democracy does not exist in the same context as in those countries which are determined by capitalistic monopolies.

The setting of this problem for discussion at the congress is timely. Notwithstanding its successful solution in the co-operative organisations of socialist countries because the specific social and economic conditions of these countries ensure the feasibility of successful action and a further development of democracy, the co-operatives of socialist countries are considering the needs and problems of their foreign colleagues with sympathy and understanding. They are interested in a proper solution of this problem to the advantage of the broad masses of co-operative members of all countries.

Members of co-operatives of socialist countries have amassed considerable experience in the development of the principles, methods, and realisation of inter-co-operative democracy, in the perfection of the representation of interests of the co-operative members, their participation, both direct and indirect, in co-operative self-government, in the development of an effective control of economic and socio-mass activity of these co-operatives, of their unions and enterprises. Those who, since the war, have visited the co-operative organisations of Bulgaria, Hungary, GDR, the Mongolian People's Republic, Poland, Czechoslovakia, the Soviet Union and other socialist countries, have had the opportunity to convince themselves that in the conditions of socialism the members are seen to be the true proprietors of their co-operatives, and that it is *they* who determine the economic and other policies of co-operative undertakings.

We feel that some knowledge of this experience of ours would not be uninteresting for co-operatives of other countries. At the same time, first hand acquaintance with the attempt to solve the problem of democracy in the co-operative organisations of capitalist countries will be useful for the co-operatives of socialist countries.

It is generally known that the most important principle of the co-operative movement and its basis lies in the democratic methods of management. Co-operatives are self-governing bodies of workers, the members of which participate with equal rights in management and control.

The socialist public system and social democracy ensure the true democratic development of the movement. Co-operative democracy itself is a part of socialist democracy. On equal terms with the trade unions, youth organisations and other bodies of workers, the co-operatives take their place in the system of institutions of socialist democracy, while their role in the public and economic life of the country is continually on the increase.

The creation, consolidation and development of socialist democracy is one of the greatest achievements of socialist revolution. The experience gained in the process of development of socialist countries, undoubtedly proves that the strength of socialist society is based, above all, on the high standard of the community activity of the workers. Socialist democracy has brought into the management of the state a broad mass of people, and has also opened wide areas for application of the abilities, knowledge and talents of working people. The masters, the organisers of life, in socialist countries are now those who extract minerals and coal, smelt metals and till the earth, who penetrate the secrets of the atom, explore the depths of the cosmos; in other words, those who create all material and spiritual riches.

Socialist democracy is fundamentally different from bourgeois democracy. They are qualitatively different socio-economic systems. Those assertions often put forward in bourgeois literature that socialist democracy is only a "modified", "improved" bourgeois democracy are completely false. It is still more absurd to suppose that the attributes of bourgeois democracy can be automatically transferred into socialist society.

In the old days, Hegel said that truth cannot be abstract. The same thing can be said about democracy. Democracy – in what sense? Democracy – for whom? In whose interest and for what purpose? Which classes and social groups are interested in this particular form of democracy? To evaluate democracy it is necessary to have a concrete historical approach, a class evaluation.

Socialist democracy is democracy for the majority, for the people, for the workers. Democracy in capitalist society is a democracy only for the rich, for a negligible minority. Socialist democracy is a system based on the political domination of the working class in union with the peasants and other workers, and directed against the oppression of peoples and nations and towards the ending of the exploitation of one man by another. It expresses the interests of all working people; its main objectives are the creation of the new socialist society and the protection of its achievements.

The structure of the socialist state functions successfully, involving millions of working people and their economic and social organisations in the immediate management of public business. That is why the dictatorship of the proletariat is of a higher type, a genuine sovereignty of the people.

With the liquidation of the exploiting classes and the complete victory of socialism begins a process of the development of a system of dictatorship into a system based on the power of the whole people, as the experience of a number of socialist countries has proved. In the conditions of a fully developed socialist democracy, those institutions which directly exercise the sovereignty of the people play an increasingly noticeable part; they become one of the means of the active expression of the will of the broad masses of working people. Therefore, the hypocritical statements by apologists of capitalism that it is possible to achieve real democracy only in the conditions of bourgeois democracy with its multi-party system and its parliamentary opposition, are absurd and meaningless.

Socialism is an economic system in the very nature of which democracy of a new type is implanted, based on the public ownership of the means of production. Democracy in socialist states is expressed not in parliamentary debates, not in the multi-party system (although in some socialist countries it does exist), not in empty talk about freedom of personality and human rights, but in the ensuring of material guarantees of the real freedom

of workers, their actual participation in the social, economic and political life of the country and in the management of its production processes.

From the point of view of Marxism-Leninism, the most important of all liberties is the freedom of workers from exploitation. The basis of democracy consists not in political phraseology, not in the struggle of political parties with one another, but in economic reality. The true strength of democracy manifests itself in what it gives to the people in the form of economic and spiritual values. The democratic character of socialism, first and foremost, consists in the fact that along with the transfer of political power, everything produced by society goes only to the people, that it makes of them the real masters of society. In the process of socialist revolution all necessary means for the exercise of their rights are transferred to the workers. This is achieved through the socialisation of the means of production, through the transfer to the workers of the organs of the press, radio, cultural and educational institutions. In other words, all the barriers erected by the exploiters to close the way to democracy are torn down. With the abolition of these barriers goes the need for the existence of political parties to represent the disappearing classes. The existence in many socialist countries of only one unified party of workers signifies the moral political unity of working people, a higher stage of democracy of the people and for the people.

In addition to political rights and freedom, the concept of democracy must also include social rights — the right to work, the right to leisure, to education, to security in old age, security against the consequences of illness and loss of capacity to work. The cultural revolution opened to the broad mass of workers access to the achievements of science, literature and art, to all types of education and creative art. At the same time, socialism also solves the main democratic problems, such as that of equality of all nations and the putting into practice of the equality of woman with man.

The co-operative movement in the countries of socialism in an economic and social mass organisation of working people based on the independent activities of its members. It occupies an important place in the system of the social, political and economic institutions which secure the power of the workers.

The most important aspect, the main direction, of socialist statehood in its present stage is the unfolding of democracy in every possible way involving more and more masses of workers in the management of all social affairs. In this connection, the part played in the management of the people's economy and socio-cultural construction by the mass organisations, among them the co-operatives, is constantly increasing.

The development of socialist society is unthinkable without the co-operative form in the spheres of agricultural and artisan production, distribution, provision of supplies and credit, housing activities, services, etc. As is known, the reorganisation of the individual peasant economy on a small scale into a large mechanised socialist production on the basis of co-operation is one of the greatest enterprises of socialist construction. Therefore, the socialist public structure creates all the conditions necessary for the development of co-operatives, giving them both material and moral support.

The economics of the socialist countries are based on ownership by the whole people (state ownership) of all the basic means of production (enterprises of large and medium industry, railways, waterways and air transport, coal and other mines, forests, and, in the USSR and the Mongolian People's Republic, also the soil). It is *this* that determines the various spheres and branches of co-operative activity. The co-operative form of ownership and economy is successfully developing in trade, food production, services and tourism, agricultural production and the purchasing of raw materials for production, for the needs of the peasants, craftsmen, artisans and their unions, and also for credit and insurance activities.

Thus the co-operative movement is successfully developing in just those areas and branches of the socialist economy which are immediately connected with national consumption, serving the needs of consumers and small producers, where it is especially important to exercise their control.

With regard to the agricultural handicraft-artisan production, the wide development of co-operatives in socialist countries can be explained by the specific position in the socialist economy of producers of goods on a small scale, and by the reorganisation of their economy and property into ownership by the whole people. The socialist system, when expropriating large and medium sized property, leaves untouched the property of small and medium sized



producers, leaving it to them to choose which way the development of their business should take. Thus forwarding the personal interests of the peasants, craftsmen and artisans, and the interests of society as a whole, the co-operative movement offers its services.

Socialist ownership of the basic means and tools of production has widened the potentialities for the development of co-operative ownership; and as co-operative ownership by its nature is socialist, it also broadened the socialist and democratic bases of co-operation. Only in socialist conditions could there be a real possibility of the full implementation of co-operative principles, such as free and voluntary membership, equality of members' rights in management and control, the removal of every kind of privilege and discrimination, whether for political, religious, property or other reason.

A socialist government, using legislation and other means of influence, promotes the development of the co-operative principle and the transformation of co-operatives into truly national people's organisations.

The freedom of union into co-operatives and the development of the independence of co-operative masses on the basis of broad democracy corresponds to the theory as well as the practice of socialist construction.

The rights of citizens to form co-operatives are confirmed in the constitutions and legislative enactments of all socialist countries. The group ownership of co-operative organisations is considered to be a socialist property and is guaranteed by law on equal footing with state and people's ownership.

The socialist system, and the socialist state, not only admit and welcome the right of union into co-operatives, but by their policy protect the development of co-operative construction, give financial help and grant tax privileges to co-operatives, and thus create material pre-requisites and guarantees for the unhindered implementation by citizens of their right to join themselves into co-operatives and for their successful activity.

For example: Article 9 of the Constitution of the People's Republic of Bulgaria states: "The state renders help and promotes co-operative societies;" and in Article II it is stated: "The state promotes and renders aid to LCAE, Labour Collective Agricultural Economies, which enjoy the same protection under it." Similar statements can be found in the constitutions and programmes of communist parties in other countries. Article II of the Constitution of the Polish People's Republic reads: "The Polish People's Republic supports the various forms of co-operative movement in towns and in villages and gives them help of every kind to implement the tasks set by co-operatives. Co-operative property enjoys the help and protection of a collective property."

The Constitution of the USSR not only recognises the socialist ownership of co-operatives (Art. 5 and 7), the right of citizens to create co-operative associations "with a view to developing organisational self-activity and political activity of the masses" (Art. 126), but also the right of co-operatives to put forward their candidates at the election of deputies to all soviets of workers' deputies, from local soviets up to the highest organ of state power (Art. 141).

In the programme of the communist party of the USSR, which must be considered as containing the fundamental provisions for the entire policy of the party and the socialist state, the co-operative system is defined as an inalienable part of the soviet socialist society.

The programme determines the increasing role played by public organisations including consumer, housing and other co-operatives, in the development of the democratic principles of state government. In the process of the soviet society to communism this role is "one of the forms of involvement of the masses in communist growth, communist education and communist self-government". It states, specifically, that the agricultural producer co-operative (kolkhoz) "as a collective form of economy in the character of its organisation, democratic principles, which will develop further" already ensures the management of agricultural production "to the kolkhoz masses themselves, and to the unfolding of their creative initiative". The programme underlines "that the development of socialist statehood will lead to a transformation into public communist self-government in which will be incorporated the soviets, the professionals, the co-operatives and other mass organisations of workers". The bases of the state and party policies towards co-operatives in the USSR are scrupulously executed implementations of the behests of the creator of the world's first socialist state, V. I. Lenin, that the co-operative system should be based on the socialisation of all fundamental means of production. The above statements from the constitution and the party programme,

documents which determine the entire life of socialist countries, indicate clearly the place and role of the co-operative movement in the system of socialist economy and socialist democracy. Tens of thousands of co-operative members in socialist countries – leaders of co-operative organisations and enterprises, officials, co-operative workers and ordinary members – are deputies of the representational bodies of all degrees, from the lowest to the highest. For example, in the GDR the organisation of consumer co-operatives supplies local self-government bodies with about 12,500 of their deputies.

The socialist people's government not only helps co-operatives in the development of their activities, but also assists them to enhance their prestige among the people. The interest and respect shown by the people are very important factors contributing to the successful development of the movement and of the internal co-operative democracy; they influence the attitude of members and workers of co-operative enterprises, who cease to be indifferent to the affairs of their co-operatives and instead of being passive, even at meetings, now participate in discussion and in decisions concerning co-operative affairs. The attention shown by the government and leading parties to the problems of the co-operatives increases the interest particularly of youth in the co-operatives, in the co-operative professions and in the problems of the international co-operative movement. The socialist government at the same time helps the many-sided efforts for the development and perfecting of the democratic foundation of co-operatives.

One of the roads to the democratisation of socialist society is the increasing part played by mass public and economic organisations, even to the length of transferring to them some functions of the state. The dialectic of the development of socialist statehood is such that the state now implements the guidance of activities in the most important spheres of life through the non-governmental organisations of workers, such as trade unions, co-operatives, youth unions, cultural-educational, scientific, sports and other voluntary organisations of the workers. This means that to the management of social affairs are drawn almost all the active elements in the population of socialist countries.

One of the most active independent mass organisations in these countries is co-operation, and the government does everything it can to create the necessary conditions for the co-operative movement to attract the broad masses of its members in every possible way into participation in social and economic life, and for this purpose to use the development of co-operative democracy. It stimulates this movement both morally and materially.

Socialist conditions and the considerable help given by the state to the development of the movement, have led to the abolition in the People's Republic of Bulgaria of the system requiring initial payments to the agricultural producers' co-operatives; active participation in the co-operative economy has been recognised as the basic qualification for membership.

To take another example, in Hungary in 1967 Parliament passed a new Bill concerning producers' co-operatives. This law proceeded from the assumption of recognition of the complete autonomy of the primary producers' co-operatives and went on to assume the freedom of co-operatives from interference of any kind, stating that not only the organs of state but also the central and regional unions of the co-operatives should have no administrative power, thus the co-operatives themselves personified the interests of the movement. Similar legislation and an adequate reflection of it in co-operatives' statutes is the source of, and pre-requisite for, ensuring true democracy, the self-government of the members of co-operatives.

The relationship between state and co-operatives determines the whole legal system and special co-operative legislation. These laws ensure the co-ordination of co-operative and general state interests in the sphere of economic as well as social life. The socialist state and its institutions function on the basis of special co-operative and general state legislation, state and sectional supervision of the working of co-operatives, with a view to ensuring their activity in accordance with the interests of the workers, and of the entire society. At the same time, however, they guarantee the complete independence of the movement and all its branches.

Co-operative members, under socialism, are transformed from being mere passive participants of the processes of production and distribution, from being victims of the elementary forces of trade and of fierce competition, as they are in capitalist countries, into active and conscious creators of economic and social life. They become also an important medium for the development and strengthening of the socialist system of economy and socialist democracy.

The right of the co-operative movement to unimpeded development of its economy and its part in democratic management is not only declared in the constitutions and programmes of communist and labour parties of socialist countries, not only guarantees their legal status, but is also ensured by the actual place of co-operative societies in the socialist system of economy.

Here are some facts and figures which are self-explanatory:

#### **People's Republic of Bulgaria**

There are 3.5 million members of co-operatives, i.e., about 40% of the population. The share of co-operative turnover is 50% of wholesale turnover of the country and 40% of retail turnover . . .

#### **Poland**

There are 10,350 co-operatives (not counting the training co-operatives) incorporating 12.4 million members in a population of 32.06 million people. The turnover of co-operative trade is just over 50% of total trade. Polish co-operatives are producing 12% of industrial production, and 30% of all consumer goods. Co-operative house building reached 30%, in towns 53%.

#### **Hungary**

Over 20% of the national income is produced in co-operatives; the consumer co-operatives alone exercise 30% of the retail trade, and the artisan co-operatives produce 10% of the total production; one-third of the independent population works in co-operative enterprises.

#### **GDR**

There are 4 million members of consumer co-operatives or 31.5% of the population over 16. Their share in turnover is 33.9% of the total.

#### **USSR**

The consumer societies incorporate over 56 million members and exercise 30% of the total retail trade.

The growth of the agricultural producers' co-operatives in these countries has been enormous: in Bulgaria there are 854 co-operatives of this type, with a membership of 3.5 million people. In Hungary 3,033 producers' co-operatives unite 900,000 peasants' families; in Poland there are 32,612 small producers' co-operatives uniting 1.7 million peasant households; in Czechoslovakia there are 6,538 agricultural producers' co-operatives; in the USSR 36,800 producers' co-operatives (kolkhozes) incorporate 33 million people.

The co-operatives of socialist countries play a considerable part in state government, in the working out of national economic plans, in price fixing, the structure of the turnover of goods and in the supply of consumer goods to the population.

As is generally known, in the socialist system, co-operatives exercise their economic activity within the framework of the communal national economic plans which *prevent* the anarchy of production, the blind and harmful results of the economic laws of market economies, and *avoid* the development of crisis economics. We can often see in foreign literature, and in the sayings of co-operative theoreticians and practical workers, assertions that the planned socialist system nullifies the independence of co-operatives, deprives them of economic initiative, limits their possibilities to the narrow framework of a plan, and finally does away with co-operative democracy as a form of the expression of the will and hopes of owner-members of co-operatives. This is a complete misrepresentation of the facts.

The plans for the economic activity of co-operative organisations of socialist countries are the result of their own initiative and creative work. They are worked out by calculating the real possibility of their implementation and the immediate interest and advantage for co-operatives and their members and, most important of all, they are always discussed and confirmed by democratic methods at the meetings of members. Only after such discussions are they included in the general national plans for the various branches of the economy, in the co-ordination of which is worked out and guaranteed a proportional and harmonious development of the socialist system of economy.

What does it give to the co-operative organisations? First of all, by means of their plans, which become an integral part of national economic plans, the co-operatives actively influence the economic policy of the state, i.e. they participate in the regulation of the process of socialist reproduction. The central co-operative unions take part, together with other central ministries and institutions, in detailed elaboration of national economic plans; the central departments of the state consult them on every problem which concerns the interests of the co-operative sector. For example, the representatives of *Centrosoyus* of the USSR, and the consumer unions in the federated republics, participate in the deliberation of projects for national economic plans in the central bodies of the state, in the supreme councils of the USSR and the federated republics, contributing with their proposals and observations, which are directed towards guaranteeing the interests of the consumer co-operatives, and in the use of all reserves of further development of the various branches of their activity. The same thing is happening in other socialist countries.

Secondly, the co-operatives make full use of the possibilities for vastly broadening their activities, which have been opened to them by the planned system of economy. They can carry out their activities in conditions freed from domination of the weak by the strong, freed from competition and rivalry by the almost unlimited financial and other material help from their socialist government, such as taxation and other similar privileges. The planning of socialist economies is accompanied by a centralised, material guarantee of the reality of such a plan, including those relating to the co-operatives; the state distributes its resources among different branches of the economy in accordance with the problems set out in their plan. Legislation provides for the respective institutions to take into account the demands and needs of the co-operatives when preparing both their long-term and short-term plans for the development of the national economy. Often the co-operative organisations make use of the material help which they receive, which exceeds their own means and potentialities.

Thirdly, the co-operative organisations of socialist countries, when carrying out their plans, maintain direct contract connections with the enterprises of state industry. During the negotiations and the resulting contracts for delivery of goods, co-operative societies and their unions try to use their influence on state industry by their requests for greater volume of production, improvement of quality and a wider assortment of production for goods nationally consumed and also for those used in production.

Co-operative organisations have a network of sub-divisions, each of which contributes to the study of market conditions and the demand for the various kinds of goods. After studying the demand, and making an analysis of stocks, the co-operative organisations complete their orders and make comprehensive applications for all the goods they require, forwarding these orders to the industrial enterprises. The industrial enterprises, when compiling their plans for the production of consumer goods, base them on consideration of the applications and orders of the trading organisations. Thus the co-operative method actively influences the formation of the structure of turnover towards a maximum satisfaction of the requirements of their members, and of that part of the population which enjoys the services of its network of organisations.

In their capacity as large producers and purveyors of agricultural produce, the producing, marketing and consumer co-operatives of Bulgaria, Hungary, the GDR, Mongolia, Poland, the USSR, Czechoslovakia and other socialist countries, through the mechanism of planning, through their purchasing contracts, and through their marketing contracts, actively influence the output of agricultural production with the object of getting the maximum satisfaction of consumer needs in food products, and of the needs of raw material for industry.

It is enough to say that, for example, co-operatives in the Central Co-operative Union of Bulgaria are producing 76% of all agricultural produce in the country; in the Mongolian People's Republic 55% of total agricultural produce is that of the co-operatives (about 63% of cattle-breeding); in Poland agricultural producers are selling 75 to 95% of their agricultural produce to the towns through the co-operatives, and are purchasing through them 80 to 90% of industrial goods for mass consumption and for their own needs. In Hungary about 80% of all agricultural produce comes from co-operatives. These figures speak for themselves.

In this way, i.e. by exercising the will of tens of millions of their members, the co-operative organisations of the socialist system have considerable impact on the economic life of their countries, on the planning of production by state industrial enterprises for the production of goods nationally consumed, and for agricultural production; in addition, it should be

borne in mind that the co-operatives themselves are considerable producers of agricultural goods and of various types of merchandise in great demand. Co-operatives of socialist countries are interested in performing these functions in the closest collaboration with the state and its economic institutions which give them material and organisational help. It is to their advantage to include their economies in the general system of planned socialist economy, which is a pre-requisite for the co-operative movement's function of serving the interests of their members and all workers.

It is vital to note that in the first stages of the establishment and development of socialist economy, it was necessary for the state to fix specified problems and some indices of the plan and to submit them to its co-operatives; this was particularly the case with the agricultural produce co-operatives. Now, these problems and the planning indices are almost completely abolished and the co-operatives enjoy a wide degree of independence and initiative for working out a programme for their economic activities. The process of the strengthening of the economic independence of co-operatives is noticeable in Bulgaria, Hungary, the GDR, Poland, Mongolia, the USSR, Czechoslovakia and other socialist countries. Now all co-operative activity in socialist countries is based entirely on legal norms, i.e. on present legislation concerning co-operatives, the articles of their statutes and the decisions of governing bodies, also on contractual obligations. The state exercises its influence on the development of the co-operative sector only by using manifold economic checks and balances. Although the organs of state, and particularly the central departments, exercise general sectional, professional and sanitary control on one or other branch of co-operative activity, the organisations are guided in their activities by the decisions of their elected representative bodies, by the articles of statutes and their contractual obligations, within the framework of the current legislation which holds good in each socialist country.

The co-operative organisations also participate actively in the formation of retail prices for national consumer goods, purchasing prices for agricultural produce and raw materials; this determines their impact on the fixing of prices as a whole in their respective countries. This is why the representatives of the central co-operative unions (and in the USSR the federated republics also) regularly take part in the work of the state departments concerned with the fixing of prices. The co-operative organisations, particularly the marketing and consumer co-operatives, influence prices in other ways: by helping the producer co-operatives and the peasants to market the surplus of their agricultural produce, by establishing the purchase prices with them; selling prices are fixed entirely independently by the boards of the co-operatives, which put them at a level which will result in the reduction of prices in markets. The consumer co-operatives (for example, in the USSR) also purchase from producer co-operatives the output of their auxiliary trades at prices agreed between them, and sell these goods at prices fixed by the boards of the co-operatives.

The economic reform now taking place in the socialist countries, the purpose of which is to further the perfecting of the planned organisation of the national economy, the best possible use of the economic methods of socialist national economy and the promotion of the initiative of economic enterprises and their collectives, is opening up possibilities for enlarging the activities of co-operatives on the basis of economic independence and the wide democracy of their membership.

The process of strengthening the working independence of co-operatives and their unions, which are an integral part of a single system of the socialist national economy, is accompanied by a constant widening of the spheres of independent activity of members, and of the elected bodies of the co-operative management.

Recently it was still fashionable in the west to assert that the co-operative movement as such had ceased to exist under conditions of socialist economy, that it was being transformed into a mere tool in the mechanism of planned economy, and that the socialist system was presumably throwing away all the fundamental characteristics of the co-operative type of economic activity and management, among them co-operative democracy. Today these distortions are often a deliberate slander of the socialist system and cannot be taken seriously. Anyone who has visited the socialist countries can see with his own eyes all that is happening in the co-operative movement and can understand that co-operative democracy can only grow fully and show its strength and value for members of the co-operatives, as well as for their real masters, in the conditions of the socialist system and socialist democracy. Anyone who has visited Bulgaria, Hungary, the GDR, Poland, Czechoslovakia, the USSR and other socialist

countries in recent years must come to the conclusion that there democracy is not only being implemented in its full meaning, but is also developing more successfully than in capitalistic conditions.

This is now recognised by the representative and fully competent international commissions and leading workers of the ICA and of the national co-operative organisations which have visited the socialist countries, particularly with reference to the decision about the acceptance of the co-operative organisations of Hungary and Poland into the membership of the ICA.

In the post-war years many visits have been paid to socialist countries by delegations of co-operative members of other countries, by leaders of the International Co-operative Alliance and by the specialised agencies of the UN, ILO and FAO, which became acquainted with the activity of all types of co-operative organisations; in these countries, international seminars were held for representatives of co-operative organisations from Asia, Africa and Latin America; annual courses of the international school were held in Poland. The members of these delegations and seminars showed high appreciation for the development of co-operative principles in socialist conditions and for the high standard of the co-operative democracy.

In all socialist countries the formation by the citizens of co-operatives of all kinds takes place freely and voluntarily with the object of developing and perfecting their respective spheres of activity in the interests of members of co-operatives and the entire population.

The co-operative form is constructed on the basis of democratic principles comprising election to the leading and controlling bodies from top to bottom, systematic accountability by management to members, and control by the members of the activities of co-operative enterprises.

Self-management and economic independence of co-operative societies finds its concrete reflection in that the members actually take part in managing the business of their co-operatives personally and through their representatives in the managing boards of all unions including the central one. All members have equal and unlimited rights to elect and be elected to managing and control bodies. Their most important rights guaranteed by the charter and the whole mechanism of co-operative democracy is their right to take part in adopting any resolution and, in the management of the co-operative, in determining policy, aims, means and sphere of its activities, in disposing of co-operative property, in confirming balance sheets and results of the activities, in distributing and using co-operative profits, in determining their mutual relations and ties with other co-operatives, economic and social organisations, the right of determining the competency and composition of representative bodies of management.

These rights are realised by the members, firstly, at their general meetings, which are the supreme body of management of the local co-operative society. The general meeting has all the rights necessary for the final solution of the most important organisational and economic problems of the co-operative and is the body which expresses the aspirations and interests of the masses of members.

The practice of co-operative organisations in most socialist countries has shown that the most viable are large co-operatives having the best financial results. The amalgamation of co-operatives, allowing for local conditions, leads to the improvement of the qualitative indices of their economic activity, to the reduction of the level of expenditure on turnover and production, the more rational use of machinery, the establishment of direct contractual connections with industry and other economic partners, organisation of wholesale purchase in bulk, organisation of centralised marketing and delivery of goods, reduction of payments to banks for the use of credit, the improvement of variety, reduction of losses, etc. Large co-operatives have at their disposal sufficient amounts of their own circulating capital for such purposes as greater and more effective investments, and can save the necessary funds for this.

These factors explain the process of increasing the size of co-operatives by amalgamation and the corresponding structural changes which have been taking place in the consumer co-operatives over many years. For example, in 1941, there were 32,422 primary co-operatives in the USSR; now, as the result of amalgamation, there only 16,624; during this period only the number of urban consumer units was increased by about 300 units. The process of concentration is continuing in most countries. In the GDR it is proposed to amalgamate over the next two years the existing 700 co-operatives to reduce their number to 200. This will result in a reduction of the administrative force by 20,000 people.

Amalgamation of co-operatives will continue only to the limits beyond which the process would hamper the members in maintaining connections with their co-operative, and would deprive them of the possibility of participating in the activity of the co-operative and the control of its affairs. Thus, the concentration does not imply any deterioration for member-shareholders in the exercise of their rights in the management of their co-operatives. The continuous process of perfecting the work of the self-governing bodies and of the mass-social supervision, the increase of information and educational work among member-shareholders, all ensure the continual strengthening of the internal co-operative democracy.

The amalgamation of co-operatives (the primary co-operative often unites members living in several populated settlements) has made the holding of general meetings more difficult. Therefore, in many of the socialist countries, in addition to district general meetings (direct representation), there are meetings of delegates elected by open ballot at the district meetings (indirect representation). The district meeting is a meeting of members who live in the same settlement or in populated areas not too far away from one another, and served by one co-operative. The number of districts united in a co-operative depends on the number of members, the number and size of populated areas served, their distance from each other, and other factors which must be taken into account to ensure the functioning of representative meetings in one district.

The district meetings, held according to the terms laid down by the statute, make it possible for each member of the co-operative to participate actively in its affairs and to exercise direct influence on its activity. At the district meetings are discussed the reports of the management and the control supervisory commission and in several countries (the USSR) reports of shop managers, refectory managers and other co-operative enterprises in the district; instructions to the management about improvements in the work of the co-operative are also discussed. In the consumer co-operatives of the USSR elections of managers are held at these meetings; decisions are taken with regard to freeing them from the exercise of their duties, etc.; decisions with regard to the dismissal of workers are final.

The general meetings (or meetings of delegates) consider the acceptance of statutes, determine the rules for the election of delegates, elect by secret ballot the chairman and members of the board and the chairman and members of the supervisory commission. They also elect delegates to the meetings of the higher organisation (regional union), approve reports and plans, consider problems concerning the building of economic enterprises, take decisions about the acquisition and disposal of buildings, equipment, and transport, and sanction instructions to the co-operative management.

The legal authority of the general meetings is determined by the statutes. For example, in the consumer co-operatives of the USSR the general meeting is valid when a minimum of two-thirds of the members (delegates) are present; attendance of three-quarters of the members is required for decisions concerning changes or amendments to the statute, questions about the dismissal of members, election to the board and the supervisory commission, and the distribution of profits or recovery of losses.

Participation in the work of district committees and meetings of delegates act as a training ground for the members where they can learn collective methods of managing an economy. The great majority of members take part in the district meetings.

In the People's Republic of Bulgaria, four general meetings are held every year in agricultural produce co-operatives (depending on the seasonal needs and successes of the economy, in February, at the end of April, at the beginning of September and the end of November); while special meetings can be called, for example for fixing the prices of agricultural products. As a rule not more than two to three of the most pressing problems are discussed at general meetings; reports on them are prepared collectively and discussed beforehand by the boards of the co-operatives, the councils of their production sub-divisions and by the most active members.

In the USSR during the first quarter of 1968, there were 237,000 district meetings, meetings of delegates of consumer societies and regional consumer unions; they were attended by 40.7 million people or 70% of the total membership. Details of these meetings show the activity of the members of consumer societies. At meetings of the RSFSR 1,000,000 people spoke, 350,000 at meetings of the Ukrainian SSR, in the Uzbek SSR 44,000, in Azerbaidjan 11,000. All speakers discussed the current problems in the development of the movement and its economy, made proposals for the improvement of the activities of

co-operatives and their undertakings, criticised the work of the management of individual co-operatives of the managers of trade enterprises and those of food products, where some mistakes had occurred, and suggested ways of avoiding further mistakes.

One of the forms of connection between the members of the co-operative, its elected managing bodies and the apparatus of hired specialists (economists, agronomists, engineers, accountants, experts in the science of commodities, etc.) concerns decisions taken at the meeting, or special mandates. Decisions and mandates are the instruments expressing the proposals and wishes of the members put forward at the meetings and directed towards perfecting the economic and public-mass activities of the co-operative. The decisions and mandates, after being sanctioned by the meeting, are forwarded to the management to be implemented. In many consumer co-operatives of the USSR mandates are displayed in shops and refectories for the information of everyone concerned and so that the representative supervisory bodies can control their implementation.

Proposals and wishes for improving the work of co-operatives are regularly published in the co-operative and general press and are communicated by letter to the leading organisations at all levels. A regular order and time-table is arranged in the consumer movement of the USSR, as in the whole of Soviet society, for the inspection of claims, letters and complaints and measures are taken to deal with them. This work is constantly supervised so that it is carried out with the highest possible efficiency.

The permanent bodies through which a member of any co-operative in the district can take part in its activities and in the control of activities are: the board, the supervisory control commissions and other organisations (commissions, committees) of public mass control.

For the management of the business of a society, the general meeting or meeting of delegates elects by secret ballot the board of the co-operative, which remains in office for the period fixed by the statute. The board is an executive body; in accordance with the terms of the statute it implements the mandates of the members and decisions of the general meetings, and is responsible to them for all the work of the co-operative. The composition of the board varies in the different socialist countries and in the various kinds of co-operatives. On average, the board of consumer, agricultural and other co-operatives consists of 7 to 9 people; as a rule, they are elected for a period of two years. The members are paid workers, for example, in the USSR they are the chairman, his trade deputy and, in the large consumer societies, which are very much concerned with supply, his supply deputy; there are also workers acting as public workers, i.e. unpaid.

In 1968, in the USSR more than 50,000 members of boards were elected, voluntary activists chosen from the workmen members, peasants and rural intelligentsia, all working solely from public interest.

The members of leading bodies periodically give accounts of their activities to those who elected them. If the elected official does not justify the trust of his electors, or exceeds the authority given to him, he can be recalled before the end of the period for which he was elected.

The elected officials work as a corporate body and in accordance with plans worked out by them; they hold regular meetings on specified days which are known to all the members. Decisions are taken by majority vote. In Bulgaria, for example, the boards of agricultural produce co-operatives hold meetings not less than twice a month, consumer co-operatives once a month; in the consumer co-operatives of the USSR meetings take place not less than twice monthly.

Here are some striking examples of the work of elected co-operative organisations in Bulgaria. The board council of the agricultural produce co-operatives in the village of Lechchevo in the Michailovgrads region, prepares a report on its work and on the activity of the co-operative every four months and produces it at the general meeting of members. The elected leaders and council of produce sub-divisions (districts, brigades) take part in preparing the report which analyses the results of the economic activity, any shortcomings in the work done and the best ways of putting these right. They also consider the problems of the collective of the co-operative as a whole, and those of the specific sub-divisions. This common discussion of co-operative business helps to strengthen internal democracy.

In the co-operative of the village of Kurtove Konare of the Plovdiv region, the councils of the brigade meet every week for deliberation on the report submitted by the elected brigade leaders about the results of its work. At these meetings any shortcomings or omissions



are analysed and means of improvement are frequently found; graphs of the work are prepared also a programme for the following week. The councils of the brigades also discuss questions for improving the organisation of work, the introduction of technical advances and new methods, the reduction of material and labour used; and they propose recommendations for incentives to be offered to the best workers.

The board council of the consumer co-operative of the village of Buchovo, in the Sophiisky region, holds monthly meetings at which it examines questions of the supply of goods to the trade chain stores, of promotion (gratuities) for the best workers, the financial position, results shown by inventories, varieties of goods and personnel problems. Every day from 7.30 a.m. to 9.00 a.m., the chairman talks to the customer members of the co-operative, listens to their suggestions and wishes.

In the majority of co-operatives of socialist countries certain hours are fixed for the chairman and other members of the board to meet the members and workers for discussion on the problems of the co-operative, also personal problems. All this helps to strengthen the connection between the elected managing organisations and the members and hired personnel.

The elected bodies of public mass control play a very large part in carrying out co-operative democracy, and ensuring the involvement of members in the activity of the co-operative. The members of the commissions (control-revisional, of the shops, refectories and industrial) exercise daily control over the work of the co-operatives and their economic enterprises. They help to remove any shortcomings, give useful advice and try to ensure that the decisions of the meetings and of the mandates of the members for improving the co-operative's entire activity are carried out.

In Bulgaria, there are now 6,000 elected bodies of public mass control in consumer and agricultural produce co-operatives. These so-called "soviets" of control consist of 3 to 5 people, elected by secret ballot at the general meeting. In the GDR 140,000 are elected annually by secret ballot to the shop commissions; a single commission has not less than 8 members. In Poland, in the four different types of co-operative, there are 55,100 members' committees with 271,000 members (not counting control committees, revisional elected bodies). In the USSR at the present time 120,000 people are working in control-supervisory commissions of the co-operatives and regional consumer unions; 839,000 people in shop commissions, 80,000 in refectories and 38,000 in industrial commissions. Altogether 1,077,000 people are elected to the supervisory organisations, all of them on a voluntary basis.

One of the new ways to increase the participation of members in the co-operative life are the so-called members "actives" (the most active members) or groups of activists, which are formed at the same time as the shop and refectory committees at the shops, refectories, restaurants and domestic enterprises. For example, in the GDR these groups are formed by the shops' commissions. Each group's council has 2 to 4 members, and all groups are led by a member of the shop commission. The "activists" groups discuss changes in the implementation of accepted proposals and criticisms of buyers, control the observation of statutory rules, dietary standards and trade legislation. At present in the GDR, the "actives" together with the elected social workers number 50,000, thus, about 200,000 people, i.e. one-eighteenth of the members of the consumer co-operatives, permanently take part in social work and other activity of planning and supervising their co-operatives. In the consumer co-operatives of the USSR, 3 million people take part in the work of the organisations of self-government and the social supervision, i.e. every 20 members exercise their right of leadership and supervision through one of their representatives.

Surely these facts show the high level of development of co-operative democracy? The constant progress of trade, increase in the size of retail trade enterprises and, in particular, the development of a chain of universal stores and trade centres belonging to the co-operative unions and serving the members of different co-operatives, means a constant search for new ways of ensuring the immediate influence of members on the activities of these undertakings. The special role of the universal stores as places which attract numerous buyers and show great quantities of goods, as centres of information and of advertising, has led them to make their mark on the work of members' "actives"; to protect the interests of members these groups watch the trade organisations to be sure that they perform their functions to the highest standards of trade political and economic effectiveness.

In the GDR, for instance, in the universal stores there are members' "actives" which maintain contact with buyer-members in many primary organisations, but are not considered

to be part of the shop commissions, or commissions attached to them. Their connection with the primary co-operatives is looser and less constant than that maintained by the shop commissions. The co-operative councils, which in periods between the meetings of delegates (in accordance with the "statutes on universal stores") constitute the highest authority in consumer societies, confirm the composition of the "actives", the number of members must not be less than 10 or exceed 25. They include not only ordinary members, but leading trade workers and economists. This shows that in this instance the essential point is not the formal fact of membership in the commission, but the ability of members with business knowledge to work out possibilities for developing the universal stores.

In the process of concentration in the co-operative movement of socialist countries, new forms of association of economic enterprises are growing up. At the same time it is noticeable that new and adequate forms for the full implementation of co-operative democracy are being sought. In the GDR, for example, very large enterprises are merging which have a network of subsidiary stores and restaurants. In these enterprises "councils" are being established, consisting of 12 to 15 members who exercise supervisory functions and make recommendations for future activities. One of the most important objects of these councils is the involvement of members of shop commissions and "actives" in the organisation of planning, running and supervision. The councils, whose elected members include the most active and knowledgeable among the members of the co-operatives, will have the authority to request a report from the director of the enterprise on his activity; and may ask him to supply any documents they require. Councils will be expected to contribute to the solution of the following problems of an economic and socio-political nature:

- a. The development by workers of the enterprise of creative initiative, with the object of a better service for the needs of the population.
- b. The inculcation of modern forms and methods of trade and services, with the aim of facilitating and speeding up purchasing in the stores.
- c. Perfecting of inter-co-operative collaboration on a basis of contracts and implementing the trade servicing of the population.
- d. Protection and increase of public property.
- e. Maintenance by the workers of the enterprise of political and working discipline.
- f. Involvement of the members of co-operatives and their organisations (shops' committees and "actives") in the planning, running and supervision of the enterprises.

In the Polish People's Republic auxiliary bodies of co-operative self-government have also been established, such as groups of cattle-breeders in the framework of milk co-operatives, cattle-breeders' sections of the agricultural circles (producers' co-operatives), horticulturalists' groups in the market-gardening co-operatives; all with the aim of protecting the interests of certain specific categories of members, in the above instances, of cattle-breeders and gardeners.

One of the forms of co-operative democracy in the socialist system is the discussion at all levels of the projects of legislation directly and indirectly concerned with the activities of the co-operatives. In the People's Republic of Bulgaria a project of the law was widely discussed at conferences of co-operative members at local, regional and national levels. The members proposed recommendations and additions, also changes in the details of the project under discussion. In the USSR in 1967, a subject of all-national discussion was the law regulating the principle of the use of the earth, a project of great moment for the interests of agricultural co-operatives.

Other important questions such as those concerning major inter-co-operative enactments, were the subject of preliminary examination and discussion within the co-operative community. In Bulgaria, hundreds of thousands of members took part in discussing the project of a prototype statute of union of agricultural co-operatives, of the rules of the organisation and payment for work in the co-operatives, as well as in inter-co-operative enterprises, etc. In the USSR, on the eve of the VIth (1963) and VIIth (1966) conferences of delegates of consumer co-operatives which had accepted certain changes and additions to the prototype statute, the proposed changes were discussed by the members of the co-operative during the period preceding the conference. The models of such statutes are now available in a number of socialist countries, so that each co-operative at its general meeting sanctions its own statute, taking into account its own peculiar needs and specific problems; such a statute is not registered either in the highest co-operative unions or in any government department.

In most co-operative organisations, there are special commissions, soviets or committees of women and young members, who help the elected bodies in their work among women and children, in their attempt to attract them to the social life of co-operatives. In the consumer co-operatives of the GDR as a result of considerable work done among women their percentage among the members of shops' committees increased to 77 (107.8 thousand); in the co-operative councils women form 52.1 % of the members and in the supervisory commissions 34.8 %.

In the co-operative organisations there are various moral and material stimulants in the activities of members, in their participation in co-operative life and in management and supervision.

Besides such forms of encouragement as state rewards (Orders and medals), honorary badges (for example, in the USSR "otlichnik", "excellent member of the consumer co-operation"), the entering of names in honour books, on stands of honour, special honorary titles – all these forms of incentive are generally used. Part of the profit is distributed in the form of a dividend. In addition, in a number of countries, for example Czechoslovakia, the most active members are encouraged by future savings. In the USSR, the members of co-operatives, co-operative workers and their families enjoy preferential rights of entry into medium and higher co-operatives colleges, medical treatment, rest in co-operative sanatoria and rest homes, the network of which is enlarging every year, the education of their children in day nurseries and kindergartens, summer holidays for children in pioneer camps, etc.

The socio-mass supervision is an actual form of involvement of members in the management of co-operative economy which develops year by year. An important factor in the effectiveness of such control is the participation of just those members who are direct users of the services rendered by the trade, industrial and other co-operatives, the activities of which they supervise. The members of the commissions of public mass control are genuine representatives of millions of members of co-operation. The involvement of members in the form of supervisors gives a genuinely popular character to the co-operative and greatly increases its authority among the people.

An example of direct representation and the connection between the members of the co-operative and co-operative workers is the practice of the election and release from work of managers of shops, refectories, bakeries and other enterprises in the consumer and marketing supply co-operatives, also of the managers of subdivisions (brigades, districts) or agricultural produce co-operatives. In the USSR since 1959, the managers of shops, refectories and other undertakings have been elected by the members at district meetings and released from their work. The members use this right very freely; they choose, by open ballot, the most deserving workers to serve in leading positions in co-operative undertakings. These elected managers are hard working and conscientious in serving buyers, any negligent workers are dismissed.

The inculcation of the principle of election of managers of the economic enterprises and industrial sub-divisions of co-operatives takes place in other socialist countries also. In the agricultural produce co-operatives in the People's Republic of Bulgaria they elect so-called "brigadiers", managers of industrial districts, farms, etc. Several years ago, these positions were filled by nomination of the board of the co-operative. Another important direction of the development of co-operative democracy in Bulgaria is the creation of collective organisations of management and sub-divisions of co-operatives, in the so-called producer districts and in the brigades. The producers' districts are now managed side by side with the elected manager, by the "productional council" which has authority for two years; the brigades are headed by an elected brigadier and the council, which is elected for two years. These elected officials and the collective bodies of management report on their activities not only to the members of the brigade and producers' district, but also to the general meeting of members. The councils of the districts and of the brigades consist of elected representatives, sections, team leaders, responsible persons and also the highest producers. The meetings of these councils take place, as a rule, once a week, when they discuss all the essentials of the life and activities of the co-operative, brigade and district.

In socialist countries the delegates of the members play a large part in supervising the implementation of the decisions of the co-operative meetings, and of mandates. In the period between meetings, they follow up the implementation of the decisions and mandates, organise and supervise the activity of the commissions of social mass control (shops, refectories',

industrial, etc.); deal with problems concerning the further promotion of the membership in the movement, and collect the entrance share payments. In consumer co-operatives in the USSR, to improve the standard of organisation and the efficiency of the work, the delegates join in groups according to where they were elected; these groups hold meetings as they are needed, with the object of general discussion of practical questions concerning improvements in the work of shops, refectories, bakeries, supply organisations and industrial undertakings, situated in the particular populated area (district).

The strict maintenance of the principles of co-operative democracy is the basis of co-operative construction in the socialist countries, in the mutual relationship of the co-operatives and their unions, and also between the unions of different sectors. The fact of joining the union of the co-operative society does not limit its independent activity, nor deprive it of its rights under the statutes. Joining the union is voluntary, as is also the right of withdrawal. The regional union directs the work of its member co-operatives in their organisational and economic aspects, gives them assistance for the improvement of trade, supply, industrial and financial working.

The relationship between all groups and sections of the co-operative movement is built on a firm democratic basis, i.e. on the principle of democratic centralism, which represents an inseparable unity of socialist democratism and socialism. Democratic centralism means the election of governmental bodies of management and control of all the units from top to bottom and their responsibility towards the members of the co-operatives (their delegates); decisions of the central bodies are binding on the affiliated societies only within the framework of the power ceded to them by their affiliates. All managerial and controlling bodies of affiliated members, from a district society to the central union, are elected and accountable to the members of the co-operatives (their delegates).

So, in the USSR the highest body of management of a regional union is the general meeting of the delegate-members. The delegates are elected at the general meeting of members of districts by secret ballot for a period of two years; at their meetings they elect the managing board and control commission of the regional union. The highest organs of the management of the Centrosoyus, and of the federated republics, territories and regional unions, are conferences of delegates and conferences of the consumer co-operatives, delegates to which are called yearly and exercise the functions and rights of the conference in the period between conferences. The conference elects the members of the board and of the control commission, and also the members of the central consumer union, all by secret ballot; the council of the consumer union holds its meetings annually and exercises the functions of the conference in the period between conferences. Central management by the highest co-operative unions is expressed only in determining the general principles of co-operative development, by the definition of fundamental directives and questions relating to the activities of the organisations. The mutual economic relations between the various affiliated members are based on agreements.

The development of co-operation is characterised by the tendency of decentralisation of co-operative government, the increasing independence of the primary co-operatives in their regional unions. The present central unions represent the co-operatives at a higher level, carry out the essential serving of their needs, and assist their successful development and the implementation of their wishes.

In Hungary, Parliament recently passed a law concerning agricultural produce co-operatives in accordance with which their activity is based on full democracy, and the deliberations of the statutes. The unions personify the movement, the common character of interests of the co-operatives, and assist the development of co-operative democracy.

The strengthening of the economic position of the agricultural co-operatives in Bulgaria enabled them to create in 1967 the Union of Agricultural Producers' Co-operatives, which has since amalgamated with the Union of Consumer Societies into one Central Co-operative Union. In 1967, a Union of Agrarian Co-operatives was created in the Mongolian People's Republic. The principles of co-operative democracy are strictly observed in mutual relations between co-operatives and economic organisations and unions of allied sections.

As is known, one of the effects of the concentration of co-operatives is the increase of the number managed directly by the co-operative unions of all sections, and exercising their activity over a wide radius by inter-co-operative undertakings.

The activity of the co-operatives in the socialist system of economy means a variety of economic connections between co-operatives of different kinds, between co-operatives and unions, and between unions. The co-operatives certainly derive undeniable benefits from inter-co-operative collaboration. However, the specific character of co-operative principle demands a very scrupulous analysis of a factor of such importance as the potentiality of control by members and their delegates, of the activity of these joint and mixed undertakings. It also demands a search for new forms of guarantee for the participation of members of the co-operative in management. Amalgamation is permissible only so far as it is possible for the members to preserve their control over the activity of the enterprise.

In Bulgaria, inter-co-operative enterprises are being created (in consumer agricultural produce co-operation), which function by virtue of a statute which is accepted at the general meeting, and which protects the rights of the primary co-operatives and the interests of their members.

In the USSR, with the object of increasing the impact of the primary co-operatives, regional unions and economic undertakings, in the work of serving the wholesale organisations, of the unions of the federated republics and territories, so-called "Soviets of wholesale trade bases" were created, which consist of representatives of the co-operative organisations served and their enterprises. These Soviets control the disposition of stocks, the quality and variety of goods, the organisation of contacts with the suppliers and deliveries of goods to the shops, give active help in improving the work of the wholesale bases in the interest of the primary co-operatives and their retail undertakings.

The process of concentration, of the increase in size of a unit and of the scale of the economic activity which is now taking place in socialist countries, differs in principle from analogous processes in the co-operative movement in the capitalist countries, and their socio-economic nature, motives and purposes.

In the co-operatives of the capitalist countries concentration and structural changes reflect the general process of production and capital, and are a result of the laws of market and competition, of the omnipotence of monopolies and are contrary to the principles of the co-operative movement; in socialist countries concentration is a process of self-perfecting, of raising the level of the economic and public-mass activity of the co-operatives in conditions characterised by lack of crises, by the absence of menacing and destructive competition, and with the aim of improving the trade and otherwise serving the needs of members and of the population as a whole. This is a natural process of modernisation and rationalisation of the organisational-technical forms of co-operative activity in modern conditions accompanied by the perfecting process of co-operative democracy. Among the practitioners and theoreticians of the co-operative movement of the west one can meet those who try to prove, even theoretically, that it is necessary to do away with the obsolete forms and principles of co-operative democracy. These co-operators declare that the technical and scientific revolution and the processes of concentration require a revaluation of values, a decisive abandonment of the irrational, ideological elements, i.e. abandonment of the democratic principles of co-operation for the sake of increasing the ability of the co-operatives to meet competition and to increase rentability.

But the healthy forces in the movement, when putting forward the objective of the economic strengthening of co-operatives, do not forget the need to take measures for the preservation of co-operative democracy, and show great anxiety for the fate of the most important principle of the co-operative movement. The proof of this is the fact that the programme of the present congress includes the principle of co-operative democracy.

The implementation of the concentration of functions of the democratisation and decentralisation of management, the intensification of the "self-activity" and the expansion of the rights of co-operatives and their economic enterprises has become feasible in socialist countries as the result of enormous changes during the years of their existence, in the strengthening of the socialist system and socialist democracy.

In the strengthening of the democratic principles and the broadening of participation by members of the co-operatives in the management and the control of the organisations and undertakings established by them, very great importance must be attached to the higher level of education, to the improvement of educational work and propaganda among co-operative members. The raising of the standard of education, the uninterrupted increase of the material base for the preparation of personnel necessary for the national economy, has also permitted

the co-operative organisations during the years of the Soviet State, to create its own system of co-operative education, higher, medium and other colleges for the preparation of specialists in all branches of activity of consumer co-operation. During the first years of the Soviet State, many co-operative organisations of the USSR, suffering from a shortage of personnel, were obliged to employ temporary hired specialists (directors, managers) and entrust to them the administrative and executive functions which could not be exercised by members of elected bodies because they were without the necessary experience and qualifications. As a result of the development of co-operative education the institution of directors (managers) was abolished. For nearly 40 years the leaders (chairmen) of consumer co-operatives have been elected in a democratic way, and are mainly specialist members of the movement. This qualified personnel successfully carries out the administrative functions.

As long ago as July 1930, the second conference of consumer co-operatives of the USSR put forward as one of the most important tasks that of strengthening co-operative democracy, the improvement of the composition of the leading elected bodies on the basis of the involvement in their work of the highest possible number of members. For the implementation of this task it was necessary to ensure, and to ensure effectively, the election and the accountability of the co-operative bodies of management and control and the increase of their connections with members. It was necessary to carry out an enormous project, that of educating members of co-operatives. To achieve this, the co-operative organisations began to develop with increasing speed a network of their own schools and colleges and to increase the number of students. It is a significant fact that in the short period of two years (1931-1933) the number of students in the higher educational institutions, technical and professional schools, increased from 64.1 to 97.4 thousand.

The process of democratisation of the management of co-operative economy did not stop there. At the fifth congress of the delegates of consumer co-operatives of the USSR, 1958, with the aim of further developing co-operative democracy, it was decided to lay down the principle of the elected status of directors (managers) of shops, restaurants, refectories and other co-operative undertakings, and an addition to this effect was entered in the Model Statute of the co-operative society.

Now the consumer co-operatives of the USSR undertake the training of personnel for all the units and sections of economic activity, in trade, supply, nutrition, bakeries, production of tinned goods, building, etc. There are now 5 of the highest educational institutions, with 9 affiliated and 20 educational consultative points, 119 specialist intermediate schools of technology, 134 colleges, 10 schools for instructor-controllers, 14 training centres, 2 schools of designer-advertisers, and over 2,000 enterprise-schools; there is also considerable training of apprentices.

It is important to mention that the co-operative organisations of the USSR have organised the work of training specialists of the highest and intermediate degree not at the co-operative societies, but at the unions of co-operatives. The individual co-operatives are not in a position to organise the training of specialists at every level of qualification. This can be done only on a larger scale. The Soviet consumer co-operation has created a Foundation for the preparation of specialists; it operates for the unions, and is allocated annually about 100 million Roubles. This centralisation has enabled a broad network of highest and intermediate specialist colleges, professional-technical colleges, etc., to be established.

The highest colleges are under the direct control of Centrosoyuz; they educate specialists with the highest qualifications and teachers of special subjects for the co-operative schools and colleges. There are two higher educational institutions which concentrate on the education of specialists for the developing countries of Asia, Africa, and Latin America. More than 39,000 students are now studying in the higher educational institutions of the consumer co-operatives, about 5,000 specialists graduate every year.

The co-operative technical schools which are under the supervision of the republican, territorial and regional consumer unions, educate specialists of intermediate degree in 19 specialist subjects; they have 157,000 students, and in the last educational year, 46,000 students graduated. Centrosoyuz includes a special structural sub-division to exercise control over educational-methodical implementation of the programmes of these technical schools, it arranges curricula and supplies them with plans, books, etc.

In the highest educational institutions and in the technical schools of the consumer co-operatives courses are organised for full-time students, for part-time students, and those at work who are taking correspondence courses.

The system of tuition and education is consistent with the aim that all graduates should receive not only a good basic education, but also should have a grasp of the specific work and purpose of consumer co-operation. To achieve this, all co-operative colleges introduce the study of the theory and history of the movement, the study of special subjects (economics, organisation and techniques of trade, finance, credit, accountancy, statistics, and the science of commodities, etc.) connected with the practice of consumer co-operation. Students receive a practical training in the best organisations and undertakings of the co-operatives.

The educational institutions give a great deal of attention to implanting in the students and pupils a love of the profession they have chosen. Many institutions have installed book-shops, refectories and care is given in the formation and spreading of students' co-operatives, which help to educate students in the spirit of co-operative democracy.

Consumer co-operation has adopted a system of raising the qualifications of personnel. The raising of the qualifications already held, or the opportunity to do so, takes place at the co-operative educational institutions, organisations and undertakings by means of training courses, seminars and technicums. Every year, 500,000 workers of consumer co-operatives improve their qualifications in this way. The raising of qualifications of leaders, specialists, workers of mass-professions is organised and promoted with the object of keeping them up to date in their knowledge of the achievements in theory and practice of the management of co-operative economy, modern techniques and the latest experience.

In the various forms of consumer co-operative education in the USSR 850,000 people are involved. The educational undertakings accept all citizens who have expressed a wish, after completion of their studies, to work in co-operative organisations and enterprises. However, preferential rights are given to members of the co-operatives, their children, and workers in the consumer co-operatives. Education is free and students and pupils have free access to laboratories, libraries, sports installations, text-books, visual aids. The institutions also provide free hostels.

Students and pupils receive allowances; those who combine practical work with their studies, who are studying through correspondence courses, have different privileges, they are given extra fully paid leave of 30 to 40 days a year for attending lectures, carrying out laboratory and practical work, passing tests and examinations; in addition, in their final year they are allowed to use one day each week for study, while still receiving 50% of their pay, and are given another 30 days leave in which to take the state examinations or to present dissertations for their degree. While attending examination sessions, they receive 50% of their fares to and from the place where the examinations are held. During training courses for improving the qualifications of co-operative personnel, students keep their normal salary and receive grants in addition.

The continual widening and perfecting of the system of co-operative education, the raising of qualifications of specialist personnel, the studies and information for ordinary members, are creating conditions in which the Soviet co-operatives will be able to elect into the organisations of co-operative self-government and public control an ever-increasing number of competent people who have had specialised training. For example, at present 91% of the chairmen of boards, of republican, territorial and regional unions of the consumer co-operation hold degrees or diplomas of specialist colleges.

At the same time the knowledge and standard of information of the ordinary members is increasing, enabling them to participate in the affairs of their own co-operative with greater understanding and to take a more competent part in the control of its activities. In accordance with the statute of the co-operative, its members at their district meetings elect for a period of two years the members of commissions and social-mass control (commissions of shops, refectories and industrial), and the meetings of delegates elect the members of the revisional-supervisory commission. All told, in the consumer union of the USSR over 3,000,000 people were elected to these bodies.

Special seminars are organised for higher grade study of methods of control of activities of co-operative undertakings and of the boards of co-operatives. In the past year, for example, over 500,000 people were involved in these activities.

Moreover, the boards of the regional consumer unions and co-operative societies organise for all their members lectures and reports on co-operation. They also make great use of such things as evenings for questions and answers and the press, television and radio are widely used for propaganda.

The active participation of members of co-operative societies in all these undertakings and in the work of district meetings, the thorough grounding they are given in the problems of consumer co-operatives, and with the results and perspectives of the development of trade and supply on co-operative activity, enables them at their supervisory meetings to discuss the activity of the co-operatives in a business-like way and to give competent mandates to their elective institutions. Thus the constant care shown by the consumer co-operatives' organisations in the USSR in maintaining the high calibre of their personnel, in ensuring adequate training and study for the members for the co-operative workers and youth; the systematic increase with this aim in view of the network of educational institutions and of temporary schools, courses, seminars, etc., enables several important problems directly or indirectly influencing the state of co-operative democracy to be decided:

1. The increase of professional standards among the personnel of the elective boards of management and control, thus ensuring the full knowledge of business needed to guide the co-operative economy, including also the guidance of personnel of hired specialists. The correct solution of this problem excludes the bureaucratisation or technocratisation of the co-operative mechanism and the enhancing of the part played by hired specialists.

2. The increase of the level of specialist knowledge of the members of co-operatives in the spheres of economics, organisation and the techniques of economic activity; the regular information services about their co-operative's state of economy; and all the other educational-cultural activities of the co-operatives which help to broaden the outlook of the members and in turn heighten their activity and that of their delegates at the general meetings, at meetings of delegates, at conferences and other co-operative forums – all this enables them to participate knowledgeably and competently in solutions of all the problems of co-operative activity and control. A correct decision of these problems excludes the "intellectual removal" of the members from their co-operatives.

3. The wide involvement into the system of consumer co-operation in their capacity as members and workers of co-operative organisations of young people, youths and girls graduating from the intermediate level schools (10 classes), or from the general education (8 classes). The solution to this problem must preclude the drop in interest in co-operation on the part of young people.

It is very important to note that in the majority of socialist countries even in the schools of general education young people are being made aware, through the study of history, social sciences and the constitution, of questions relating to the theory and history of co-operation, and with the practice of co-operative building in their own and other countries. Pupils' co-operatives exist in many general education schools.

That is why the youth of socialist countries take an active part in the co-operative movement, willingly join the movement and plan to work in the co-operatives and their undertakings. It is enough to say that in the co-operative trade of the USSR every third worker is a young man (under 30) and the total number of young members and workers reaches a figure of 30 million; 15 million members of co-operatives, or 25% of the total are under 25 years of age.

The intensive involvement of young people in co-operative building is the important factor in the strengthening of co-operative democracy. Young people are very receptive, not only to the satisfactory mutual communication and collectivism, but also to the rational approach to business; they have a critical attitude to short-comings and a quick appreciation of everything new and progressive. Sociological research in the USSR in the last few years has shown that 96% of all young men and girls interrogated consider the interests and needs of the collective as a first priority in their lives. This is particularly important for those co-operatives which are based on collective (group) ownership, and which exercise their activity on the basis of principles of collectivism democracy.

An important method of increasing the activity of co-operative youth in socialist countries is the organisation of various gatherings, conferences and seminars of young co-operators on different problems of economic and mass-organisation work. A well organised club-house, sport and other kinds of cultural-mass activity are important factors in raising the interest of youth in co-operation; in the system of consumer co-operatives of the USSR there are about 5,000 sports' co-operatives, tens of thousands of clubs, lecture halls and collectives of artistic activity.



In socialist countries, favourable conditions have been created for the rapid professional success and promotion of young specialists. The continual improvement in the utilisation of young specialists, such as giving them more responsible and important work, has a favourable influence on the whole activity of co-operative organisations and their enterprises. For example, in Soviet consumer co-operatives over the last three years the average of promotion of younger people has increased each year; the number of annual promotions of young people appointed or elected to more responsible work (chairmen of boards of co-operatives and their unions, directors of large trade undertakings, wholesale bases, industrial units etc.) passed 7,000.

All this helps in the process of attaching youth to co-operation. Young people are willingly joining the co-operatives, entering co-operative educational institutions, having chosen co-operative work as their calling.

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The process of the development of socialist democracy as an integral part of co-operative society is an uninterrupted continual process. It demands the constant perfecting of the whole system of the management of co-operative economy and of the participation of large masses of co-operators; the constant changes in the economic and social life of socialist countries must be taken into account. That is why the efforts of co-operative organisations at all levels are directed towards a search for more rational forms of direct and indirect participation and representation of the members in leading their co-operatives, their unions, and the unification of co-operative undertakings, towards the perfection of the structure of co-operative mechanism.

Representing the organisations of the workers themselves, the co-operative organisations of the socialist countries are making clear to the citizens the important part they play in every sphere of the life of society, and showing them the growing potentialities for the use of their creative abilities as builders of socialism and communism. It is just such conditions, ensuring a comprehensive participation of the members of the co-operation in the management of the affairs of their own co-operatives, as well as of society as a whole, and of the state, that are creating socialism as the highest form of democratic organisation of society.

### III. Contemporary Co-operative Democracy

ROGER KERINEC (France) and NILS THEDIN (Sweden)

#### Preface

Democracy is the very essence of co-operation. This we all know, but perhaps it should be recalled in approaching again this important subject which is to be the object of our reflections and of a debate by the co-operators of the whole world.

Dr Fauquet formulated this idea in a remarkable way by affirming that the source and exercise of power lie with those whose needs gave birth to co-operation.

This is why, despite successive re-examinations of co-operative principles, that which expresses the necessity of democratic control in every co-operative has always been re-affirmed. The last Congress of the Alliance at Vienna in 1966 restated it in these words:

“Co-operative Societies are democratic organisations. Their affairs should be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies should enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration should be conducted on a democratic basis in a suitable form.”

But a principle has value only to the extent that it is respected, in other words, where it is applied in the everyday life and work of the institutions concerned, and in so far as it is accepted and well understood by the men who have to apply it, since democracy is most often imperilled by those who demand it most vocally.

A reminder of this basic truth seemed to us necessary in this introduction, which sets out to define the subject we must study: contemporary co-operative democracy.

If, in fact, the world in which we live today and which has on our movements the influences which we shall try to define increases the obstacles to the full application of democracy in co-operatives, it may be well to recall that it is the co-operators who make up the co-operative and it is in the co-operatives that co-operators are made. This is the extent of our responsibilities.

And since we are looking at facts, let us also stress that the problem which confronts us pre-supposes that co-operative societies and co-operative movements alike, have shown, and continue to show, proof of their efficiency. This is a *sine qua non* to ensure that co-operative ideas may retain all their opportunities of spreading throughout the world, and pursue their progressive and peaceful conquest of the economy.

Co-operatives cannot be judged on their intentions; but they are, and will be judged on their achievements.

It is because the co-operative movements today, more than yesterday, and less than tomorrow, are obliged to seek for efficiency within their undertakings, that the problem of democratic functioning arises. The challenge they face is the efficiency of modern methods of management adopted by private undertakings in advance of their adoption by co-operative societies, and equally the speed of adaptability of their structures to new conditions of competition.

The problem is to prove that democracy is no handicap in facing this challenge indeed, on the contrary, the invention of new structures of participation is a weapon peculiar to co-operatives for developing their expansion because they are better placed to do so than other undertakings.

It is also a question of proving that the necessary pre-occupations with questions of profitability do not relegate to the past the ideas of democracy, with all its problems, since efficiency is only to be measured in terms of the ideals it serves.

If it were demonstrated that co-operative institutions could not be both efficient and democratic, economically and commercially, we should be forced to the conclusion that any idea of participation was a failure, for co-operation appears to be that “participatory” formula which has the greatest number of experiments and enjoys the greatest wealth of experience. But if it were demonstrated that management can be both efficient and democratic, then co-operation would be able to look forward to a bright future, and its success would extend far from the confines of our movement.

We would point out that by raising this problem, our movement increases in stature, for co-operatives are democratic organisations whose members enjoy legal rights of participation. It may even be said that the co-operative movement possesses structures of participation which have no equal in the world of business, private or public, also that the problem of the democratic operation of co-operative organisations is one for the leaders of the movement rather than for the rank and file.

The problem then is not of ensuring the right to participate but rather of creating the desire for it. We shall therefore study, as objectively as possible, how co-operative democracy functions today and what should be done to ensure that it functions still more effectively in the future by comparing problems common to all forms of co-operation in all countries.

But co-operation is not a "closed circle" and must function subject to the exigencies of its environment, and since our study is concerned with countries commonly referred to as "western" it seems necessary by way of introduction to outline the characteristics of these countries and their recent evolution the better to understand their particular conception of democracy and the problems which the application of democracy presents to co-operative movements in the process of development.

## INTRODUCTION

### **The Environment: Countries with mixed economies**

It required a great deal of time and effort for the so-called western world, to achieve a certain political *modus vivendi*, that particular democracy of which it was the modern inventor and which in periods of strife would serve as a common denominator for what was wont to be called "the party of liberty", within which all the democracies are united.

For, as both reason and the facts demonstrate, democracy is linked indissolubly to the idea of liberty. Abraham Lincoln's simple and valid definition: "Government of the people, by the people, for the people." This dictum only acquires its full meaning when we consider what it excludes: the power of any authority which does not spring from the people, since it is the preposition "by" which is the most important.

Democracy would not attract peoples without this "basic impulse", which brings into play a feeling for liberty whose roots are both deep and mysterious. From this sentimental community, this historic foundation which saw democracy primarily as a system of government, there sprang a number of factors, of laws, of hurdles and balances "a table of values" of which Nietzsche said that it is inscribed above each people, as a table of victories over itself.

It was these limitations imposed by constitutions and customs which, throughout the 19th and 20th centuries, at different rhythms in different countries, have tended to introduce through struggles and conflicts this multiple trend towards democracy in human relations, at the level of political, economic and social structures, or in its everyday relations at work and in private life.

If those basic freedoms known as the Rights of Man are children of democracy the development of the context in which they operate today often disfigures their application.

Where stands democracy today in Western Europe?

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If the western democracies appear to have worked out their democratic heritages in different ways, depending on the twists and turns of their own histories, the conceptions of their philosophers, the actions of their politicians, and their geographical necessities, they nevertheless all subscribe to a set of elements which we mention, if only briefly.

Firstly, in the political field, universal suffrage and a certain number of institutions guaranteed by written or unwritten constitutions are found among the first of democratic values.

Universal suffrage won its fight by the most illustrious means: direct and equal, first in France, then in Great Britain, Denmark and Sweden, it has provided a minimum symbol of participation in political life. Democracy then extended to the institutions of government expressed in balances of power, plurality of political parties, priority of the law.

From political democracy, it spread to other fields. The idea of democracy itself has evolved; it is now looked upon as synonymous with a regime under which citizens enjoy the right to basic civic freedoms. And it was not by chance that virtually free and honest elections coincided with the existence of these freedoms.

The British Habeas Corpus Act of 1679 which forbade arbitrary arrest and enshrined the independence of the judiciary, brought into effect, long before the struggles of Voltaire, a law which is still the envy of many countries, granting all the freedoms which have progressively liberated man from state control, freedom of conscience and opinion, freedom of the press, freedom from restrictions on movement, freedom of association and freedom to protest. The legislation of the pluralist democracies is thus in line with the principles enunciated in 1679.

Equally, religious liberty is universally guaranteed, and its limitations, where these exist at all, are more sociological than political. Yet all such liberties, even basically, are insufficient to establish total democracy.

During the liberal era, when politics interested only a relatively restricted sector of human activities, democracy could without injury be included in the framework of constitutional law. But today things have changed, for as soon as the destiny of each individual becomes implicated by political options other guarantees of social rights become necessary.

With the right to trade unionism, the right to strike, the right to work, the right to a fair day's pay, the right to leisure, to social security, democracy, which was purely political in its origins, became the "child of its century".

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These conquests, these recognised freedoms transmitted by osmose between countries, differing as between states, but always present in one form or another, carried the mark of a civilisation, a democratic way of life, which Montesquieu called "climate".

But, to be objective in our attempt to describe western democracies, we say at once that this climate must not hide the true conditions in which democracy is applied.

Even in 1938, Paul Valéry, that great French poet, while he may have blackened the picture a little, painted our freedom in these terms:

"Freedom in our time and perhaps for most individuals is only apparent. Never has the most liberal state by its nature and affirmations more rigidly bound up, defined, confined, scrutinised, fashioned, and recorded the people's lives. More: never has such a general systematisation of life weighed so heavily upon men, subduing them by the clock, by the power of physical means acting on their senses, by the speed demanded, by imitations imposed, by the abuses of "mass production" . . . etc. until they are but products of a particular organisation which tends to make them all as like each other as possible even their tastes and their leisure pursuits. We are the slaves of a system whose constraints do but grow, thanks to the means we ourselves create to act more and more widely on the common milieux of life."

These constraints, to which Paul Valéry referred (nowadays we may call them obstacles) are real enough.

The monopoly, or near-monopoly, of television by the state, the monopoly, or near-monopoly, of the press, in the hands of capitalists, of advertising, one of the most necessary evils of our age, which conditions the consumers of this society which is rightly called consumption, the techno-structure, or in other words, this anonymous entity composed of specialists and committees who run the largest companies, whose influence on states is ever-increasing – all these things are dangerously debasing the image which the peoples have of democracy.

If we were to stress what we consider to be the other side of the picture, it would be that these forces, some of which are obvious to us all, but others of which are subterranean in their actions, affect the development of co-operative movements, which cannot ignore them.

Co-operators know that political democracy by itself is not enough and that it must also be applied to economic fields so that the economy shall be the expression of the will of the citizens themselves. This is a fairly new road, still largely unknown, which opens for the future action of the co-operative movements.

Pure democracy will always remain an ideal, but today, more than ever before, it is the best means whereby man as a human entity may come to accept the inevitable disciplines imposed by the collective life, because it permits him to take part in the collective decisions concerning such disciplines.

## CHAPTER I

### **Present day conditions under which co-operative democracy operates**

It is within this framework that the co-operative movements are developing. They are free to do so and enjoy a statute which recognises their particular characteristics and respects their objects. These objects are well-known and have been popularised by many writers in every country. Among the apostles of co-operation, the French economist Charles Gide even went so far as to envisage a veritable co-operative republic.

Nowadays, even the most optimistic co-operators have abandoned hope of reaching such a goal, but they hope their doctrine will "impregnate the world with its ideals", to use the expression of the great Belgian co-operator, Louis de Brouckère. They hope to see a society of the socialist type in which not only co-operative movements have a major role to play, but of which the structure will be inspired by the deeply democratic spirit of co-operation.

Co-operators seek to create powerful co-operative sectors and at the same time to influence the public authorities by making known their views on the great economic and social problems of the day, and by participating as far as possible in the work of the institutions which direct the economy of their country. They strive also to influence political opinion by showing, by the most modern methods, their achievements and the ideals which inspire them.

A century after Rochdale, we can say that co-operation has had successes, due to the fact that it has fulfilled the deeply felt needs of the most necessitous sector of the people.

Coming from the same stock as trade unionism, mutuality and the labour parties, co-operation was seen as an efficient weapon in the hands of the workers' and peasants' movements. But these different forms of the same movement or these different movements which all sprang from the same soil, for which association represented the best means of circumscribing the dangers arising from competition, became differentiated and specialised and have continued, each in their own way, a struggle which has led to an appreciable rise in the standard of living.

It may be that co-operators did not realise quickly enough that the very impact of the ideas they sought to put into practice had changed things and that these changes demanded new objectives. This has reached such a point that the survival of co-operation has for its members no longer the same vital importance as in the past, and if it were to disappear, many of them would find solutions to their problems elsewhere. Such solutions would, without any doubt, be less advantageous than those provided by the co-operative, but the recent evolutions of capitalist undertakings have enabled them, by adopting modern management methods and changing their structures quickly, to respond at minimal cost to certain needs formerly satisfied by the co-operatives, while still showing a profit.

This is one of the main reasons which obliged the co-operatives also to change their structures. There are of course other reasons which we all know: especially the concentration of forces of the adversaries and the rapidity with which the situation changes. We would particularly stress the necessity which obliges the co-operatives to seek new demands which they can satisfy, which are badly, imperfectly or uneconomically handled by private enterprise or public utilities, and which enable the co-operatives to underline the advantages of the co-operative system. Democracy only works well when its objectives take account of man's needs and problems.

Condemned to progress very rapidly and to innovate in order to remain in existence, the co-operative movements of the western world have adapted themselves to the new conditions of the struggle imposed upon them by undertaking structural reforms which were the subject of the remarkable report by Mr A. Korp at the 1966 Congress of Vienna and of a resolution which was voted unanimously; reforms whose essential characteristics were summarised in the report issued by the ICA Secretariat after the enquiry it undertook among the different national co-operative movements.

We would refer our readers to this report, from which we recall some passages which summarise the problems with which we are pre-occupied:

“Concentration of resources, integration of undertakings, standardisation, centralisation of services and generalisation of new methods of management, and planning on Movement levels. The aim is to increase efficiency by economy in management, centralisation of purchasing, better use of talent, reduction in overheads, in costs of transport, purchasing, accounting, research, sales promotion, training, etc. and all this will make it attractive to new supplies of capital.”

Such reforms, of course, could not be introduced without consequences to the co-operative structures, which the ICA report mentions as follows;

“Centralisation implies the transfer of power from societies to central organisations. More and more, decisions are made by an élite of officers or technicians in the Movement’s central organisations who have wide experience and the necessary qualifications. This will mean that societies delegate their right of decision in matters of range of goods, investments, pricing policies, training of staff and information.

But this loss of sovereignty is more apparent than real, since it is often voluntarily given up to provide a greater degree of efficiency in the Movement . . .”

The report goes on to observe that structural reforms have had consequences on the operation of democracy within the movement by “creating a gap between the members and the leaders” and are to be blamed for the “apathy of members, the poor participation at assemblies, diminution of traditional co-operative loyalty, lack of interest in the young, difficulties in recruiting executives and loss of the feeling of participating, increase in bureaucracy and sometimes forgetfulness of the ideals of co-operation, in this case, service to the members”.

We now come to the heart of our subject. This review, not in the gayest colours, is too well-known for us to comment at length. We would merely say that it is not structural reform itself which is the origin of all the difficulties in the operation of democracy, well known for decades. Our feeling is that the bad functioning of democracy is the result of difficulties experienced by co-operative organisations in adapting themselves to a world in rapid evolution and that the reform of their structures was the necessary pre-condition to any improvement in co-operative efficiency which, in its turn, would assure a better functioning of democracy within better managed organisations.

It is customary to repeat that democracy was perfect in the first co-operatives because they were not hampered by intermediaries. It is true that co-operatives, in the early days, were formed in a hostile environment and this strengthened the links which united the members, who coming from a similar and modest circle of life were compelled to defend their interests. It is well-known that it is easier to co-operate in poverty and under stress than in affluence and security.

But should we not despair of co-operation if it could only develop if it was up against something or someone?

The necessary formation of huge societies made it still more difficult to apply democratic control by the members, who did not know each other and came from different geographic, economic and social strata, so that it was the militants living in a homogeneous circle who maintained democratic control.

But from that time, democracy has often assumed appearances of co-optation and often the small minority which has directed the society has declined, through fear of deviationism, to delegate its powers. This has put a brake on the society’s development by permanent control, too great a degree of participation by too small a number of co-operators, without sufficient contact with the mass of members.

Too few studies have been carried out to determine to what extent the leaders of societies and of their central organisations were democratically elected, to state with any degree of precision how decisions affecting the future of these societies and central organisations were taken. These studies are still to be undertaken and would be most interesting.

Yet, the movements have remained in essence co-operative; only very rarely has there been any deviation. Co-operation has remained faithful to its origins, even though it has not succeeded, as well as its pioneers would have liked, to show that people were ready to manage their own affairs by themselves.

One can find many reasons for this encouraging conclusion, but it seems to us that it can be explained by the fact that those who created and directed the co-operatives – that small number of disinterested and modest men and women – were passionate believers in the co-operative ideal and the moral values of co-operation and devoted themselves to ensuring the survival of institutions inspired by this noble idea. This underlines the vital importance of the co-operative and ideological training of its administrators, especially those who lead, and will lead, the new co-operative organisations.

We have therefore stressed that the difficulties encountered in the application of democratic ideas in co-operative administration are not new, and that the recent evolution referred to previously poses this same problem under new circumstances, which we will analyse.

Structural reform, by centralising power, by necessitating the concentration of co-operative forces and the planning of the development of the movements has shifted the centre of interest of research into the operation of co-operative democracy, and is perhaps the most important change we have observed. We feel that today it is especially important that democracy should be respected at central organisation level, and this is why we will look first at the contemporary problem before studying the functioning of democracy within the co-operative societies.

There are many arguments in favour of this thesis: the future of co-operation and even the simple defence of the co-operative heritage, can no longer be assumed by societies acting in isolation. The idea of independence at society level can even be set against a proper understanding of the idea of democracy at movement level. Too much independence, in the application of a policy of autonomy, can be prejudicial to collective success.

The competitors of co-operative undertakings are so powerful and the initiatives they can take are of such scope that they might cause the disappearance of co-operative societies, either because they have not the means to defend themselves, or because they have counter-attacked by playing “double or quits”, without having the means, financial or in human terms to win.

The problems raised by the installation of “hypermarkets” in consumer co-operatives is one example, since the openings of shopping centres of this type necessitates more often than not the assistance of national organisations.

The same may be said of the majority of the initiatives which the movements must take to satisfy the new requirements of their members. The creation of huge leisure centres, the opening of new factories, which are more and more of an international or inter-co-operative nature, can only be undertaken by national organisations.

It is not solely the vital need for information, as expressed by co-operators and co-operatives which demands well-equipped and well-organised specialised centres, which can only be conceived on a national scale. It is often because they are ill-informed of the speed with which things change and the extent of the danger which threatens them that co-operative societies sometimes set out along wrong roads, or persist in applying a policy which has no future.

To summarise, the vital decisions which affect the destiny of members of all societies in any one country are more and more being taken at national level and we do not believe it suffices for co-operative societies to be democratically managed, but that it is even more to the point that the central organisations should be so, precisely because there is a concentration of power in the hands of a relatively small number of men.

But can it be assumed that such a concentration of power would be compatible with democratic control? We believe the answer is Yes, since the dispersion of power is no more synonymous with economic democracy than its concentration is synonymous with the weakening of that particular type of democracy. The real issue is to establish if there exists participation by the leaders of co-operative societies in the elaboration and execution of decisions which affect their own future.

It is this question we now propose to examine by setting out the conditions necessary for an efficient co-operative structure to remain democratic.

## CHAPTER II

### Democracy at movement level

First of all, it would be well to define the meaning of the words we use.

Democracy is not anarchy and participation must not be synonymous with confusion. Not everyone may possess power for all time. Co-operative democracy can only be representative.

In any democratic institution, power is delegated by the majority of the members to a restricted group into whose hands it devolves a fraction of the power which each of its members possesses. But this power is not delegated for all time, essentially it is delegated for the fulfilment of this or that task or to attain this or that objective and, lastly, it is not delegated without control.

It is, therefore, most important to define clearly who is responsible for what and to ensure that each does all that he is called upon to do, and only that which assures that the best man is in the place which befits him.

In the new structures it is the movement itself which is sovereign and expresses its will through the Congress, assemblies in which all co-operative societies are democratically represented, and it is the Congress which must determine the movement's objectives.

It is the organ which, among other things, will adopt the movement's development plans, plans which will take into account population shifts, variations in income levels, changes in the transport network, data on competition, etc., and which will determine, for the mass of societies, development objectives in keeping with the movement's financial and manpower resources, in accordance with the degree of urgency of each stage of development. It will also decide which tasks will be assigned to national organisations, and which will remain in the hands of the societies themselves.

#### Fair distribution of tasks

The distribution of the various tasks to be accomplished must be inspired by the real interests of co-operators and the degree of efficient service given to the members. It may thus evolve and may well vary, depending on the degree of concentration of the co-operative forces. But it is important that decisions taken democratically by societies in congress shall be applied by them and that, with the help of the central organisations, they define their policy within the general outlines laid down by congress.

We would stress the importance of this distribution of tasks which should both place the initiative for co-operative policy at the level of the members for a society and of the societies for a movement, and also allow for the definition of a common policy, which must be respected by all. It is this reconciliation of democracy and efficiency within the framework of a federal type of structure which illustrates the originality of our movement.

That is the principle. It is found most often in a structure of the type we will now describe, but others may be conceived, better adapted to the special and changing conditions of particular movements.

Congress is sovereign, but it is not necessary for it to meet annually to fulfil its role. It would be useful in this case, if it were to elect a body largely representative of the movement as a whole to ensure that the congress resolutions are carried out by the councils of the central organisations and the member societies. Whatever may be the conceivable shades of difference as regards the movements and countries, Congress must also elect those whose task within the framework of the broad lines laid down by Congress, would be, to take policy decisions on behalf of the movement on which all affiliated organisations would pattern themselves.

In some countries the members of the council are elected from those who hold no paid function in the society; in others it includes non-paid and paid members. More often, and provided Congress does not do so, it would be desirable for the council to elect a more restricted executive committee to take the necessary decisions to apply each day the policies laid down by the council, which should meet fairly frequently and report on its work to the council. This committee would generally consist of responsible officials; it would elect its own chairman, unless he were elected by the council, whose role should be clearly specified.



Modernisation of the mechanics of power seem to lead to two apparently contradictory propositions: on the one hand the superiority of group discussion over solitary intuition and this applies equally well in politics as in economics; on the other hand, however, the idea has gained ground that a certain personification of power is necessary (here media and methods of information and advertising have had their effects).

The task of a President in a central co-operative organisation is firstly to represent the movement, to symbolise the unity of the movement, especially when several national organisations co-exist, to maintain a climate of confidence and to ensure that the collective process results in achievements, without deviating from the line laid down by Congress. In this way each echelon of the democratically-chosen co-operative structure will have a precise task to accomplish.

This is the first condition for the good functioning of democracy. But there are others which must also be fulfilled.

It goes without saying that the elections at different levels must be democratic, in accordance with the principle of "one man, one vote", but we will not dwell on this point, which seems to present no difficulties.

We will rather, examine one condition which today is as important as the choice of national leaders. This is the institution of a fruitful and permanent dialogue between those who hold power and those who have delegated it.

#### **A permanent dialogue**

This demands the formation of a sort of "group mechanism" and a two-way system of information, from summit to base, and base to summit.

By "group mechanism" we mean the appointment of specialised consultative committees, of sections where experiences may be exchanged, in which will be represented in each field the leaders best qualified in their respective co-operative societies, so that they may be closely associated with the preparation of the decisions to be taken and also the choice of means for applying such decisions.

This "mechanism" will also necessitate at times regional centres for studying the particular conditions pertaining to each region which must be taken into account when applying decisions taken on national level or to create the conditions necessary to their fulfilment for example by concentrating the co-operative forces of the region.

As regards the system of information, it is necessary, if only for the proper functioning of the "groups", but it must go further than this objective and the role which it can and must play, is often underestimated.

Each section of each society must be informed not only of what interests the development of the society, but also and to an ever-increasing extent, of all that concerns the development of the movement itself. The very fact that the great issues of the day, capable of arousing passions on the part of the members, will be decided at national level, means that the leaders of societies will be obliged to have them aired before their members, so that the latter may express their views on problems which affect the life of their society and equally that the leaders of each society will be informed of the views of the members and can put them over at national level.

The involvements of the members will be more and more concerned with the movement itself, and not only with their own society, and this involvement demands extensive and objective information.

If the leaders of societies do not give their members the possibility of expressing their views on national problems, they should not be surprised if the members show disinterest in the society. They will not have had the opportunity to play an active part, contrary to the recommendation adopted by the 21st Congress of the ICA at Lausanne which: "recognised the necessity of adapting the activities and objectives of the co-operative movement to the transformations taking place", and recommended "the application, throughout the process of adaption, of the fundamental principle of democratic control, *by giving members on as many occasions as possible the possibility of playing an active part . . .*"

On the contrary we are sure that to participate in a non-profit making undertaking whose aims are clearly formulated will lose none of its attractions, especially for the young and will justify membership and even devotion.

#### **A certain spirit**

Co-operative democracy thus demands a democratic structure, a fair division of tasks, a dialogue fed by information adapted to each particular problem and each type of public; but it asks more, for democracy is also a way of living with others, a personal and social way of life, an art of living.

The co-operative spirit, or better expressed the spirit of co-operation, presupposes, in so far as it takes the common good as its criterion, a minimum aptitude for holding aloof from the conditions which surround it: one can hardly imagine a co-operative with egotistical interests. It also implies an open mind, a capacity to listen and a will to understand, without which not only can a democratic dialogue not exist but expansion of personality is impossible.

One can add that, in demanding that man rises to the point of conceiving an economic and social ethic, the spirit of co-operation constitutes a kind of test of human qualities which differentiate him in the group, the "club" or in any ordinary association.

Over and above the ethical aspect, it determines in everyday life habits of optimism, to co-operate is to believe in man, and to tolerance, for the co-operative collectivity unites not only its neighbours but its fellow men — habits generally found in those who come to the co-operative movement. The feeling that responsibilities are discharged collectively confers a type of gravity which leads to more mature thought and a situation where each identifies himself realistically with the undertaking and with the pursuit of its objectives.

It has been said that it is a type of humanism; if by that is meant that it develops those moral values which civilisation tends to stifle, it is true. But it is also the value which is added to man's activities at work and the freedom offered to the conditioned consumer.

Through it the achievements which it inspires will always be different from any others.

It is even highly probable that, to differentiate the co-operative movement from private or public undertakings, to fashion the image it should have and which will attract the executives it needs, to convince public opinion of its worth and to demonstrate to the public authorities its disinterested character, it is this spirit which will play the essential role. Co-operation cannot be merely a material success, it must also be a human success.

In conclusion, if these conditions are met, we believe that the centralisation of power is compatible with respect for democracy, and that the new structures which the co-operative movements have adopted are as democratic as the old ones.

Is the situation the same at society level where democracy has its roots?

### **CHAPTER III**

#### **Democracy at co-operative society level**

We have just referred to the information necessary to members of co-operative societies concerning the objectives pursued by the movement as a whole. This does not mean, of course, that the members can become disinterested in the life of their society; quite the contrary. But how can democracy be made to impregnate the machinery of a co-operative society? This is the question we will now try to answer.

Democracy must allow workers, farmers, tenants, consumers, fishermen and others in a society, to voice their needs, their satisfaction or discontent, and to define the goals they seek. It must also allow them to elect the most qualified representatives to manage their societies and to judge the results.

We know that in every movement democracy is inscribed in legal documents and in the statutes and is expressed in the convocation of the poorly-attended annual general assemblies. We know also that militant democracy can strengthen the rather theoretical control exercised by such assemblies. It follows that co-operators are no longer satisfied with the present-day functioning of democracy within their societies.

“Every idea will become false when one is content with it”, wrote the philosopher Alain.

Co-operators must find the means whereby they can create a democracy of users wider in scope than militant democracy and more permanently enshrined than legal democracy.

Legal and militant democracy give to this minority management possibilities of action in very different fields. The problem which presents itself at this level is one of quality and free choice. (How to delegate and to whom?) But co-operative democracy cannot limit itself to this minority, however precious it may be. It must allow the citizen, that is the member, to make his opinion known, which pre-supposes that he can be reliably consulted and knows the facts concerning the choice he must make.

Why, properly informed on the projects which concern them, should not the members of a co-operative society be capable of intense interest in them, provided that the projects are sound and expedient?

But since co-operators no longer come to co-operation spontaneously, co-operation must go to them, to ask their views, the better to understand their needs and desires, and to become known better to them.

Starting from these general ideas: co-existence of democracy management and orientation democracy, we ask what means should be chosen to arouse an interest in participation and what activities must be abandoned as outdated.

The ICA report to which we referred earlier, analyses some of these means. We will try, in the light of various experiments which seem interesting, to answer the following questions:

How to ensure that the members of a co-operative society wish to participate in the management of their co-operative?

How to ensure that from a knowledge of the facts they will choose their representatives in the administrative councils?

How to inform and train administrators that they manage their society efficiently?

How to ensure that the directors and executives of societies are convinced co-operators?

How to interest the personnel in the life of the society?

In every country, leaders of every type of co-operation ask themselves these same questions. Answers have been given, experiments have been made, but the answers of today are not those of yesterday and the experiments must always be repeated. Nothing is ever true for all time. Nor can we say that what holds good for a consumer co-operative will be good for a productive co-operative. There is thus no one answer to each question and we shall not attempt to find it.

But, through the experiences of a great many people, there must be many conclusions to be drawn, certain methods to be kept in mind which would economise research effort, and it is in this spirit that we intend to analyse how, in different situations, co-operative societies have become living democracies.

Obstacles have had to be surmounted and others remain, which we will mention briefly, since they are well-known, in the introduction to the second part of our paper.

Democracy within large modern organisations must face difficulties of a practical nature.

a. The social and cultural advancement which must give the individual greater possibilities of actively participating in democratic life places numerous obstacles in the way of participation, for if we accept that urbanisation reduces geographical distance between people, it tends in many instances to increase social isolation and widen the gulf between individuals. Equally, if modern techniques offer man greater leisure, which is fast becoming an industry, they also induce the habit of passively accepting information and propaganda put out by modern mass media such as the press, radio and television. In society today the struggle to convert the mind becomes even more bitter; at the same time, many factors incite the average man to defend himself by flight, passivity and indifference.

b. There is generally in any co-operative society a community of interests among members which may reduce ambition for active participation in its activities. In the political field, conflicts between economic interests and social ideals stimulate the interest of the citizens to exercise their democratic rights. Since such conflicts do not generally, and should not, exist within a co-operative, the result is that the members turn spontaneously towards the specialised staff to settle organisational problems.

c. This tendency is accentuated because co-operative undertakings are becoming more and more complex. The member feels that his knowledge is insufficient. So long as the society or organisation appears to prosper, the member does not feel it necessary to take part in assemblies, study circles or elections. If, however, its prosperity declines, it is usually too late to intervene and try to put matters right. In his book, "The New Industrial State", J. K. Galbraith looks at the techno-structure which, in the great capitalist undertakings, has taken power from the capitalists, the real owners. In an often-quoted sentence, he says "that the annual meeting of a large American corporation is, perhaps, our most elaborate exercise in popular illusion". In many cases, could we not paraphrase this remark by saying: "The annual assembly of the big co-operative society is a feat of perfected illusionism."

d. The distance between the sectors of the society and the central management may be so great that members feel out of things. They have the same feeling towards the co-operative shop or dairy as is generally felt for a shop or dairy belonging to a private chain.

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If democracy is to be put into practice instead of becoming a publicity slogan, certain conditions must be fulfilled.

a. The members must become aware, if only appreciably, that the society is *their* business and that it is to *their* advantage to use *their* democratic rights as members. Continuous education of members is thus a pre-condition to the existence of co-operation as a truly democratic movement.

b. The greatest possible number of members must be sufficiently interested in their organisation to acquire the minimum knowledge necessary to read, understand and discuss the economic and financial reports of the society and to assess its activities.

c. In a country where different forms of undertakings co-exist and confront each other, the movement can only struggle and progress if it is at least as strong as the opposing undertakings. If it cannot serve its members efficiently, it will lose support and eventually disappear. Members elected to committees, councils or commissions within the movement must have knowledge of co-operative work and the economic situation. The elected leaders, although they may not be technicians, must possess sufficient knowledge to direct the general policy of the co-operative and assess the work of specialised staff.

d. The efficiency of a co-operative largely depends on the competence and expertise of the staff, but the very nature of the organisation demands more than technical competence. It is vital that employees understand the objectives and ideals of the movement. This is why co-operative education and vocational training of employees is so important.

The former director of the Swedish co-operative college, Mr H. Elldin, was wont to say that if we had to start our movement again at zero and had the choice between two alternatives: start with no capital but with enlightened members and staff, or start with a great deal of capital and an ill-informed membership, we should be inclined to choose the former. Like many other aphorisms this lends itself to discussion, but it is certainly a good subject for reflection.

Having said this, we will analyse the problems which present themselves at all levels of a co-operative society if it is to be a true and living democracy.

#### **Participation of the members**

People usually become members of co-operative organisations for purely economic ends. In many cases, participation is automatic. It is a simple act of solidarity, regarded as perfectly natural, for a farmer to become a member of an agricultural co-operative. In some cases,

agricultural co-operatives may even become monopolies, for instance, in the dairy industry. In countries where co-operative consumers, members or not, may buy in the co-operative, many do so because it happens to be close by. To benefit from the dividend, they ask to become members, but they have no feeling of participation.

How can the suppliers (the agricultural society) or the clients (the consumer society) of the co-operative be persuaded to take an interest in co-operation as an organisation?

It would seem natural that a large majority of the members would or might be interested in the way the consumer co-operative reaches its goals. They ought at least to take an interest in certain questions, such as the range of goods, quality, prices, consumer information services, delivery service, etc., even in the new aspects of consumer protection.

In an agricultural society, for example, a marketing society, its activities directly concern the farmer to the extent that they affect his work, his income and his standard of living. He should therefore take an interest in commercial policy, price structure, transport services, etc. also the general agricultural policies of the state, i.e. marketing and price fixing of agricultural products.

In a co-operative housing society, the questions which directly affect members may be for example: what action the society is taking to stop house prices rising, to provide common services, repairs, laundries, perhaps day nurseries, etc., to encourage good neighbourliness in a pleasant environment.

How can the wishes of members, their criticisms, their practical suggestions, be brought to the attention of the elected officers and management? How can we give members the feeling that their views are important, that all their suggestions will be examined? An annual assembly is not enough and often is not appropriate for discussing matters other than of principle.

In any co-operative society, the circulation of information should be two-way: not only information and propaganda from the management to the members, but also suggestions, criticisms, propositions, and judgements from the members to the management. A co-operative society is not an ordinary commercial undertaking, but an organisation which exists to serve the interests of its members. This means that the members must express opinions, make suggestions and not deal solely with specialised staff members.

#### Education of members

Members, as the owners of the society, are responsible for its general policy. They must be capable of assessing its economic development and financial situation and to come to a sound opinion on the activities of the elected leaders and the management. It would not be realistic to think that all the members, or even the majority in any large society, are interested in its direction. It is more likely that they are interested in the results of its activities, than in questions of overheads, investments, balance sheets. But the aim of the society's educational activities must be to interest the greatest possible number of members in economic and financial problems and to give those interested the opportunity to study the principles of co-operation and co-operative economy.

When discussing the structural changes which the movement must undergo in many countries, the ICA Commission on Principles said that: "this was the time, if it is not already too late, for the co-operative movement to consider its educational activities more seriously than it has done in the past. It must define its educational problems in much wider and more general terms and provide sufficient funds for a well-thought out educational programme".

For more than a century, considerable experience has been amassed within the movement throughout the world. To this we must add the results achieved by research workers in the field of co-operation, economics, etc. We can say that there is practically no aspect of co-operative practice and theory which has not been covered. The information exists, but it has not always, nor everywhere, been properly passed on to members.

Education is a question of communication. However, there may not always be a suitable channel to communicate information to those who need it. Many obstacles must be surmounted before we can transmit information to members. These may be due to historical traditions, psychological conditions, cultural development, or the result of natural conditions, so that methods used successfully in one country may be a failure in another. The success of a particular educational method may be due to several favourable factors. If these are absent, the method

may fail. As a result, each co-operative must discover how far it may copy the methods used elsewhere or must adapt them to its own conditions.

Many movements, as in Sweden and USA, use the study circle as a useful method for educating members. Even if only one or two per cent of the members take part in these circles they are none the less important for the democratic life of the co-operative. The subjects studied are often the organisation and economy of societies, services to members, general economic and social problems which touch on the working conditions of the society and the standard of living of the members. In these study circles not only members, but also elected leaders and staff members take part and contacts thus made tend to widen their knowledge and experience. This is seen more and more among members, for example, by the higher level of discussion at the annual assemblies.

It is interesting to note that this type of education is developing in the younger movements of the third world. Tanzania offers a particularly good example, for its movement enjoys residential courses, local weekend schools with touring professors, study circle activities combined with regional radio programmes, postal courses, all being available to staff members, members of the council, and members. They are very important not only for improving the co-operatives' standards of efficiency, but also for strengthening the democratic spirit within the movement.

#### **Members' annual assemblies**

One basic condition for increasing member participation in a big society is that a large proportion of them attend the annual assemblies, taking part in the discussions and feeling responsible for the decisions.

To achieve this, it is desirable that all members receive a written invitation and be reminded of the meeting by posters in the shops and advertisements in the press. The meeting place should be close to the area where the members live. Not less than 50–100 or more than 200–400 should take part if they are to intervene in the debates, ask questions, submit suggestions, or make criticisms. Large societies divide their areas of activity into several districts, each with its own preliminary assembly.

To find the best way of presenting the annual report raises problems for the co-operatives. It is not enough merely to show gross figures in the society's balance sheet or any other important commercial fact without explanation. Only a small number of specialists would understand such a report. In a consumer co-operative the financial statement is not considered a useful evaluation of its activities. The figures must be given in an appropriate context and the results of past activities in relation to future projects must be discussed.

Thanks to audio-visual systems, annual reports and other information can be presented in a concrete and easily-understood form. These same systems, as well as films, are also used to increase the educational value of the assembly, for example, films on co-operation in developing countries.

Apart from showing the activities of the society during the preceding year, discussion of the annual report, the decisions taken, and elections, it is essential that members ask questions, make suggestions and criticisms to the management, and obtain true and complete answers.

There are several methods for encouraging active participation. Some societies organise discussion groups in which specialists reply to questions. Some societies ask members to send in written questions which are answered in the assembly. In others, the debate may commence with a test-questionnaire or other form of enquiry to which participants are asked to reply.

Naturally, it is essential that the members feel that their participation is welcomed and their views and criticisms respected. It has happened that directors or elected leaders have said after an assembly: "That was a good meeting – nobody said anything", meaning that, since there were no criticisms, everything was all right. But this is a dangerous view to take. Indifference on the part of the members must not be seen as a good thing, but as a serious danger.

## **Elections**

It is vital that elected officers be representative of the different categories of members and of the various sectors of the society. They should be competent, and have the necessary time and interest to fulfill their responsibilities. Candidates should not be chosen at random at the annual assembly; on the contrary, their nominations should be the result of serious study to assure the best administration possible.

The first step is to list a sufficient number of first-class candidates, and the society, especially if it is a large one, must remind members in good time that they must nominate candidates for the offices to be filled.

A selection committee must be appointed to make a careful choice of candidates. Even if the work of this committee takes place in the month preceding the annual assembly, its members, if elected at the previous annual assembly, have time to consider the candidates.

The role of the committee depends on the type of society and its traditions. In a society where different groups of members are in opposition and the leaders change frequently the committee should try to obtain the maximum stability by proposing that the officers be appointed for sufficiently long periods. The statutes of many societies provide for two-year terms of office, renewable as to half the members at a time, and in large societies re-elections frequently happen. Often, societies set age limits for candidates; and it may be opportune to limit the terms of office so that no members may hold office for more than 4 to 6 years and shall not be eligible for re-election during the next two years.

## **Training of administrators**

The development of co-operative structures and the creation of large co-operatives entail new tasks, often more complicated, for the elected leaders. It would therefore be well to re-evaluate their training systems.

Evaluation should begin by examining the type of posts held by members of councils of administration and in their sub-committees, administrative commissions, auditors, executive committees, selection committees, etc. Using statutes, standing orders and other instructions issued by the society, but not forgetting experience, i.e. on which the elected officers will base their decisions, we obtain a clear idea of the type of knowledge necessary to the leaders if they are to fulfil their tasks conscientiously.

It would also be useful to make a general study of the elected leaders, their numbers, how their terms of office are renewed, the age groups, professions their educational level, lastly their training. The competence and knowledge demanded of council members increase regularly. As the level of education is tending to rise in every country, the new generation of leaders is often better than in the past. It should, therefore, be possible to ensure that training also becomes more specialised.

All levels of executives need manuals and books from which they can obtain specialised knowledge necessary to their tasks. Such manuals should include questions on each section with answers, so that the readers may check their degree of knowledge and understanding of the problems arising.

Group studies constitute a practical form of organising the training of elected officers, and could take the form of study circles which make use of material supplied by the central organisations (i.e., correspondence courses), including information texts and subjects for discussion. The subjects for study are usually divided into several sections and at the end the groups must answer 2 to 4 principal questions in writing. The replies are sent to the correspondence school by the group's secretary.

Evening classes are another means of training officers and here again it is desirable to use material supplied by a correspondence school although generally evening classes have a teacher for each main subject. The teachers may be staff members of the co-operative or specialists in business, accounting, or sales. Each person attending evening classes should try to answer the questions raised during the lessons. These classes ensure sufficient aptitude for individual work and work in a group. Short conferences or seminars could complement evening classes, which in case, specialists from the central organisation or teachers from the co-operative college could be lecturers or tutors.

Sometimes this system is rounded off by a seminar or course of one or two weeks which gives the leaders of the various societies an opportunity to meet and discuss common problems.

#### **Discussions, meetings and clubs**

Educational activities and annual assemblies play an important role in member education. But, in addition many organisations have meetings every three months or bring their members together at meetings which combine entertainment and education. This is an excellent formula which creates a community spirit and a truly co-operative atmosphere. In many cases, these educational activities are contained within the framework of special bodies, i.e. co-operative associations or clubs. Women's co-operative guilds, in particular, have played a most important role within the consumer co-operatives of many countries, perhaps because the consumer movement deals with problems of domestic economy which naturally are of interest to women. The guild or co-operative club, which may have a much smaller number of members than a large society is more likely to develop a group spirit and may therefore assume greater importance in the eyes of many members. From the standpoint of the society, these guilds and clubs are of great value since it is from their membership that a part of the executives and active and militant co-operators are recruited. But these organisations may sometimes be dangerous, for example, if they tend to isolate their members from the rest of the society. If the existence of a women's co-operative guild were to be taken as a tacit excuse for not electing women to the management committee or council of the society, then the guild becomes an obstacle rather than an advantage to the creation of a soundly-based democratic spirit.

As the co-operative movement, however, needs elected bodies which reflect a variety of experience and knowledge, it is essential that the organisations enjoy the best of relations with other popular movements, apart from the usefulness of fruitful collaboration with them, movements such as other types of co-operative, trade unions, women's associations, and also youth movements. Among the more active members of these organisations there will always be a few people who might be especially interested in the activities of the co-operative movement.

As regards the progressive renewal of co-operative bodies, it is especially important to establish excellent relations with youth movements. This is so even if the co-operative has its own youth movement.

Here, it would be well to dwell a little on the problems affecting the developing countries. Experience has shown that co-operation is one of the most important levers capable of raising the general standard of living and the welfare of the population. In developing countries it also offers easily understood examples of the significance of the co-operative idea, which is often confused in advanced countries. In passing, we would say that the efforts of movements in advanced countries to collect the capital sums required to furnish technical assistance to the co-operative movements of developing countries are amply rewarded.

These efforts are not only useful to the recipients nor do they rebound solely to the benefit of international co-operation. They also interest the organisations putting up the capital by enlarging the possibilities of arousing interest among the younger generation in co-operative activities and to the young, but efforts to fight poverty and subjection by co-operative methods meet with their approval and enthusiasm.

If the co-operative movement produces its own study material, books and brochures, newspapers and publications, films and audio-visual means, then the possibility of employing this material in the assemblies of other organisations must be envisaged. Audio-visual systems, in particular, should be seen in this perspective. It is true that films are costly to make but if they can open the door to other organisations, to youth clubs and schools, they may be a very inexpensive channel of contact and information. In many co-operative organisations excellent results have been obtained by combining films and other audio-visual means with the use of special manuals for discussion leaders to encourage constructive dialogues. Particularly efforts should be made to assure that the young are given the fullest information and trained to be of service to the co-operative movement.



In many countries of the East, also in France and on the American continent co-operatives have been formed in schools. These school co-operatives undertake activities which vary from one country to another, according to the particular needs and in keeping with the resources available. On a small scale, they are concerned with purchasing, savings, or credit, marketing or production; they are managed by the pupils themselves under the discreet supervision of their teachers. Any surplus funds go towards refurbishing the school, buying school equipment, organising fetes, and outings, also to welfare work. As associations, they have their own statutes, policies and administrative bodies. In these co-operatives, the young learn about the wheels of the economic machine, the operation of democracy and the value of mutual help.

In some countries, societies of this type may take care of food supply, libraries and other essential items for students, or set up shops for young people in holiday camping grounds.

It is most important for all co-operative movements to maintain good relations with schools of all types, also with youth movements with a view to co-operative education, either in the form of practical examples or merely theory. In the modern school, co-operation naturally constitutes part of social education and includes such subjects as: domestic science, technological information on consumer goods.

These schools need books, audio-visual media, and other educational adjuncts and, in many cases, co-operatives could supply adequate information material. To give one example, the brochures entitled "The Consumers' Corner" destined for the co-operative department stores in Sweden have been used.

#### **The co-operative press and co-operative advertising**

It is virtually impossible to conceive co-operative democracy as viable without a strong co-operative press. Virtually every national co-operative movement has its own press which very often enjoys a large circulation. There are also some large societies which have deemed it essential to have their own press organs.

The co-operative press is highly diversified. There are a variety of bulletins and periodicals in different countries and for different movements. Some of these publications are specialist in tone for the information of particular groups of activities: councils, executive committees, staff, study groups, etc. In this paper, we are particularly concerned with publications for the co-operator at the base of the movement. They may be weekly, fortnightly, or monthly. They are one of the best instruments, perhaps the best there is, for the regular dissemination of information to many members, but to make any impact they must be really attractive. Normally, they show where the movement stands in a wider context and deal with questions of particular interest to their readers – consumers and producers. They also offer occasional leisure features.

The members' magazine is distributed in different ways. In some movements, each member gets a free copy through the post. In others the member pays a subscription equal to, or less than, the cost of the magazine. In some consumer co-operatives, members receive a free copy of the magazine at the shop. We cannot recommend any one system over another, but it must be said that the free circulation of a magazine to members does not provide any satisfactory estimate of its value or efficiency. It is not the circulation figure which counts so much as the number of readers really interested in the content, and whether they learn anything. In all the cases mentioned, it would be useful to ascertain which method is best adapted to the interests of the society and the members, which will most strengthen co-operative democracy.

In large societies now in expansion there is a growing demand to use the co-operative press for other than a one-way purpose in information, from the top or management, to the bottom or member. A dialogue must be started with the members, who will use their press for discussion, questions, congratulations, and criticisms, and the press must invite its readers to take an active part in this dialogue.

However, the co-operative press alone is not enough. Even if it enjoys a large circulation even if it reaches all groups of active members, the movement must still use the organs of the private press and other mass media, such as radio and television. Here, many organisations come up against suspicion on the part of the controllers of mass media. Since the latter look

upon co-operatives as economic undertakings rather than popular movements they have no great desire to mention their existence or to give them what they consider to be free publicity. Any co-operative press service has a hard job with them!

Co-operative movements, however, are organisations of people. Journals must not only give facts about new investments, opening of large new shops or other economic matters, but also about their ability to help farmers, workers, consumers, and so on. As regards this mission, they should be in the same position as trade unions, political parties or temperance societies. An active and highly organised press service is an important factor in the dissemination of information in the movement.

It should also be stressed that co-operative publicity in the form of advertisement, must not be limited to products, price and quality. The co-operative movement must also have an institutional publicity of its ideas, philosophy and democratic approach. It would be better if the two types, commercial and institutional, were not kept entirely apart. Every co-operative advertisement should be marked by its own particular layout, its own special characteristic. It is by giving co-operative ideas their proper place in commercial advertising that this objective may best be attained.

#### **Democracy at the grass roots**

In the old co-operative organisations which were quite small there were frequent contacts between the members and the staff. This was one reason why it was considered very necessary for the staff to have a good grounding in co-operative philosophy. In the large modern societies these old contacts have disappeared. This is especially true of consumer co-operatives where the self-service system means less staff in proportion to the number of members, and reduces direct contact to the minimum.

Contacts between members and their local elected officers have also declined. In a number of countries one result of urbanisation is that personal contact between neighbours becomes less and less frequent, and contact with the central board through the local elected officers, who no one seems to know personally, has now, and to an ever-increasing extent, little value.

In place of the old personal contact, mass media, and especially the press, are having a much greater importance as a means of contact with members, but, as a general rule, it is a one-way contact. It is true that some co-operative publications have their "Readers' Page" open to members who have ideas to put forward or questions to ask, but this can not be developed to the point where it is as good as the traditional personal contact.

We must experiment, therefore, with new methods, new means, whereby the members can express their opinions on the everyday operation of their society and ideas for change or improvement. In the past, one method was for them to make their views known in a special book available to all in the shop or offices, or a special letter box was provided in which ideas could be collected and sent to the board. These ideas could be taken up again, adapted to modern conditions and techniques. In Sweden, the large co-operative department stores all have a Consumers' Corner where the member can obtain information leaflets, whether co-operative or not, on the articles and products on sale, and where boxes for their ideas and suggestions are installed. It is planned to install these suggestion boxes in the majority of department stores. But this demands a certain amount of detailed work. Letters must be regularly entered up, the questions studied and the suggestions pondered over, and a reply sent, by letter or telephone, within a reasonable time. There must also be a means to ensure that there are no mistakes, no lost letters or suggestions. But this system does pay, both for the directors and the officers. The replies, and the measures taken as a result of suggestions, can strengthen the feeling among members that they belong to and are jointly responsible for their co-operative.

The development of school and educational activities undertaken by popular movements has widened the possibilities of contact through correspondence between the members and the sales and administrative offices of the society. The telephone also offers methods of contact between members and central administrations, and should be exploited. But it seems that these methods of communication have only been used in exceptional cases by co-operative organisations. Even in countries where the mass of members possess a telephone, the society does not have the specialised staff available to receive suggestions, answer queries, or reply to

members' criticisms nor a special method of dealing with these matters. Neither has it a special staff to deal with telephone orders or to contact members to ask questions and so obtain quickly a consensus of opinion concerning their needs.

We must however acknowledge that, even if communication by telephone or letter is costly, these methods meet a need, which is present amongst the new generation of members, for opening up contact less time-consuming than a personal visit to the society or attendance at meetings. Many societies must ask themselves if the records of each member are sufficient or whether they need more detailed information. If a society only knows the name, address, and transactions effected it would be difficult to base special offers or other initiatives on such bare details when embarking on a mailing campaign, for instance.

But if it has details of members' ages, ages and sex of children, professions, etc., it might be possible to consider a campaign to provide the type of service each member needs and so interest them in all aspects of the society's activities. We must understand that different needs exist among the members of any one society and more detailed information on them would help the society to meet them, and provide a better service.

#### **Public discussions and pressure groups**

It is a fact that, in many of the better developed societies, it is the older members who dominate the meetings. In many instances, they were the pioneers, they took an active part in the formation and development of the society and have a personal interest in the movement. It follows that they attend meetings and are elected to committees and councils. But there are others, often younger members, who might be persuaded to take an interest in the activities and efforts of the movement but do not feel drawn by any militant feelings, or by the motiveless and uninteresting aspects of the movement. But discussions on its principles, its stand on a variety of problems, its role in the development of economic life, or its commitments on the international stage, may well be of greater interest to them. The future, for them, is much more stimulating than the past. Where their interest cannot be aroused at the annual assembly where commercial matters are discussed, there is much to be said for putting wider questions on an agenda for special debates separate from the system of regular assemblies, as is done in several movements.

It seems to be almost current practice to arrange this type of public debate designed to deal with one or two selected questions of immediate interest to the members of the organisation. This might be a co-operative housing society which, in concert with younger members, could arrange a debate where their housing problems could be discussed and demands sent to the housing co-operative even to government departments or other authorities. It might be an agricultural co-operative which invites all other types of popular movements to a debate on problems of consumption, with particular reference to the supply of different types of food. In this way an attempt is made to establish direct contact with the representatives of the consumers who it has to satisfy if it is to give the best to its own members, the farmers.

Meetings and conferences of this type enable the initiating body to prove its goodwill to find solutions to this or that economic or social problem on the agenda. The aim is to arouse a favourable climate of opinion towards a particular policy.

Often these meetings are preceded by preparatory work which includes drafting and considering motions which will help local organisations to submit items for discussion. In this way the meeting becomes, for the local organisations, a new form of initiation into popular movements and allows debate of current questions in the presence of experts representing the various sectors of the population.

The new Statutes of KF (Sweden) provide for this form of discussion meeting. The central organisation holds its ordinary annual general assembly to discuss the activities of the organisation and to elect the governing bodies. In addition, the new statutes allow the KF council to call a "consumers' congress", at least once in four years, which will deal with vital questions affecting both consumers and the movement itself. The KF council has the responsibility to decide the items for the agenda and representation. The object is not solely to find new forms of manifestations at national level, for the benefit of the consumer, but to arouse discussion on questions of national interest, between members and other consumers, to demonstrate that consumer co-operation is what counts and that it is in the lead.

For this reason subjects for debate at the first consumers' congress will be studied in the regions, in the local societies, in study circles and at discussion meetings, during a whole year before the congress meets. All the Swedish popular movements desirous of joining in will be invited to the local debates and the study circles. Congress delegates will be nominated, for the most part, from among those who have taken the most active part in the preparatory work, submitted motions for discussion, and shown their particular concern in the questions. Consequently, the official representatives of local societies will constitute only a part of the delegations. The congress must be representative of the opinion of consumers in general and, therefore, the participants will not be chosen from within co-operative societies only, but also from trade unions, women's clubs, educational associations, etc.

It is probable that the decisions and resolutions taken by the consumers' congress will have a resounding effect and be seen by members as of greater interest than many of the decisions on economic and financial questions taken at the annual general assemblies. It is, therefore, also probable that this congress will have a direct effect on public opinion and that its decisions will act as would pressure groups in favour of the ideals of co-operation and the interests of consumers.

### Surveys

The difficulties experienced in maintaining personal contacts with most members, either by letter or telephone, naturally lead to the idea that it would be useful to supply them with questionnaires on subjects of particular interest, in the case of a consumer co-operative it might be services, special offers, etc. the replies to which would be processed by the most modern methods of data processing. The results would be published, conclusions drawn and there might also be a summary written up by the management. This is not an expensive method and no particularly large volume of work would be involved. The difficulty lies in asking the right questions and so formulating them that the member can reply by choosing between 3 or 4 proposed solutions – this method is essential for computer processing.

Naturally, a society could organise a referendum, which allows members to express their opinion on any question by a voting slip. This method is used in some co-operative organisations and has certain advantages so long as the question is not too complicated: it is a simple method for members to express their views and take decisions of a political nature, but as a general rule, there are too many complicated considerations to be taken into account to allow general recourse to this method.

The opinion poll is probably the most useful method. It is not designed to lead to any hard and fast decisions, but for the management of a co-operative society it may be vital to obtain an idea of the views of members through the use of a sample survey. This will be another means of complementing the information supplied by other channels for making known the views and wishes of the members.

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These are the principal ideas which we think must inspire the action of the co-operative societies to assure that their operations are always democratic.

## CONCLUSION

### Co-operation: a great Cause

Obviously, self-interest is the prime motive of the individual member who participates in the democratic operations of his society and is at the basis of all the movement's activities. He expects his society to improve, as efficiently as possible, his economic well-being: that is why he first joined the movement.

In the final analysis, however, what are the real interests of the member? Do they stop at improving his income and his social well being? The answer is in the negative. Whether we are thinking of consumers, workers, farmers, builders, all co-operatives from their beginnings have looked beyond mere economic advantages to their members. The movement's ideals reach out further, to concepts such as solidarity and social responsibility. To quote again from

the ICA's Commission on Principles in their report: "Co-operators the world over should profoundly appreciate that the most important aim of the co-operative 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."

The ICA Congress and the movements throughout the world constantly reiterate this theme. The great co-operator, Albin Johansson, presented a profound analysis of the problem to the Stockholm Congress in 1957: "I should like to stress that world peace is indissolubly linked to liberty, economic liberty, political liberty, individual liberty. In a world where not only goods cross frontiers, but also investment capital, and people in search of better means of earning their livelihood, there will be no place for economic rivalries or national ambitions. Political and individual liberty within the framework of the nation states drawn together in unity constitute an indispensable pre-condition to the realisation of peace throughout the world."

Co-operation is not merely a means of attaining limited economic goals, it is not merely a type of economic undertaking or democratic organisation soundly rooted in everyday life and the common needs of its members. It is also a vision of the future.

In mentioning this, it is not with the intention of debating the objectives of the co-operative movement which would be outside the terms of reference of this paper. But we refer to it because this vision of the future is intimately bound up with the vitality of co-operative democracy.

We live in an age where economic distortions between the wealthy nations of the western world and the poor nations of the third world seem to become more marked, despite the efforts made to improve productivity and the social conditions of the developing nations. There are a greater number of illiterates in the world today than there were ten years ago; there are a greater number of hungry and under-nourished children today than there were ten years ago, and yet there is greater wealth. In one sense, there is also a conflict between the improvident interests of the present generation of men and the interests of future generations.

Ever since the publication of Rachel Carson's alarming work "The Silent Spring", the problems of the pollution of air and water, of erosion of the soil, of the extermination of animal life, of the waste of natural resources, have received an increasing degree of attention. Because of these reports, frightening in their implications, the United Nations General Assembly has decided to convene a world conference with a view to concerted action for the preservation of the human environment and the protection of natural resources.

We are now ever more aware, and this applies especially to the young, of the futility of a policy whose principal aim is the rapid increase in the overall national incomes of the wealthy countries to the detriment of the countries of the third world, whose natural resources are pitilessly exploited, at the expense of the future generations who will find the table bare. The revolt of the younger generations is partly a reaction against egoism and lack of foresight of an economic system based on profit and economic nationalism, which will lead to catastrophe unless it is profoundly altered in the very near future.

The co-operative movement advances one of the most highly constructive solutions, and may, therefore, prove a particularly strong attraction to the younger generations. Within the movement, young people may find those ideals and methods which appeal to their finest aspirations in the struggle for a world of peaceful co-operation, universal solidarity and social responsibility. It is an essential condition that the movement itself should be prepared to live up to its high ideals as frequently enunciated in its resolutions and statements.

A co-operative organisation shows itself to the general public as an economic enterprise, or as a chain of undertakings such as big stores, warehouses, dairies, slaughter houses, factories, housing estates, insurance companies. But these economic undertakings are not ends in themselves. They are instruments at the service of their owners, of the members. And even if they are the most important instruments, they are not the only ones the organisation uses.

Basically, the co-operative society is an organisation of people. It is quite possible that such an organisation could continue for a long time without the active participation of the members in the democratic structures of the society. But in the long term their participation

is the sole guarantee that the society will remember its ultimate goals and will not become an end in itself. It is for the members to decide the aims and objects, and the policy, of the society, for them to control its activities and elect its officers.

In large modern co-operatives this would appear to be a more difficult task than in small local ones. However, the big co-operatives possess the necessary resources not only for informing and educating their members efficiently, but also for undertaking large-scale economic activities. The pioneers of co-operation created a vision of a world co-operative movement which would basically change the conditions of man.

In some respects, their dreams have remained dreams, in other respects, the vision has taken concrete form. The movement has demonstrated in practice that a large economic undertaking can be democratically managed, based on solidarity and can find its *raison d'être* in the services it provides. It demonstrates a method of working which can contribute to the development of the conditions of economic and social life in the light of the equality of human dignity, if it is universally and properly employed.

It shows itself as a method of working, but it is only thanks to the democratic institutions and organs of the movement that such an instrument can be used to further the best interest of man.

We should all realise, however, that even if we succeed in discovering efficient solutions to our problems, we must continue our work of research, to be ready in the future to adapt ourselves to changing circumstances outside the movement. The evolution of our conceptions must not again fall behind those of our era, for we know how very difficult it is to regain lost ground.

As with life itself, democracy is a permanent creation and the least inattention will damage it. As for indifference to it, this attitude is fatal to it.

But co-operators will not be indifferent to what is – and we end as we began – the very essence of co-operation.

We believe, as Professor Georges Lasserre has expressed it: “Men will always need neither to be deceived nor exploited in their economic relationships; they will always want to participate in collective decisions which affect them, to find constructive significance in their work, to feel themselves enveloped in an atmosphere of solidarity and camaraderie; to surpass themselves and always to do better in every field of endeavour; to devote their lives to a great and worthwhile cause.”

Co-operation is one such cause.

## Presentation of the Papers

**The President:** We now come to the question of Contemporary Co-operative Democracy on which three papers are before Congress.

The first is an extremely valuable background paper prepared by the Secretariat: this will not be submitted for discussion.

The second paper is by Mr Klimov of Centrosoyus, USSR, which he will introduce.

The third is a joint paper by Mr Kérinec, France, and Mr Thedin, Sweden, which Mr Kérinec will introduce, and later Mr. Thedin will reply to the discussion.

Following the introduction of the second and third papers Mr Barbier, on behalf of the Central Committee, will move the resolution which the Committee unanimously recommend.

The papers and the resolution will then be discussed.

### Paper by Mr A. P. Klimov, USSR.

**The President:** I have pleasure in inviting Mr Klimov to introduce his paper.

**Mr A. P. Klimov:** Today we are discussing two papers on one topic. This is most significant. This shows the importance of the problem under discussion, co-operation and its democratic institutions in different social and economic conditions.

The most important factor which makes it possible to evaluate co-operatives in conditions of capitalism from its embryo as democratic, economic organisations created by the workers themselves when they do not depend on the capitalists and their governments, and in conditions of socialism to recognise their socialist form of management, a school of learning and public self-management, is the democratism, independent character and popularity of these organisations.

The co-operative movement is a movement, a forum for uniting and rallying the masses. It is born and develops at the initiative of the masses; called upon to protect the interests of the masses, it must be managed and controlled by them. Its principles, if they are honestly practised, serve the interests of the working masses.

Democracy is the very essence of the co-operative movement. If this essence ceases to exist co-operation dies or is degenerated. This is not only my idea, it is shared by all true co-operators. We are all interested in having co-operation develop as a democratic movement, bringing more benefit to the workers in their struggle against capitalist monopolies, imperialism, in the defence of the social and economic rights of the workers, and in the long run for socialism. Co-operative democracy is the product of the social and economical conditions of a given democracy. There is not and cannot be any abstract, autonomous co-operative democracy without a place and time, without class social relations. Democracy cannot be the democracy of a worker and a capitalist at one and the same time. Co-operative democracy in the capitalist countries opposes bourgeois democracy, the basis of which is the system of monopoly rule, as the interests of the millions of working masses of co-operative members can never coincide with the interests of the industrialists and financiers and, still more, state monopolistic trusts and military industrial complexes. Hence antagonism between the co-operatives and state monopoly capitalism, and the difficulties in safeguarding and developing co-operative democracy in the epoch of imperialism. The domination of monopoly capital, military-industrial complex strives to suppress the struggle of the workers for their rights, retard the growth of all democratic movements including the co-operative.

The improvements achieved by co-operatives are limited to a narrow field until the means of production and exchange remain in the hands of the workers, the expropriation of which is the basic aim of socialism.

The knowledge of public management acquired by workers, farmers and other strata of the population in the co-operatives is most useful. These skills are the better when the democratic principles of co-operative activity are more stable. However, their value is fully revealed only after the transition of political power into the hands of the workers, after winning the key posts in the economy.

Co-operative democracy in the socialist countries is the component part of a socialist democracy, the personification of power of all workers, freedom and democracy for the people and functioning in conditions of public property of the basic means of production. Co-operatives as organisations of the working people and co-operative property as a form of social property cannot contradict socialist democracy or public property in any way. On the contrary, peoples' government, the socialist state, gives all-round encouragement to the development of co-operatives, gives it many privileges, advantages and financial assistance. The interests of the state, people and co-operatives fully coincide in conditions of socialism, and this is the biggest advantage of the socialist system.

Capitalist democracy and socialist democracy are two totally different democracies in essence. Hence the essentially differing conditions of co-operative activities and realisation of co-operative democracy. That is why we are quite right in deciding to discuss two papers on the same subject at this Congress, papers by the representatives of co-operative organisations of the capitalist and socialist countries.

However, we co-operators of different social and economic systems are united by one common aim, for one, it is care and preservation, for the other, the further development of co-operative self-management and democratic control in co-operation.

Here, I would like to give due attention to our colleagues Mr Roger Kérinec and Mr Nils Thedin who prepared the paper on the state of democracy in the co-operatives of the capitalist countries.

The discussion at this Congress of the state of co-operative democracy in different social and economic conditions will, undoubtedly, be useful and will serve to further strengthen the co-operative movement, the development of its democratic principles.

In our paper we attempted to show the basic principles and concrete forms of co-operative democracy in conditions of the socialist system of economic management. Our main conclusion is that the socialist system, socialist democracy, based on the public property of the basic means of production, on the actual participation of the workers, farmers and intellectuals in the management of society gives unlimited possibilities for the development of co-operation on the basis of true democracy. This explains the massiveness of the co-operative movement in the socialist countries, its major prestige, the profound specific weight of co-operation in economy, its important and ever-growing role in social and cultural life. Our paper, which you have had an opportunity to read, quotes numerous facts and figures confirming this assertion.

The activities of the co-operatives in the socialist countries are based on the principles of complete democracy. Our paper gives a detailed description of their rules, forms and methods of practising democracy. You can also get acquainted with them in the document prepared by the ICA Secretariat based on a study and summary of the practice of national organisations. There is no need to repeat oneself. That is why I would like to draw your attention to only some concrete questions of realising co-operative democracy in the USSR and other socialist countries.

The basic principle of the organisational structure of co-operation in the majority of the socialist countries is democratic centralism, which means the unification of democratism and centralism, the combination of total freedom and maximum initiative of the local organisation with the existence of centralised management, the embodiment of the unity of co-operative policy at the level of the whole movement, election of all managing bodies from bottom to top, their periodic reports to their members and also to higher-standing bodies, the subordination of the minority to the majority, the obligatory character of the decisions drawn up in a democratic manner by the higher-standing bodies for the lower, on the basis of the mandates of the co-operative members going from bottom to top.

The co-operative unions are formed on a voluntary basis; local co-operatives have the free right to join or leave them. It should be noted that the volume of competency of the local co-operatives in the managing bodies of union branches is not determined by their economic power and amount of membership dues, but exclusively by the total number of members according to the principle "one man, one vote". The co-operatives do not have any financial obligations to the unions, with the exception of deductions for creating centralised funds, for financing expenses in the training of specialists and the construction of the material and technical base. Every union has its own properties (trade bases, shops, restaurants,



processing and other enterprises) which finance its activities from their profits. The obligatory decisions for organisations joining the unions are adopted by the higher-standing bodies only within the limits of competency of the lower-standing delegated bodies.

The process of concentration and enlargement of the scope of economic activity in the co-operatives of the socialist countries is accompanied by the strengthening of the principle of centralised management with the simultaneous expansion of de-centralised power in the field of operative management of economy, the re-inforcement of independence, the expansion of the rights and functions of co-operative management and their local unions in the guidance of co-operative economy, raising their influence on the policy of the whole movement and increasing the responsibility to its members.

The authors of the ICA paper are quite right in noting, in their analysis, that the participation of members and their representatives in the management of their co-operatives is most developed in the socialist countries, it is mainly in those countries that the control of shareholders "received the full and effective development through the wide network of membership committees and meetings". The members of the co-operatives have the right to directly influence the work of the enterprises, their assortment and production policy, quality of service, etc.

In Bulgaria, the USSR and a number of other countries, for example, the members at their meetings elect persons having professional training to be shop and restaurant managers, hear their reports on their work, evaluate their activities and, if need be, remove them from their jobs. Collective elected bodies have been created in the branches of the production agricultural co-operatives, the teams and sections. Earlier these persons were appointed by the co-operative boards.

Elected bodies of public mass control play a major role in the co-operatives of the socialist countries. The members of the control, auditing, shop, cafeteria and production commissions, councils or committees, elected by direct and secret ballot daily check the work of their co-operatives and its enterprises.

Together with these bodies, new forms of members' participation in the co-operative life have appeared, "member actifs", "member councils", "activist groups", "representative groups", etc. They check the fulfilment of proposals and critical remarks made by members, adherence to sanitation rules, food norms, trade legislation, etc. An important form of member participation in management are the special mandates to their boards adopted at the meetings. The mandates are published in the co-operative and state press, hung in prominent places in shops, restaurants, production enterprises, board premises. The members can send their mandates at any time and in written form. Very popular is the practice of preliminary examination and discussion of the most important inter-co-operative standard acts and directives. For example, at present there is a wide discussion at meetings and in the press of the USSR of the draft of Model Rules for agricultural production co-operatives. The Third All-Union Congress of Farmers to be held in November will discuss these Model Rules and other important problems in the development of agricultural co-operative construction.

The increased activeness of co-operators, their interest in improving the activities of the co-operatives, their active participation in meetings, and also the rapid growth rate of membership are explained by the fact that the co-operative, thanks to the aid and support of the socialist state people's government consolidates its economic basis with every year, successfully develops the fields of its activities, more fully and better meets the needs and requirements of the co-operators. Therefore, the high level of development of co-operative democracy is the result of favourable social and economic conditions in which the co-operatives of the socialist countries conduct their activities. That is why indifference of the members or absence of interest among the youth in co-operation are alien to the co-operatives of the socialist countries. In the USSR, for example, 70 per cent of the total members took part in the last electoral campaign of co-operative meetings.

The co-operators of the socialist countries give major attention to questions of guaranteeing democracy at regional and national levels, which is ensured by the election of managing and control bodies on the basis of representative democracy, when the union co-operative organisations delegate their representatives elected by secret ballot to co-operative congresses of a corresponding level. The number of representatives is fixed in proportion to the number of members.

When enlarging co-operatives, when creating integrated co-operatives in the interests of improvement, and also inter-co-operatives we are guided by the following principle: integration is permissible until such time that members retain a real possibility to control the activities of those enterprises.

In Bulgaria, for example, the inter-co-operative enterprises function according to the rules adopted by the general meetings which guarantee representation and protection of the interests of the local co-operatives. All regional and republican wholesale enterprises in the USSR have wholesale trade councils, which include representatives of all servicing co-operative organisations. Similar representation is ensured today in all the socialist countries. In the creation of major co-operative enterprises in the GDR every possibility is guaranteed for the members of co-operatives and local co-operative unions to directly influence their activities. Special councils of their representatives are set up, comprised of 8 to 15 members responsible for control and consultative duties. They are called upon to assist the director of the enterprise in fulfilling his duties and they represent the interests of all members and interested co-operative organisations. More details on this matter are given in the paper.

The present conditions of co-operative activities dictate the necessity of ensuring competent and effective management elected on the basis of democratic principles which can be ensured only by well-educated, specially-trained and well-informed persons. That is why the co-operative organisations of the socialist countries give paramount attention to the training of competent personnel, of elected managers and the carrying out of educational and informative work among the ordinary members.

The consumer co-operatives in the USSR, for example, have a single centralised union fund for these purposes with an annual budget of over 100 million roubles. The system of co-operative education, higher, secondary, primary has been created and is being perfected. 850,000 members of the consumer co-operatives are studying in full-time or correspondence courses. At present 49 per cent of the board chairmen of republican and regional unions and 78 per cent of board chairmen of local societies have a higher or special secondary education. The system of co-operative educational establishments is supplemented by the system of improving workers' skills. Over 500,000 Soviet co-operators perfect their qualification every year. In this century of scientific and technical revolutions the improvement of workers' skills is one of the prime factors for the success of any undertaking.

Important educational work is conducted among the co-operators elected to mass public control bodies; seminars are organised for them to improve their knowledge in the field of control. The forms and methods of educational and informative work among co-operators are expanded and improved every year. The co-operative organisations make use of seminars and lectures, radio and television programmes, the press and cinema, district meetings for these purposes.

The major achievements in the development of the co-operative movement in Bulgaria, Hungary, the German Democratic Republic, the Democratic Republic of Vietnam, the Korean People's Democratic Republic, Mongolia, Poland, Rumania, Czechoslovakia, the USSR and other socialist countries, which no one can now deny, are the result that the socialist system has been confirmed in those countries which creates the conditions for co-operative organisations, firstly conduct management on a democratic basis, secondly, achieve economic effect. The second cannot be divided from the first; if they are separated, there can be no co-operation.

The question is often asked: Is co-operative democracy compatible with national economic planning in the socialist countries? Is the State plan a hindrance to co-operative activities? Our experience vividly shows that the co-operatives in planning and carrying out their economic activities within the framework of the State plan, not only do not limit their initiative and possibilities but, on the contrary, make full use of all the advantages of an economy void of crises, anarchy and brutal competition, and actively influence the economic state policy.

What are these advantages and possibilities?

Firstly, the central and republican co-operative unions in all the socialist countries participate in working out the national plans. It should be noted that the interests and needs of the co-operatives are given maximum consideration. Their plans are the result of their own creation and initiative; they are discussed and adopted at meetings of the members or their representatives.

Secondly, the planning of socialist economy is accompanied by a centralised material guarantee of realising the plans, including co-operative ones. The co-operatives make use of state material and financial aid which often greatly exceeds their own resources and possibilities.

Thirdly, in realising their plans by business contracts with industrial enterprises, the co-operatives actively influence state industry, production and consumer structure, state prices.

Fourthly, being major producers and purveyors of farm produce and certain industrial goods the co-operatives actively exert their influence on agricultural and artisan production, on the price level of agricultural produce, raw materials and certain industrial goods.

Therefore, the co-operative organisations are interested in planned management of their economy, in including their plans in the state plans of development.

National economic planning, the co-ordination of activities of certain branches of economy, based on a scientific provision, is the major achievement and advantage of the socialist system. This became possible only as the result of the socialisation of the means of production liquidating private property which gives rise to the separation of commodity producers, competition and anarchy of production and market. The planned development of socialist economy combines the principles of centralised management in order to ensure the correct ratio in developing various branches with the allotment of wide initiative and independence in planning by local bodies, production and other enterprises, also co-operatives.

To what has already been said we must add that in a socialist society, together with the strengthening of people's government, a process is taking place of the gradual transition of more and more duties from the authority of state bodies to the control of public organisations, including co-operatives; it has more and more favourable possibilities to develop economic and public activities on a democratic basis.

Today, while discussing the problem of co-operative democracy, we involuntarily turn our thoughts to the man whose name is connected with the victory and successes of the socialist system, socialist democracy opening unlimited possibilities for developing co-operation, co-operative democracy. The basis of the policy of the socialist state in relation to co-operation are the scientific conclusions of V. I. Lenin on the position and role of this economic and public-mass organisation in the process of economic development at its various stages. The problems of the theory of co-operation and practice of co-operative construction occupy an important place in the precious heritage of Lenin. Lenin highly valued co-operatives as a form of association and economic struggle of the working masses and an auxiliary weapon of the political struggle of the working class, as proof of the capability of the workers to create economic enterprises and manage them without the participation of the exploiters. He considered them as a school of solidarity, mutual assistance and collective management, a means of improving the working and living conditions of the workers and small producers in the town and countryside.

Back in 1910, participating in the International Socialist Congress in Copenhagen, Lenin formulated (in the draft resolution proposed on behalf of the social-democratic party of Russia the question discussed at the congress, the attitude of the social-democrats to co-operation) the conclusions on the usefulness of co-operatives for the workers. He called on the workers, on their vanguard, to join the co-operatives, to assist in their development, to strengthen their democratic character. Lenin considered that the building of socialism was unthinkable without the utilisation of co-operative forms. He saw in co-operation the only possible form of transforming small agricultural and artisanal production into large public production.

From the very first days of its existence the Soviet Government recognised the full rights of the co-operatives to free development within the framework of the socialist economic system. Lenin wrote and said in those days that co-operation is the only economic apparatus created in a capitalist society which can be used in conditions of the new socialist system, as co-operatives are organisations of the working masses themselves, based on the independence of these masses. He called co-operation inherited from capitalism by the Soviet system "the co-operative movement is a huge cultural legacy that we must treasure and make use of" and stressed that "without a network of co-operative organisations it is impossible to organise socialist economy".

The scientific theory and the programme of the gradual and voluntary transformation of individual small production, in particular agricultural production, into major socialist highly-productive economies with the aid of co-operative forms (beginning with the lower in the sphere of circulation and ending with the highest in the sphere of production) was called Lenin's Co-operative Plan. This plan has received international recognition: it has been successfully applied or is being realised now in the socialist countries and a number of developing states. Vladimir Lenin can justly be considered the outstanding theoretician and man of action in the building of co-operatives. Just a year before his death, bedridden with a grave illness, paralysed, he dictated (he could not write anymore) among his last works the celebrated article "On Co-operation", in which he formulated his basic ideas on the utilisation of co-operative forms in socialist construction, and which became a document programme.

Lenin is not only the pride of the Soviet people. His merits to humanity have been recognised by all progressive people in the world. We, Soviet people, Soviet co-operators were overjoyed on hearing the decisions of numerous public and political, governmental and non-governmental, national and international organisations to celebrate the birth centenary of Lenin. The UNO and UNESCO adopted a resolution to mark this illustrious date. We hope that co-operators in different countries will pay homage to the memory of that great man on April 22, 1970.

The International Conference of Communist and Workers' Parties recently held in Moscow, which confirmed the loyalty of communists in all countries to the ideas of Lenin, appealed to all democratic movements representing workers, farmers, employees, intellectuals, youth and women, various social strata with different political and religious beliefs, to national and international progressive public organisations to unite their efforts in joint action directed at curtailing monopoly rule, lessening tensions, defending social and economic rights of the workers, for social progress and peace, against imperialism.

The Soviet delegation supports the text of the resolution on the papers Contemporary Co-operative Democracy, agreed upon at the sessions of the Executive and approved by the Central Committee of the Alliance. The resolution formulates the tasks and ways of improving co-operative democracy with the aim of raising the economic efficacy of the movement, its usefulness for the members, activation of the co-operatives in combatting monopolies, in overcoming bureaucratic and technocratic tendencies. We can consider a major step forward in our co-operation the recognition in that resolution of the need of direct contacts and exchange of experience among co-operative movements of various types and different countries, contacts of co-operatives with other mass organisations of the working people with the aim of improving co-operative democracy; exerting influence of co-operative organisations on social and economic legislature; assuring representation of co-operative organisations in bodies which determine and carry out the economic and social policy of the state. The realisation of the recommendations of this resolution will serve to consolidate the democratic principles of the co-operative movement and raise its effectiveness in the struggle for the interests of the workers, employees and small producers of the town and countryside, against capitalist monopolies, for peace and social progress.

In conclusion, I call upon all delegates to this Congress, on all co-operators to struggle for safeguarding and strengthening co-operative democracy in the countries of capitalist economies, for the further development and improvement of co-operative democracy in the socialist countries. I wish you every success in fulfilling this historically important task.

**The President:** I thank Mr Klimov very sincerely for the great amount of work he has put into the preparation of his paper which has elucidated our ideas concerning co-operative democracy in the Soviet Union and other communist countries.

I also thank him for the very interesting survey with which he has introduced his paper.

**Paper by Mr Roger Kérinec, France, and  
Mr Nils Thedin, Sweden**

**The President:** This paper will be introduced by Mr Kérinec.

**Mr R. Kérinec:** You have just heard Mr Klimov's comments on his paper in the name of the socialist countries. My task is to comment on the paper for which Nils Thedin and I are

responsible and I will endeavour in these few moments of introduction to what must be a great debate to tell you how we conceived our paper.

Firstly, perhaps I should reply to a question you are asking yourselves – Why only one paper, not two as had been envisaged by the Executive? This question, however, demands a reply to another – What can be the interest of a paper on contemporary democracy at the level of the ICA and what can the rapporteurs contribute to it? In my opinion such a paper should show us if we speak the same language, whatever the country in which our movement is developing whatever the type of movement in which we work, and that on such a fundamental subject as democracy.

We are not here to make propaganda, even for democracy, but to tell ourselves as frankly as possible if our co-operative institutions have functioned democratically and are functioning democratically today, particularly in view of the structural reforms forced upon us by the economic and social evolution of our world; if democracy can always be an efficient method of management; if so, under what conditions.

This, I repeat, we must ascertain by confronting the opinions of men from different countries, living under different political régimes, and within co-operative movements of different types. That, I believe, is our problem.

It was quite natural that a representative of a socialist country should be asked to tell us his experiences and this Mr Klimov has done by describing the structures of the different socialist countries.

Knowing that the problem presented itself differently in countries with a mixed economy, more or less dominated by a capitalist régime, the Executive asked Mr Thedin to tell us of the rich experience of our Scandinavian friends, and asked me to describe the particular problems of countries where the co-operative movement is deeply rooted in the larger movement of socialism, trade unionism, and mutualism, and where movements more or less neutral still bear traces of battles fought in a hostile climate and based on decidedly co-operative ideology, at a time when they were confronted with the problem of a society called "of consumption".

Nils Thedin and I were proud of the confidence shown in us by the ICA Executive, but after some reflections we thought we might unite our efforts and collate our experiences to avoid repetition. As there are only nuances between our two movements as regards the problems of contemporary and co-operative democracy the Executive, and later the Central Committee, accepted our suggestion. I am, therefore, speaking in my own name and that of Nils Thedin, leaving him to reply to your interventions. As that will not be the easiest task I would like to say here how agreeable and enriching it has been for me to collaborate with him.

I would also say that our paper is the result of a mutual understanding between all the rapporteurs since we all three understood each other well enough at the conclusion of our work to present a joint resolution. It is not for me to comment on the resolution, that Mr Barbier will do. The only comment I will make is to borrow from St Thomas who wrote "good understanding is not always the result of identity of views, but of identity of wills". We hope that on such an important subject, one of the greatest if not the most important of our principles, we shall be able, after expressing our opinions, to agree on the essential, which is the importance that should be attached to co-operative democracy.

Now I come to our paper which from the beginning lays, rightly or wrongly, stress on this idea, since you may think we are pushing at an open door. But we are sure that by its exceptional interest, the success of the experiment we are all making goes beyond the bounds of our movement. If one analysed what there is in common between the revolts which shake the world one would always find the desire to define a policy inspired by the satisfaction of needs not by the desire for profit, and on the part of those who revolt, or are content to contest, the desire to participate in defining policy in the domains which concern them.

As co-operators, with our experience of democratic management of institutions created by and for their users, we must assume that this experiment will be a success by respecting the rules of the democratic game. Each leader, each official of our movement, each member of the staff, each shareholder should understand the vital interest for the future of every co-operative, and of co-operation itself, of a good democratic functioning of its structures. All the obligations which follow must be accepted by all who work in the co-operative, whatever their task or the technique in which they are engaged. By this I mean that democracy must not be the permanent

pre-occupation of specialists to democracy but of everyone in the service of co-operation. Unfortunately it is well known, to quote the French philosopher Alain, that "what makes life difficult for the republics is the opposition of the republicans" to which I would add the lack of faith in many republicans in the republic and of many democrats in democracy.

It is true that this is no easy task, that democracy demands constant thought and that its application to co-operative achievements demands detailed attention. It is its everyday aspect which causes difficulty and this is why in our paper we have gone into detail to see how the beautiful idea enters into the business of everyday and what it demands from those who find it beautiful.

Democracy we all know will never be perfect because it demands too much from those who believe in it, but with its imperfections it is the best method for managing things in this world and, men being what they are, it is the best means of expressing liberty at group level and minimises the abuse of power. We also know that the conditions in which the democratic experiment develops will change, that one must take account of the changes in political, technical, structural conditions, even in the spirit of man. I am thinking of the conflicts between the generations and that we must not consider the solutions of today as permanent. This is why there are no "récipés" in our report; what we have to show is that co-operative democracy exists, and works, provided the necessary efforts are devoted to it. Democracy is still today a new way, and there is no example of a democracy functioning perfectly economically. It is still much more the will of the few, to whom we belong, who believe in the dignity of the individual, than a need deeply felt by the many.

The pursuit of well-being, of high wages or low prices, of security, are more popular than co-management or self-management, even among men most committed in trade union or political action. We have, therefore, not only to show the advantages of democracy, but how to give men the desire to manage their own affairs. This is perhaps more difficult today than ever, because the necessity for the people to take over their own economic interests appears less evident, when the standard of life is improving, the more that new ideologies come clamouring to deaden the hearing of the old. It is more difficult, but it is just as necessary, even if the material needs which the co-operatives strive to fulfil are not the same as a century ago. These difficulties which the co-operative movements must overcome in order to prosper, while respecting their principles, are mentioned in our report as objectively as possible. We have tried to sketch the economic and social landscape in which the action led by the co-operative movement of the so-called western countries is unfolding so that our friends of the socialist countries, and of the developing countries, may understand better the kinds of problems we have to solve in reply to powerful and competent adversaries – after all, are we not here to understand each other rather than to judge? We have not, as Mr Klimov has done, given a description of the co-operative movement of each country of the "western" world, nor of its structure, rather we have chosen simply to analyse the problems of contemporary democracy.

We do point out, however, that it would be wrong to make structural reforms responsible for the difficulties of a sound application of the democratic principles, and we have, therefore, emphasised only new problems arising from recent developments. Among these the one which seemed the first to merit attention is the importance to be attached to the functioning of democracy at the level of the national organisations. This may be more true of movements already highly centralised, like the consumer co-operative movements than, for example, of the housing movements, but it seems to us to be generally applicable. In fact the concentration of economic power in a small number of centres of decision is an irreversible tendency in the modern world. No anti-trust law can reverse this trend and it must be understood that movements like ours must so organise themselves that everyday decisions are taken by a small number of people. We must be able to act as rapidly as our opponents.

But to act swiftly and wisely, we must know where we are going; objects must be defined, we must have strategy at nation level, even at continent level. This can be realised by democratic methods, since it is collectively in Congress, and after profound studies, that policy is decided, but it is the national organisations which are responsible for taking decisions to activate the policy. These decisions, taken in common, must be observed by all the societies, and the central organisations are responsible to ensure that they do so. They are also responsible for the maintenance of good management in order to preserve the co-operative heritage frittered away by societies which disappear.

This role which the central organisations must play may run counter to a rather narrow conception of the independence and freedom of action at the level of each society, but it underlines at what point it is necessary for the action of the central organisation to be democratically controlled, and this is why we have enumerated the conditions which seemed necessary for democracy, at movement level, to accord with democracy at society level. In the first place it must be clear who does what and that no one does any more. The division of tasks between the different levels of democracy seems to us of prime importance. An effective circulation of information between these same levels, both ways, is equally indispensable. It also seems evident that the whole system must be imbued with a certain spirit, which we have tried to define.

I would add here in parenthesis, although in my opinion it merits a detailed development, that the good functioning of democracy at national level, within the framework of the new structures, depends greatly upon the method adopted to reform the structure and the more democratic this method the more efficient will be the new structure since everybody feels himself concerned, even committed to it.

It only remains for me to say a few words about the second part of our paper in which we analyse at some length what must be done to ensure that co-operatives are true democracies. We have at times gone into detail because we think that democracy consists of demands and considerations which deserve attention every day if our great declarations of principles are not to become dead letters.

We have tried to follow a logical plan. First we studied the shareholders, the members of the society, which led naturally to the necessity to educate them to fulfil their tasks, most of which unfortunately they still only fulfil at the general meetings, particularly the one at which they elect their representatives, who regard themselves as being entrusted with more important and precise tasks for which they need special education. Secondly, we recall that democracy must not only be practised at the general meetings, and we mention initiatives whereby the members may at any time express their opinion, and we stress particularly the role of the press and enquiries. Lastly, we do not forget that co-operation seeks to win over those who, as yet, do not know co-operation, to convince them of the justice of its ideas and so we make suggestions for increasing the reception of the co-operative ideas, such as publicity, contacts with other movements including youth organisations, as well as the new methods which co-operatives must adopt to distinguish themselves from their competitors and to influence both public authorities and the general public. Our conclusion that co-operation is a great cause which merits devotion will not surprise anybody.

Such are, in brief, the ideas which guided our efforts. We know their limitations since we had only our own experience to draw upon, but we are sure the discussion will make good the gaps in our paper and we thank you in advance.

**The President:** I wish to thank Mr Kérinec and Mr Thedin most sincerely for their very interesting paper and Mr Kérinec for the interesting way in which he has presented it.

## **Resolution of the Central Committee on Contemporary Co-operative Democracy**

THE 24TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE

HAVING studied and discussed the reports on contemporary co-operative democracy as it is applied in countries of various political, economic and social systems, noting that different systems have an impact on the structure of the co-operative movement and, therefore, also indirectly on co-operative democracy;

HAVING regard to the rapid and far-reaching structural changes which the co-operative movement has had to undertake in order to increase its economic efficiency in its fight against monopolies and in its efforts to improve the quality of its service to meet the new needs of its members;

**RECOGNISING** that the structural changes generally involve a development towards larger and fewer economic units within the movement and a transfer of authority from primary societies to apex organisations;

**CONSIDERING** that democracy, a basic principle of co-operation, must be retained and even strengthened within the new structures, and can be, in spite of difficulties in the application of democracy in the world today and of dangers with which it is threatened, such as the tendency towards bureaucracy and technocracy in large enterprises, and towards the concentration of economic power in the hands of international trusts and cartels;

**RECOMMENDS** the affiliated members of the International Co-operative Alliance

**TO ADAPT** whenever necessary the democratic system to the new economic structures in such a way as to provide members of the societies with the maximum opportunities for the active participation of those members;

**TO INTRODUCE** or develop for that purpose a system of representative democracy in co-operative primary societies whenever those cover a wide geographical area of activity and/or have a large number of members;

**TO DEVELOP** democratic structures in order to allow members of co-operative societies, through their elected representatives, to direct and control the policy of the movement, to engage in a permanent and fruitful exchange of views between co-operative societies and central organs in a co-operative spirit and to facilitate the division of tasks between the different structure levels in order to ensure maximum efficiency in the activities of the movement as a whole;

**TO USE** modern methods of mass consultation to stimulate and encourage members of co-operative societies to express their opinion and give their views on the activity and policies of their society and in this way to engage them to participate to a greater extent in the direction of co-operative enterprises;

**TO MEET** the increased need for membership enlightenment by utilising modern audio-visual techniques in membership meetings and by investing adequate resources in the development of a widespread co-operative press;

**TO DEVELOP** systems of training for members of elected committees so as to give them opportunities of acquiring the necessary knowledge of making policy decisions and performing control over large economic undertakings in the interest of their members;

**TO STRESS** the co-operative training of managers and technicians employed by the co-operative movement and to underline in this connection the social and cultural aims of a movement based on the principles of solidarity;

**TO UNDERTAKE** through the International Co-operative Alliance or by direct contacts, an exchange of experience between the various forms of co-operation and between the co-operative movements of different countries with a view to improving the day-to-day functioning of democracy in co-operatives and to develop contacts with mass organisations which pursue the same objectives in the same spirit in order that the co-operative idea should have a bigger impact;

**TO TAKE ADVANTAGE** of all means at the disposal of co-operatives in order to exert co-operative influence on social and economic legislation and to obtain representation of co-operative organisations on governmental agencies which deal with the formulation and implementation of economic and social policy.

**THE CONGRESS AFFIRMS** solemnly that political democracy is indispensable to the development of co-operation and that reciprocally the free development of co-operative ideas and activities is indispensable to economic democracy without which political democracy remains incomplete.



*Amendment:* Proposed by Lega Nazionale delle Cooperative e Mutue, Italy.

After the fourth paragraph beginning "Considering that democracy, . . ." and before the fifth paragraph beginning "Recommends the affiliated members . . ." insert additional paragraph as follows:

UNDERLINES also the real importance of co-operative methods in satisfying the increasing demand for democratic participation from workers, producers, consumers, and, in particular, from youth, in the management of economic and social activities;

*Amendment:* Proposed by Lega Nazionale delle Cooperative e Mutue, Italy.

In the penultimate paragraph beginning "To take advantage of . . ." between the words "social and economic legislation" and "and to obtain" insert the words "as well as public planning".

**The President:** The resolution will be moved by Mr Barbier on behalf of the Central Committee.

**Mr Ch.-H. Barbier,** Switzerland: It is a great honour and pleasure to introduce the resolution on the question of co-operative democracy which was unanimously accepted by the Central Committee. I will try to be extremely brief.

The crisis of efficiency did not strike our co-operatives yesterday, there were warning signs before the war and it manifested itself immediately afterwards. I had the first revelation of it during the talks at the international co-operative school of Jiloviste, in 1948, with my friend, the late Mr Hough, who was the statistician of the British co-operative union. I can still see his penetrating eyes, which looked immense behind the lenses of his spectacles, and were full of serious warnings.

The many warnings were either not heard, or were heard too late for we were timid in those days and, as Sorel said many years ago, the co-operative movement was a monastically silent idea. One had the feeling of committing a crime like *lèse majesté*, a crime against co-operation to doubt that, solely by virtue of the principle of the economy of service, we would have sufficient force to be always the most efficient. It had to be recognised that the principle by itself was not automatically active, but I will not stress this point. Today the crisis of the efficiency of our movement is virtually resolved, I say virtually because we are not yet everywhere the most competent, the best. But we have agreed upon the methods and techniques which must lead to our reforms and will permit us, in some cases have already permitted us, to be in the vanguard, and to conquer still more ground.

The crisis of efficiency is virtually resolved, and we know the solutions. But even so, and because it is already realised, it has opened up a new crisis, that of co-operative democracy. For efficiency demanded such measures that the internal functioning of our democracy was questioned.

When I say that it has opened up a new crisis, perhaps this is an exaggeration, for the first paper on the subject, that of the ICA Secretariat, opens with the quite justified remark that co-operatives everywhere have always found it difficult to retain the full vigour of their democratic base. There is thus a democratic problem which remains a problem and is accentuated today. For a long time the ICA, all of us who are here and many others also have known that we must study this problem of democracy, and the Commission of Co-operative Principles laid great stress upon it.

Today we have before us three excellent papers, copious, detailed, informative and, in my opinion, of remarkable interest. We pay tribute to the paper of the ICA Secretariat. It is the first time, or at least one of the first times, that I have seen a report of the Secretariat endowed with a real personality, animated with life and a presence, it is, in fact, the essence of anti-bureaucratism and I am proud that it should have been produced by the International Co-operative Alliance.

Mr Klimov's paper has a burning interest but, as the rapporteur of the Central Committee, I will not open the discussion by giving my conception of democracy. Mr Klimov knows my views on the subject. His paper, especially where he deals with staff training, gives a most impressive picture, not only of the co-operative movement of the USSR, but of all the movements he deals with. I recall some discussions I had with Mr Hough in 1948, during visits to Czech co-operatives, when we said that the number of interested and active co-operators was formidable and that if we were not careful we would soon have in our western democratic movements perfect democratic purity but, unfortunately, suppressed and and we must find out how to awaken it.

As for the paper of our friends Kérinec and Thedin I do not need to tell you that it is truly remarkable; its introduction is not too long, it does not push against an open door, but places our movement on a new human level.

Drawing inspiration from the three papers, we have elaborated the resolution on Contemporary Co-operative Democracy which is now before Congress.

I shall not comment upon the resolution at length because all the recommendations in it lead to the object of our debate and I could only paraphrase its text. I will only say that the Congress is asked solemnly to affirm that political democracy is indispensable to the development of co-operation and, consequently, that the free development of co-operative ideas and activities is indispensable to economic democracy, without which political democracy remains incomplete.

I hope you will approve the resolution unanimously but, still more, that as rapidly as possible you will make it a reality.

The text of the resolution emphasises the necessity of democracy in our movement, and explains in detail, paragraph by paragraph, how it can be realised. This will be the purpose of our discussion.

**The President:** The two amendments to the resolution submitted by Lega Nazionale delle Cooperative will be moved by Mr Miana.

**Mr S. Miana, Italy:** I should like briefly to explain the two amendments we have submitted to the resolution, with the content of which our delegation is in agreement. The Lega Nazionale devoted its national congress this year to the problems of co-operative democracy, together with the question of the autonomy and the unity of the co-operative movement.

It is necessary to stress the increasingly significant role of co-operation in its various forms in the socio-economic life of different countries and continents. Our action as co-operators aims at capturing a larger place for co-operative development so that co-operation may become one of the primary elements in the socio-economic life of each country, particularly in those countries where capitalist monopoly prevails, and in the developing countries. It is not only a question of asserting co-operation as an economic system but also of finding new solutions, adequate to our times, by underlining the very ideals of co-operation. It must, and can, have a larger part in organising a very much more active participation of all the working classes in the control of the socio-economic life of society and of the state.

In view of the close connection between co-operative democracy and economic and political democracy of society, our delegation would like to call attention to the necessity to stress in the resolution the increasing role of co-operation in the struggle for democracy. Co-operative ownership and management is today one of the most valid answers to the solution of socio-economic problems and the expansion of democracy.

Different problems arise in different countries. We consider it necessary, however, to introduce in a resolution, such as the one before us, a statement which is valid not only for co-operators but for public opinion in general. We, therefore, consider that the additional paragraph to be inserted before the recommendations underlines the real importance of co-operative methods in satisfying the increasing demand for democratic participation from workers, producers, consumers and, in particular, youth, in the management of social and economic activities. This paragraph completes the resolution by underlining the validity of co-operative management.

By submitting the very brief amendment to insert in the penultimate paragraph of the resolution the words "as well as public planning" we stress the necessity for co-operation to participate in public planning. This completes and clarifies the concept of the democratic relationship that must exist between the co-operative movement and the state in mutual autonomy, in elaboration and implementation of the country's economic and social policy.

In conclusion, contemporary co-operative democracy and, in particular, the active participation of everybody concerned, as it has been illustrated by speakers and as clearly stated in the paper by the Secretariat of the ICA, requires that co-operators must work for the affirmation and guarantee of democratic methods, also within society for the participation and control of economic life and in the political relationship between the citizens and the state.

## Discussion on the Papers and Resolution

**Professor P. Lambert, Belgium:** If we are to discuss these papers in detail, then we shall certainly have questions to ask and will contest one or other of the propositions. But I am among those who think the hour has come to find out what unites us rather than what divides us, and the resolution before us, happily completed by the amendments of the Lega Nazionale, constitutes a work of unity and synthesis.

I thank Mr Klimov for accepting the formula that different political systems have an effect upon the structure of the co-operative movement and, consequently, an indirect influence on co-operative democracy. His paper does not speak of the effect; it affirms that the methods of co-operative management are determined by the particular environment. If this were true, there would never have been, and never would be, any co-operation. Co-operation developed as a protestation, a resistance, an entirely different construction *vis-a-vis* the capitalist world.

The resolution affirms that democracy is the very essence of co-operation. It is not many years, I think, since the majority of practising co-operators and theoreticians of co-operation would have affirmed that the dividend was the very essence of co-operation. Here we see a most welcome change of perspective, since it is obvious that democracy is the principle which best distinguishes us from any other economic and social system, and that at the same time this principle offers the greatest hope for the future.

Since time is limited, I will pass over the other recommendations concerning the system of democratic representation and of education, on which we shall agree quite easily. I would, however, stress that the resolution encourages contacts between co-operation and the mass organisations which pursue the same objectives in the same spirit, women's organisations, youth organisations, trade union organisations. We have not always acted in this way, but where we have done so we have obtained a much wider audience and much greater achievements.

I would also stress that the resolution demands that co-operation, by all the means at its disposal, should exert influence on social and economic legislation and should obtain representation on national organisms which formulate and implement economic and social policy. The co-operative sector is often a potential power which does not realise itself fully. If we were to join forces, first of all in each country, in all forms of co-operative life to present our own plans and if we were to make all the efforts necessary for these plans to be inserted in the general national plan, I am convinced that our progress would be infinitely more rapid.

It is, therefore, quite right that the Lega Nazionale asks that we speak explicitly of these plans in the resolution. Where this method is not applied, economic and social policy is much more systematic than formerly, sometimes even more systematic than in certain countries which apply the method of planning.

Political democracy is indispensable to the development of co-operation, but it is obvious that the expression of political democracy has a quite different meaning in the mind of Mr Klimov and in that of Mr Kérinec or Mr Thedin. But I repeat that the hour has come to set aside these differences in order to declare the profound truth of the formula. That political democracy may be imperfect without economic democracy, that is another fundamental principle.

We are the initiators of economic democracy. Probably democracy existed before us, especially in certain mutual societies, but we have carried it into the heart of the organisation. This is, I believe, one of co-operation's greatest claims to glory.

**Mr S. Syulemezov, Bulgaria:** Having heard the interesting introductions of Mr Klimov and Mr Kérinec we have a detailed description of the problem. There is not much left for me to add, but I would touch on one or two questions.

Socialist democracy gives the co-operative organisation and its millions of members the opportunity for close co-operation with governments. It provides an opportunity for active participation, for discussion of the most important projects and laws, also a possibility for direct decision on economic, political, cultural and social problems. Hundreds of co-operators are elected to serve on government bodies where they represent the interests of the co-operative movement. Some economists from the western countries feel that a planned economy hampers the activities of co-operation, but this is without foundation. The very compilation of the economic development plan is deeply democratic in character. At meetings there is discussion by co-operators of the production unit, they show the targets, they give indicators, they show their achievements and the material input. Based on these data the government works out the detailed plan and budget for every production unit, for the industrial enterprises, for the wholesale and retail chains, and so on. The production units are a basis for the co-operative plans which are then adopted by the general assembly of co-operators. Later, these data are collected at central level and at every stage of the plan compilation we have the widest collaboration of the co-operators.

Can there be a more democratic way for a co-operative organisation? What can be more co-operative? We are applying these principles widely when we deal with the wage and salary policy. The salesmen, engineers, management staff etc., all are tied to the final results of the plan and are small units on this overall chessboard. The salary, standards of labour, input for production units are also taken into account and we thereby create premises for the participation of co-operators. Thus they are participating in the solution of all problems.

True socialist democracy reigns in our country. This paves the way to the heart of co-operators in many countries of the world. Socialist democracy is responsible for the social tenor of our life. Thus Lenin described co-operation as a form of socialist democracy. If every citizen enjoys the guaranteed right to work, free medical treatment, free education, to social security and sickness benefit, is that not true democracy? Where society spends vast amounts of money on youth, to have free education and to secure thereby fellowships at universities and, later on, a job, is that not democracy indeed? The Central Co-operative Union of Bulgaria represents 50 per cent of the national retail trade turnover, 36 per cent of agricultural production, and of the total turnover of industrial production we are responsible for 600 million Leva. The same conditions apply in other socialist countries. In countries such as Sweden the share of the co-operative turnover is only about 17 per cent and in other countries the figure fluctuates between 5 and 10 per cent.

The socialist structure does away with exploitation of man by man; there is no monopoly. Nowhere in the world are the democratic principles implemented as fully as in our country. The co-operative movement is a massive economic public organisation, making a contribution to the development and improvement of economic ties between economic organisations and other sectors of the national economy. It permits the further growth of productive forces and enhances increases in standards of living.

The Bulgarian delegation fully support the resolution on contemporary co-operative democracy.

**Mr A. Miyawaki, Japan:** The Japanese agricultural co-operative movement is generally in favour of the papers on contemporary co-operative democracy. We meet the same difficulties on how to maintain co-operative principles under present co-operative structural changes, and we endeavour to find a means of democratic and active participation of members in co-operatives.

I would comment on Japanese experience in this matter. Firstly, as agricultural co-operatives are the multi-purpose types which function on farm guidance, home economic

guidance, education, marketing, supply, credit and insurance business, they deal with all that is needed by individual farmers. There are specific producer groups for each agricultural commodity in the co-operative societies, which provide a means of the expression of members' wishes to the co-operatives. In addition, we have some members' groups, consisting of around fifteen members, for home economic improvement, which is also a means of member participation in co-operatives. Secondly, in Japan as co-operative members are the heads of families it would be rather difficult for the views of the youth and women to be represented in co-operatives. Co-operative youth clubs and co-operative women's clubs have, therefore, been established to include their respective wishes as much as possible.

Regarding federal organisation, the primary co-operative society is not a direct member of the central organisation. We are going to create a liaison committee between primary societies and the central organisation, and have already organised a council for the comprehensive review of the agricultural co-operative structure. Due to the amalgamation of primary agricultural co-operatives, many societies with big memberships have been created. Although the members of secondary organisations have equal rights, we are considering that the primary societies with a large individual membership should be given more than one vote. *These changes are not yet complete but these are some ways of involving co-operators successfully.*

A representative of the Japanese Consumers' Co-operative Union, Mr Nakabayashi, unfortunately could not attend Congress, but he has given me a paper prepared by the consumers' co-operatives and, on his behalf, I would like to read it.

Japanese consumer co-operators agree in principle with the papers and the resolution on Contemporary Co-operative Democracy submitted by the Central Committee.

As consumer co-operative enterprises have grown to a large scale, tendencies towards isolation between management and membership have arisen. Furthermore, at present big businesses are bringing mass consumers under their control by utilising the tools of commercial mass-communication. Such tendencies have become particularly conspicuous in the process of the rapid economic development policy of the government. We think it is very important for us to maintain the principle of democratic management, depending on the solidarity of the membership as well as making efforts to bring the advanced management techniques of highly developed countries to our management.

For this purpose, in the course of several years our Consumers' Co-operative Union has been making the utmost efforts to encourage unit societies to re-organise their memberships into small groups at shop level, consisting of 20 to 30 members, and to cultivate their self-conscious absorption of their various demands and energy through these groups. We regard these small groups as basic and most important organisations for the development of consumers' co-operatives, and women's groups are trying to play their part in strengthening them. Some consumers' co-operatives employ the unique home-visit system of goods' delivery; they reflect the energy and opinions of their members on their own management and are playing an important role in unifying purchasing power as well as in other fields.

In Japan today all consumers' co-operatives, such as Nada-Kobe, and Fukushima societies which have been developing remarkably, are practising rules of co-operative democracy in unifying members, organisations and managements.

**Mr A. Faucher, France:** It has been both said and written that co-operative democracy was not what it should be, and I believe this is true. Remedies, or at least adjuvants, have been proposed, which I think is a good sign. But it seems to me that our pre-occupation must be enlarged and must extend to the value which the co-operative idea really possesses in the eyes of the members and to the impact which it can have on the general public, remembering that its virtues do not always contribute to the development of its application. From its inception, co-operation proved its necessity in the countries of the pre-industrial era, its usefulness within economies of abundance and the universality of its moral value everywhere where men, through co-operation, have ceased to be strangers to one another. But by its nature it is condemned in most countries where it has established itself to realise a difficult reconciliation between material and moral demands.

To the strategies of industrialists or distributors engaged in total war whose stake is complete and absolute monopoly, the co-operatives must oppose similar strategies, but their scrupulous honesty sometimes makes them appear feeble. There are some weapons which naturally co-operators will not use, for their use relies upon the ignorance and the weakness of their opponents, deceit, certain arguments, the psychological manipulation of the public are some of them. It is well-known that when adversaries meet, he who refuses to hit below the belt is at a distinct disadvantage. But denied the use of certain means for conquering the economy by the effects of its own volition and its morale, co-operation must add to its activity a new feature which will restore its true dimensions. But what can it add to its economic and social activities which will make it appear better, or at least different?

For many years the social and educational work which co-operation first created, or nearly first, seemed like the very expression of human thought. Then, and of this we can only be glad, in the majority of countries social legislation was enacted, which made co-operative action less striking. Some are content with this, believing that, in the co-operative ambit, many initiatives profitable to man would otherwise not have been taken, which is true, but it does not solve the problem of how to make the co-operative contribution conspicuous.

If we confine ourselves to seeking novelty, our effort risks being unfruitful. Man's new needs, even when they are of a social character, such as the use of leisure, are in many countries more fully satisfied when they correspond to markets, quickly and cleverly exploited by capitalist enterprises on the lookout for new profits. On the other hand, if we arm our honesty with sufficient means to combat abuses, to show up deceit and unmask the snares of capitalist enterprises, co-operation will then have added something new to its image. Already several national movements, by their laboratories, their press, and their information campaigns have made known a number of truths. But this is not enough. Co-operation must become the greatest non-mysterious enterprise of the century and on an international scale. But cultivation does not mean merely to pull up the weeds. In the case of co-operation it means undertaking a continuous and up-to-date programme of objective information and education.

During the Press Conference last week it was clearly shown that the press can play an important role. But it must not be an additional and discreet activity, primarily as a vehicle of publicity and information for the instruction of the members in the co-operative club. In most countries it must also be given a force, a value and a tone proper to its functions, and for this at least three conditions must be fulfilled: material means, especially financial, which will give the appearance of its journals a standard they so often lack, must be available; secondly, talented teams must enthusiastically search for news and events which will be of special interest to the members of each movement, and will make our publications the highest and best informed in their particular fields; this, of course, must be achieved without omitting general information or education on which we have our own views; the third condition is that we show more courage, even aggression, in expressing our opinions. No journalist can be efficient if his pen is not free. This, we must recognise, presents a serious problem of ethics. Any co-operative press worthy of the name cannot be merely a parochial bulletin presenting the prudent and aseptic doctrine of timid leaders. But neither must it support the personal ideas of irresponsible journalists who confuse frankness with a taste for scandal.

A way must be found, in fact, I think the analyses which have been made, especially by Nils Thedin and Roger Kérinec, of the problems of contemporary co-operative democracy and the solutions proposed, are excellent. But I also think that the co-operative idea as a whole must be presented anew, not only as an economic system, but as a principle of organisation of all the material and intellectual exchanges, and as a possible key to the problems of our times to which it can make a precious contribution, that which Bergson called "a supplement to the soul".

**Mr A. Korp, Austria:** On behalf of the Austrian delegation I thank the Secretariat of the ICA, Mr Kérinec and Mr Thedin for the excellent review of the problem of co-operative democracy and for the valuable suggestions they have made. The Austrian delegation will gladly vote for the proposed resolution.

Basing myself on a remark made by Mr Barbier I should, however, like to say that the intellectual work required for the solution of the problems of democracy should not be considered as concluded when, after the adoption of the resolution, the practical work will be

started now on the agreed lines. In my opinion we should try to give our practical work a scientific foundation. I cannot make here any concrete proposals, but to illustrate my ideas I should like to give an example drawn from another field.

After the decisions taken at the Congress of Vienna on structural reforms the co-operators in all countries are trying to put into practice the directions given. Meanwhile our Swiss friends saw to it that experts in the fields of business economy and organisation, marketing, scientific business management, cybernetics, etc., should have an opportunity to air their views in their excellent journal on business management. It is extremely interesting to observe these efforts to bridge the gap between theory and co-operative practice. Should we not also give a chance to experts in the field of sociology, empirical social research, communications and information research, behavioural research, etc., to write on the subject of co-operative democracy? I believe we would gain a better insight into the pre-conditions and possibilities of our democracy.

Mr President, you presented Mr Klimov with a bouquet of flowers (in words). In view of the peace which reigned in this Congress I find it difficult to add a few thorns to these flowers. Therefore I shall also first give a flower to Mr Klimov in saying that his intellect and his profound specialist knowledge should really have predestined him to present us with a deep analysis of the problem of democracy from the Soviet point of view. But as Mr Kérinec already indicated in a noble manner, he omitted to do just that.

Mr Klimov gave us a distorted picture of the situation in the western countries. He literally says in his paper that democracy in the western countries exists only for a few rich people, only the monopolies rule and, therefore, there was no chance to realise the co-operative principles. In contrast to that, he presented us with a picture of a faultless and perfect democracy in the Soviet Union. It must be clearly said that with such an approach it was unavoidable that Mr Klimov's paper had to degenerate in the succeeding passages into political propaganda.

Some remarks made during the discussion could be interpreted to mean that we have among us ideological adherents of the theory of convergence. As we know, some economists are of the opinion that the economic conditions in the communist and in the western countries are becoming more and more alike. Some co-operators apparently believe that with the necessary patience the opinions about democracy will also come closer to each other. I can only warn against such illusions. Goethe said already: "With words it is easy to argue, with words a system can easily be built". It is not on words that we should rely but on their meaning.

I personally do not believe in an internationally registered democracy, patented and guaranteed by the ICA. Democracy will only be the reward of our endeavours to preserve human justice and dignity whilst ceaselessly striving for the realisation of our co-operative ideas.

**Mr G. Etzler, Sweden:** According to the rules of democracy it is the majority which decides, and this is so in all democratic countries and organisations. As for the co-operative movement it is the influence of our members which is the basis of our activity.

I will not enter into a discussion on the papers, but there is one word in Mr Klimov's to which I should like to draw attention. He says "Socialist democracy is democracy for the majority, for the people, for the workers. Democracy in capitalist society is a democracy only for the rich, for a negligible minority". Mr Klimov says "democracy for the majority". Should it not be "democracy by the majority"? That is the co-operative rule which we have always followed. It is not a minority that should decide for the people or the workers; this would not mean democracy. Is this a printing or translation error, Mr President? Can we change the word "for" to the word "by"?

As I have said, the rules of democracy say that it is the majority that should decide and I have taken it for granted that Mr Klimov accepts this rule. So, I suggest he changes the word "for" to the word "by".

**The President:** The content of the papers is the sole responsibility of the authors and, for that reason, what we, as Congress, are concerned with is the wording of the resolution which will embody what is agreed upon.

**Mr P. Lacour, France:** I am in agreement with the three papers; particularly their common objective which is to increase the degree of participation of co-operators in the life of their society. But, pay attention! for participation, when it depends upon a single authority, can easily lead, contrary to democracy, to dictatorship. To guide our action we must analyse the impact and the effect of modern technology on democratic values and on the co-operatives. Co-operatives are a means of integrating the economy and human values. Co-operation seeks to introduce moral practice into the economic and social life of man as a consumer, a producer or a worker.

I would stress two particular points and give two examples showing how democracy will arrive at efficient solutions to certain difficulties. The first point concerns the situation of the personnel, the second the necessity of organising a separation, an independence, between the various authorities which make up the structure of a co-operative.

First, the situation of the personnel. We are no longer in that heroic age where well-disposed people became unpaid sales' assistants in a co-operative shop after having earned their living at their own trades. Today, no co-operative can function without permanent staff. Co-operators, as men of progress, must improve the living standards of their workers, their wages, and give them, at least morally, a better situation than that in other enterprises. Workers in co-operatives should never have a feeling of frustration, of alienation, of lack of dignity which the wage earner experiences all too often. Decentralisation of decision-making, the possibility of taking initiative, information on the aims of the group, far from hindering efficiency on the contrary increase it. In our mixed-economy western country an example of co-operative democracy in staff relations has existed for more than three years. The personnel meet in their general meeting, a worker collective, and are informed about the working of the co-operative; the management replies to questions, and there is a secret ballot on questions upon which staff or management propose a vote. This vote becomes a decision in all matters concerning staff management. In another democratic structure, long-term plans are drawn up by groups of very young employees who work under the authority of their superiors. They elaborate a draft plan which is submitted to the management, then to the council of administration. I would be particularly happy to discuss these efforts with those of you who have made similar experiments.

The second point of my intervention concerns the separation of powers. In a city or a state where justice, the police, finance, politics and the churches are independent of each other, there are good chances that democracy will be maintained. But where all these authorities are controlled by one man, democracy is in great danger. If we introduce into co-operative societies absolute economic power, especially when it is exercised by one man, we shall see that it will have little control and will be little controllable. For democracy to maintain itself in such a case the leaders must be sincere democrats, but their training is not always sufficient. Sometimes it is necessary to organise special structures, for example, to create a sort of third authority which is outside management and control but to which is attached education, that is an authority of truth. This is rather what happens in Sweden, with a free press and independent Universities. Those in charge of such functions can neither take management decisions, appoint leaders, nor elect directors. They have the right and the duty to speak and teach the truth, which is one of the forces of democracy.

The existence of this type of moral authority reminds managers, who might have a tendency to forget it, what are the essential objectives of co-operatives inspired by the ideal of democracy and practising solidarity as well as social justice. Thus democracy seeks to assure to men equality one with another, respect of the right to life, to liberty and to the pursuit of happiness.

**Mr A. Rossini, Italy:** The problem of contemporary democracy has been presented in an exemplary manner by the paper of the Secretariat, which clearly identifies the aspects of the problem, while the situation in several countries has been shown by the comparison made by Mr Klimov who gives us a clear idea of the point of view of the communist countries, and by the paper of Mr Kérinec and Mr Thedin which constitutes a true guide to the solutions to the problem. From this documentation the conclusions submitted to us cannot but be approved by the Congress.



But I would like to suggest that these conclusions, which are perhaps the fruit of a compromise, are on rather general lines. They contain affirmation of important and incontestable principles, but they do not contain precise solutions. The resolution states the dangers which threaten democracy in the modern world and recalls that there is a tendency towards bureaucracy and technocracy in large enterprises, but it seems to me that it does not believe that this bureaucracy and technocracy, so dangerous in large enterprises, can exist when the large enterprises are co-operative enterprises. Here lies the danger of the large concentrations. They are urged upon us, I know, by the modern economic struggle, but we must not lose sight of the ideals of mutuality and self-help.

You say that control at the base can be assured by means of information, the press, radio, etc. But I ask you – who directs, who inspires the press and the radio, not only in the countries of eastern Europe? It is not the large economic interests. I once directed the Italian radio service and I know the question well. You may answer that you are speaking only of the co-operative press and information. But then, who can assure me that what appears in the national press and on the radio is not influenced by the directors?

The forecast of Professor Galbraith on the future exclusive power of industrial technocrats and public bureaucrats of which our President, Dr Bonow, spoke in his inaugural address, is also my constant preoccupation, and precisely because of what is happening in my country, where we too are experiencing the revolt of youth, especially of the students, who are certainly irrational but not without reason. I would like to be persuaded, as is our President, that co-operative action can transform the feeling of frustration and alienation into one of construction instead of destruction.

You will say, perhaps, that I am a pessimist, but I am not. While Dr Bonow directs the Alliance, I will be assured that neither bureaucracy nor technocracy will be able to acquire in our co-operatives, even in the largest of them, that absolute power which is so dangerous.

**Mr T. Janczyk, Poland:** In connection with the question of the essence of co-operative countries, in addition to what has been stressed by Mr Klimov, we would point out that particularly favourable conditions for the development of co-operatives are enhanced by the socialist system. Co-operative democracy is helped by socialist democracy, and this leads to independent initiative on the part of co-operators in their work. Regarding the extent of co-operative activity within the economy, in Poland co-operation supplies over 70 per cent of agricultural products, 10 per cent of consumer goods and about 15 per cent of the production of the whole country. This shows that the problem which we are considering concerns the whole country. There are more than 10,000 co-operatives of all types in our country with more than 13 million members.

The controlling organs work in the following way: rural meetings of members of the co-operatives elect members and the work of the co-operatives is controlled this way. An example is the rural assembly of the members, at which over 60,000 to 70,000 members of agricultural co-operatives take part; such assemblies number 1,000 every year. There are also members' committees on various aspects. Members can decide on the goods which are sold by, and those which are supplied to, the co-operative shops, and so on. The unions and central organs, which are the representatives of all co-operative organisations, control the higher organ of co-operation, the congress. At congress, proposals are discussed which result from discussions which take place throughout the country before the congress and in which 300,000 people take part. At the last congress 10,000 proposals were accepted. In our view this is the right way to assure that the principles of co-operative democracy are implemented, which enables each member of the co-operative to express his opinion, to submit his proposals and to criticise, if there is something to criticise.

In considering this problem we have to stress the great role played by Lenin. Polish co-operators will organise a study session on Lenin at Poronin in November. Those present here will know that before the first world war, Lenin spent some time in the village of Poronin. Arrested at the beginning of the war, he was helped by the progressive Polish writers and afterwards was freed. There is now a museum devoted to Lenin in this village. He stated that direct co-operation is co-operation by the masses. We co-operators say the future of co-operation depends first of all on the extent to which the members participate in the board and

organisation of the co-operatives. Therefore the future, and the fate of the co-operatives, is decided not only by high leadership but particularly by the rank and file, and the participation of the co-operative masses is an ingredient of co-operative success. The Polish delegation considers that the future of the co-operative is in democracy.

**Mr H. Kemp, United Kingdom:** I welcome the fact that nearly fifty pages of the document before us are concerned with contemporary democracy in the co-operative movement, because I regard democratic control in the British movement as the second major problem. The first is economic.

In Britain, with its co-operatives and trade unions established for more than a century, there is now an increasing demand for reform of the constitution of both movements in view of the challenge of the growing power of private industry and commerce. To meet this, efforts are being made to reduce the number of local consumer societies in England and Wales from six hundred to fifty, also a special study on how to encourage effective democracy in regional societies is being made by a working party of the Co-operative Union's Education Department. Five members of that working party are at this Congress, and my colleague, Mr Law, chairman of the group, would welcome information from any other national movement that has such a working party, or study group, effectively operating.

Without increasing economic success and effective democratic control, a British or any other society ceases to justify the name co-operative and is regarded as a failure. The structural changes now being planned in the British movement, both national and regional, are designed to ensure that control of the movement remains fully democratic, for we are increasingly aware of the dangers involved in any major move towards bureaucracy, which is the very opposite of democracy, and should not have a dominant place in co-operative practice.

As a member of the British delegation I support the resolution and hope all of us will try to get it accepted in practice in our own countries. In working to this objective the three papers will be most helpful. I accept most of what has been said in them but to say, as Mr Klimov says, "democracy in capitalist society is a democracy only for the rich" is, of course, not correct. I hope there is no deliberate misrepresentation of democracy in Britain. Those of us who are co-operators and socialists are as proud of our socialism and our democracy as those of the socialist countries represented here. Indeed, millions of co-operators, socialists and trade unionists in the western democracies will be entitled to object to and reject such an extreme statement by Mr Klimov. Democracy in any state, whether communist, capitalist, socialist or in the co-operative movement, depends on what the democrats make it themselves, or are allowed to make it.

Mr Klimov also suggests that the multi-party system and its parliamentary opposition are unnecessary to real democracy. He is entitled to his view, but this is a view which I am sure is quite unacceptable to most western co-operators and socialists. Democracy is a simple concept and need not be different in practice in different economies. Mr Klimov appears to create differences which need not exist. Again he says that "the true strength of democracy manifests itself in what it gives to the people in the form of economic and spiritual values". As a director of the English CWS I am very conscious of the importance of economic success, but I suggest to Mr Klimov that the right spiritual values imply the freedom which is a fact in co-operative movements in the west and, I hope, in the east. The freedom to write, to speak, to criticise, to oppose, to vote against, is a freedom which all who believe in co-operation should ensure is universal, in whatever form or state their co-operative movement exists.

Although I appreciate that we are more concerned here with democracy in the co-operative movement than in the state, we have in the paper submitted very much space given to this issue of democracy in the state, and therefore I feel it merits some comment. I have admired, and I would say this to my socialist friends in other countries, the progress made by the co-operative movements in the socialist states in regard to the proportion of members participating in co-operative democracy, forming a high degree of participation and penetration in trade and educational achievements. These are major achievements which represent a challenge to some of us in the west. We shall accept this challenge and work in friendly competition to exceed the achievements of our socialist friends. I hope, however, that the delegates from the socialist countries will acknowledge there are some practices in the west

which they might also aim at in the interests of their members. Economic reality is important, but it is not the only purpose of life or of the co-operative movement. The spirit of the people needs freedom in which to develop.

I am glad Mr Klimov accepts the resolution for this indicates an attempt to agree, despite the differences. If all of us accept the resolution in practice the remaining differences will not be serious. I commend the papers as a basis for discussion and support the resolution as a basis for action by all of us within our own movements.

**Mr B. Trampczynski, Poland:** The links between the members of a labour co-operative are especially strong and characteristic, due to the fact that the basic meaning of the problem, member of a co-operative, is to be found in the ratio of work which exists between the co-operative and its member. This ratio represents the material basis of the existence of the member. Because of this, the problem of participation of all the members in the administration of the co-operative is, at least insofar as labour co-operatives are concerned, of particular importance.

This participation is achieved to the greatest measure through the work of the members in their general assemblies. The development of a co-operative and the ever more complicated process of its administration, caused among other factors by increasing concentration, creates a situation in which the actual decision-making on the essential questions of the co-operative must pass from the general assembly to a smaller representation, to councils and to committees. The role of the councils, therefore, becomes increasingly important. In order that the council may fulfil its tasks, which are constantly growing and often demand the highest qualifications from its members, it is necessary to develop commissions. The activity of the commissions permits a larger group of members of the co-operative to participate actively in the administration. To illustrate these possibilities I would mention that in the Polish labour co-operatives of a total of 577,000 members 84,000 take part in the work of these commissions. Apart from the functions of the councils and commissions it has been necessary to create smaller self-governing bodies with defined spheres of action, which have also some supervisory and controlling functions.

In this process of administration, the taking over of certain rights of the general assembly by a smaller representative body of the members, which assures co-operative democracy, permits appeal to a larger participation. A special feature exists in these co-operatives from the fact that the forms of self-management, while envisaging the participation of the members in the administration, assure a complete democracy as regards the solution of problems arising from the particular situation of the members. Apart from the fact that Polish co-operative legislation guarantees equality of rights to all members, it also guarantees their rights resulting from their ratio of work in the co-operative. These two factors are intended to assure democracy in the management of the co-operative as well as in the solution of the problems of its members.

**Mr B. Khvostov, USSR:** It is quite clear to all of us that co-operative democracy is the determining factor in the usefulness and existence of co-operation itself. That is why, here in Congress, we have to consider the most pressing problems of co-operative democracy and try to find a means to perfect it. The paper of Mr Kérinec and Mr Thedin, together with those of Mr Klimov and the Secretariat, are a very good basis for discussion and for the elaboration of recommendations. The three documents enable us to come to the conclusion that co-operative democracy is dependent on democracy. One cannot understand the essence of co-operative democracy and determine its future if one does not understand the circumstances and situation in which this democracy is carried out. We cannot seriously consider the problem and expect a successful solution if we do not consider the concrete basis and the changes in some conditions which may hamper the development of co-operation.

In the paper of Mr Kérinec and Mr Thedin it is said that the monopoly, or near monopoly, of television and the press which are in the hands of the capitalists and advertising men, are one of the evils of our time; they condition the whole tenor of the state, and humiliate the ideas of democracy. From their paper and that of the Secretariat, and considering the democratic situation of Britain, Sweden and other countries, one sees that co-operative

democracy in capitalist countries is passing through a crisis, that more and more people are outside the management of their co-operative and do not participate in its life. Some co-operatives even become capitalist enterprises. That is why co-operators who are interested in the development of co-operation must face the problem of the activation of our movement, and create conditions in which its unhampered development is possible on a democratic basis.

Mr Kérinec and Mr Thedin formulated proposals for improvements within the co-operative but, at the same time, there must also be the implementation and recognition by society of co-operative democracy and this must be reflected in the legislation of the country. Financial help must be granted to co-operative democracy so that it can compete with capitalist monopolies.

I would express my satisfaction that some of these problems are reflected in the draft resolution which is before Congress.

Dr F. Los, Poland: I would like to speak about housing co-operatives, in relation to our experiences in Poland. Regarding the larger concentrated housing co-operatives a great increase in co-operation is not in contradiction with voluntary membership, or with true democratic principles in the management bodies. They continue to have proper control, and there are no changes in quality. The only phenomena we have observed are increases in membership, which have an effect on the democratic practice and create difficulties with which we have to come to grips.

In large concentrated co-operatives there is the possibility of getting better co-workers, better management and staff, and better equipped cadre. They also enjoy the advantage of better financial means, and the cadre and the management learn on the spot. Within the large concentrations in the Polish economy we observe, simultaneously, an increase in relations and an expansion of member participation. But we must remember that the ways and means and the growth rates are different, depending on the co-operatives. With individual co-operative associations we try to use the optimum rates of growth. We concentrate on democracy, training and education of management which are of primary importance and cover both the intellectual and moral qualifications of the individual members.

The ordinary members of the co-operatives are not only called upon to share the difficulties of the co-operative as such, but are also responsible for forecasting and being fully conversant with the economic conditions in the country. They must be fully acquainted with the machinery of the co-operatives, and understand the basic documents and reports that are submitted by subsidiary bodies. They must also be capable of taking an objective stand on problems of principle.

The Polish co-operative organisation is using new methods in its relations with members. For instance, we have member committees in industrial plants and housing associations. In the major co-operatives we have membership groups dealing with specific tasks for which the existing management bodies are not sufficiently strong. We also think one of the essential forms for further expanding contemporary co-operative democracy is the intensified strengthening of links and contacts with the members as such.

Mr J. Voorhis, USA: In the first place, the resolution which will soon be before us is worthy of the support of all of us. We believe it to be an excellent resolution and one which should form a basis for our future action. In the second place, there are two great principles that must be observed, in our opinion, if we are to succeed in developing a co-operative system of enterprise which will be, at one and the same time, efficient and beneficial and retain full participating democracy within its structure.

The first of these principles is that there must be the development of representative democracy in large co-operative societies. I shall not expand on that, you all know what I mean, and what had to be done politically when any society became so large that direct democracy in a single meeting no longer spelt democratic control. The second principle is that the body which must flow directly from the membership as owners and not from the management, the body which determines overall policy and exercises ultimate control, must not be confused with the management and the executive which are charged with the task of carrying out efficiently the day-to-day operations of the enterprise. If those two principles are

carefully observed, then we will find a solution and I believe we shall ultimately succeed. Indeed, we must, for we live in a rather sick world and, in my opinion, co-operation as we have conceived it in this body and in its constituent membership throughout the world is the best answer and the best medicine for what ails the world today.

The world is an extremely crowded place. When Columbus discovered the American continent, 500 years ago, there were many places to which people might move if there was trouble, in order to start over again in a new environment. This is no longer true. The population of the west coast of the Americas can look across the Pacific Ocean and see teeming populations on the other side, and there is no place for people to run away. Therefore, people must solve their problems with their fellows in the places where they now live. Our frontiers are not geographic ones, but political, economic and social frontiers.

The hour for co-operation has, therefore, come and the question is how will we discharge our obligation to it? As populations crowd in upon each other, certain values are lost. The people seem to lose any opportunity to direct their own destinies; they seem to feel a loneliness, an alienation which must be cured. It can only be cured by significant participation in enterprises which people know and which they understand can affect the future of their lives. Such enterprises, indeed, are the very essence of a true co-operative and those precious human values such as character, religious faith, fellowship, sense of dignity, hope, call upon us to restore them. Even the achievements of astronauts in the so-called advance of physical science do not help much, and may further threaten the dynamics and creativity of the souls of human beings. This is why we, in the so-called developed countries, have much to learn in many cases from the so-called less economically developed countries which may be more developed spiritually than we are.

Into this situation there has grown in healthy fashion a new type of human socio-economic institution that, in its foundations, is the root of civilisation, namely, the co-operative. It is up to us to recognise the unique characteristic of co-operation, in that it creates socially available capital available to every single person in the society in which he desires to take part. It is up to us to spread the gospel that this is true. Co-operatives are non-profit enterprises and are concerned with meeting fully the needs of the members of the societies to which they belong, and not with maintaining a price structure. We have to discover the veritable magic that co-operative credit institutions can bring to people, so that they can maintain their savings and keep those savings in their own control and pay interest back to themselves and, by that process, strengthen their own security and financial ability.

All co-operatives depend for their success upon the participation of their members in ownership, decision-making and patronage, and they succeed only insofar as those members help one another in accordance with the highest of all social motives, namely, that of mutual assistance and the principle of "love thy neighbour as thyself". Properly managed and existing as truly voluntary institutions, co-operatives are the most effective counterfoil against monopoly in all its forms, whether state or private.

Therefore, we have a challenge before us such as perhaps no great movement like this one has ever faced. We are trustees of an age-old, yet fresh and new, idea that has with it "handles" for people all over the world to take hold of. We are trustees of an idealistic but practical type of human institution which holds the solution, the medicine, for which mankind yearns and for want of which mankind will die at its own hands. What will we do as trustees? That is the question for this Congress. It is indeed a question for all the ages of man.

**Mrs Z. Staros, Poland:** We must not forget that the concept of democracy and the fight for equality are very important in the life of our co-operatives. The co-operative movement has been loyal to its progressive principles and does not distinguish between the sexes, we need full equality of both sexes. But in practice there is a considerable disproportion between the dynamic development of the movement and of women's participation. The reasons for this are manifold. The co-operative organisations could assist considerably in eradicating the obstacles to the greater access of women to the movement; so far, their full participation has been inhibited. A great deal has already been done in this field, and movements in many countries now have increasing participation of women. We also witness an increase of women in the elected bodies of management, and the same applies to the filling of posts. The problems of women, more often than not, are now being considered not as a question of concern only to women but as a question of large-scale public importance for which all links in co-operative activity ought to bear responsibility.

The existing practice, so far, is not wholly satisfactory and in spite of undeniable achievements there are still difficulties and obstacles to wider participation of women. Many problems are being solved without considering their vital interests. One of the major difficulties inhibiting women's participation is the absence of a clear cut view on this problem, the absence of general statements and regulations, because there are still the old prejudices and habits preventing the access of women to co-operative activity. In spite of their interest in the movement, their position and their participation in management bodies is still not in proportion to the number of women members. Undoubtedly there is a need to find an organisational solution to this problem.

I would mention Polish experience in creating favourable conditions for women's participation, which shows that we have achieved results. We have women's participation in management circles, in committees, in sections, and they guide the co-operative activities for women in favour of women; they also act in a supervisory capacity in some cases. Thus women are adequately considered and taken care of, and they now have a statute as a result of the work of these liaison posts. Their participation has been responsible for considerable progress, and we have their dynamic participation in all types of co-operative activities.

The participants in the co-operative movement are authorised to expect from the ICA, as the powerful protector of co-operative interests enjoying international authority, that it will take every possible step to assure that a solution will be found to achieving wider participation of women in the ranks of co-operators.

**Mr W. Sommerhoff, Chile:** In the developing countries we very often need people to fill posts on management bodies besides honorary members, and we need staff for the smaller co-operatives. This is undertaken by advisory bodies or supervisory councils, and sometimes we have the participation of the state or non-profit making organisations. The question then arises: which of the members is capable of decision-making and which, in turn, can influence the decisions of the state body or the non-profit making organisation? The task is rendered even more difficult because, in practice, it is impossible to formulate it objectively, or to assess these tasks.

The only thing left to us is either to give the manager a free hand in his subjective assessment or provide him with the opportunity to keep his assessment under permanent review, in contact with the individual members. To achieve this it is necessary that the members of the co-operatives should become fully-fledged members, capable of continuing the dialogue. We need to train and educate our members. Everybody is convinced of the need for this, but so far the co-operatives have not been very effective in this connection. Integration and concentration into larger units are of major importance and, to a certain extent, they facilitate our task in the developing countries because thus we can have a staggered release of member representatives and provide an opportunity for them to fill posts as a training ground on a smaller scale.

In Chile we have recently had good experiences in this connection; we expanded our membership and had their participation. First we had them work locally, or we gave them specialised training, after which they were capable of supervisory activity. Members are elected to the supervisory council but, to be elected, they must have served for one year in one committee. We need the participation of the workers through democratically elected representatives. In practice, the setting up of control committees would appear to be a transitional solution. On a long-term basis only education and training can solve our problem, and this would be the proper safeguard. Here integration, participation and involvement will certainly have a positive effect. In one of the Latin American organisations the staff is entitled to a certain rebate and the total sum of the rebate is distributed among them, based on their labour input. Therefore, every member would be sub-contracted and entitled to a certain income and thus become interested in greater productivity which, in turn, promotes the work of the consumer co-operative. This is only possible if we draw a line between discipline and responsibility.

Now I would like to say a few words about member participation. There is a mention in the paper about apathy. The best weapon against apathy is to appeal to the vital interests of people, and it is our task to recognise this. The economic situation of today seems to reduce the interest of some consumers, who are only concerned with their personal income. However, other problems also come up in this connection, and I would mention here how isolated is a human being today. We should do more about the use of leisure. We need to get people together

to arouse their interest and their involvement, their participation, so that they are able to profit from a proper use of their leisure.

**Mr C. Veverka, France:** We must congratulate the ICA that the problem of co-operative democracy is on the agenda of this Congress and that it has entrusted to Mr Klimov, on the one hand, on the other to Mr Kérinec and Mr Thedin, the task of introducing the discussion by highly gratifying papers exposing the point of view of countries of socialist economy and those of liberal or semi-liberal economy.

Mr Klimov's paper, which gives a feeling of profound conviction and assurance, contains interesting information on the solutions which are adopted in the socialist countries to animate the co-operative organisations democratically. The paper of Mr Kérinec and Mr Thedin, of great intellectual probity on which we congratulate them, endeavours more to show the difficulties which western co-operative movements experience in obtaining the effective and massive participation of co-operators in the management of their institutions, and in the definitions of the policies of these institutions, even where the degree of member participation in the economic activities is quite satisfactory. Basing my observations purely on French experience of the consumer co-operative movement, we would hope that the difficulties mentioned do not lead to the thought that democratic control is not assured in our movements.

In the first place, if it is true that co-operative organisations are increasing in size, the existence of co-operative sections in each locality, in each village, makes it possible to consult and associate every co-operator with important decisions, to take part in the election of the directors, to express their views, even their criticisms, on the most diverse questions, if they wish. Secondly, if it is true that the necessity to confront competition successfully leads to a concentration of societies, to a closer association and even to integration of regional and national co-operatives, the leaders of these organisations are always chosen from a Central Council, elected by the fully sovereign National Congress. Thirdly, if it is true that nationally the problems become more and more numerous and need rapid decisions, the association in the technical committees of the best technicians of all the societies permits the study in common of solutions, democratically elaborated. Fourthly, if it is true that the technical level of the problems requires recourse to highly qualified technicians, the fact that they feel responsible to the various democratically elected institutions contributes very effectively to the elimination of the danger of technocracy.

Therefore, while appreciating Mr Klimov's contribution, we unfortunately do not see the solution of our problems by the *répépés* extolled by the Soviet rapporteur. The real problem it seems to us is to make the co-operators in the eastern economies, with a high and increasing standard of living, understand more fully that, beyond an immediate satisfaction of material needs already largely assured, there are vital problems which as responsible men we cannot ignore – the struggle for objective information, against the misery in the world on behalf of those who are undernourished, against the civilisation of waste by those who eat too much and badly, the struggle against the pollution of air and water.

It is from this consciousness of the specific interests of the consumer as such, that we will find again a larger participation of co-operators in their democratic institutions which have never ceased to exist and to function, even though they may be little used by their members.

That is why we believe that the most important task for the international co-operative movement is to develop education and information. And this is why we fully approve the recommendations in the resolution proposed to Congress for the promotion of democracy in the co-operative movements, and hope they will be applied in all the movements.

**Mr F. Molnar, Hungary:** I am very pleased that the *Central Committee* have succeeded in finding a solution to this very complicated problem, and I hope the Congress will adopt the resolution unanimously, thus we shall see the implementation of the ideals which we support with all our efforts. It is to be hoped that there will be useful future co-operation between countries with different socio-economic systems. Contemporary co-operative democracy is closely connected with the economic and social development of the individual countries concerned. Here in this framework we have to see how co-operative democracy can be brought about, and how we can promote the further development of co-operatives. This will help the individual countries to promote their interests further and to promote a further exchange of experience.

We have introduced a number of economic reforms in our country and this has been conducive to a leap forward. The reforms have led to an increase in living standards and helped in the building of socialism. Our co-operatives account for one-fifth of the gross national product. Our farmers believe that, in line with the socio-economic conditions obtaining, the best advantages can be obtained from working in production co-operatives and this conclusion has been fully justified. The development of the co-operatives is of benefit to our whole people. The agricultural production co-operatives enjoy the same rights as the state civil service. In our country we have no hierarchy. Co-operatives join the unions on a voluntary basis and in the general assembly everybody has one vote. People are also free to leave the co-operatives. The unions make recommendations which take account of the collective interests of the co-operatives, and are adopted only if they are endorsed by the competent authority. We feel that joint enterprises grouping several co-operatives are justified in our conditions, and that there will be integration and merging into larger units.

**Mr C. Mateescu, Rumania:** The question of contemporary co-operative democracy concerns all co-operative movements, especially in the post-war period, because of the increase in membership, the growth of diversity of co-operative societies and, at the same time, the concentration of small societies in larger ones in order to increase their economic efficiency and to respond to the growing necessities of their members.

The papers submitted on this subject clearly show that it is generated by the process of concentration and centralisation in the sphere of production and distribution, by the scientific and technical evolution, which raises special problems of an economic, technical and organisational nature, as well as by the socio-economic changes which are taking place in the world. It is obvious that co-operative democracy cannot be treated beside the general problem of democracy, or beside the problem of the social systems in which different co-operative movements are acting.

In our country there is a permanent activity for developing democracy, for stimulating the creative initiative of all the working people; public debates and the exchange of opinions on problems of first importance in economic and social life are intensified and this stimulates the masses to criticise constructively shortcomings in state, economic and social-cultural life. At the same time, democracy has as its constituents the increase of the spirit of civic responsibility, the strengthening of the consciousness of the duty of everybody to dedicate his forces, capacity and competence to the public welfare. The effects of the development of democracy are felt in all fields of economic and social life, as well as in co-operative life.

The co-operative societies in Rumania are formed by the free association of their members. Joining and withdrawing are personal matters for each individual, depending on his deliberate desire. According to the rules of the consumer co-operative society, the right to become a member belongs to all citizens irrespective of sex, religion and nationality, if they live within the radius of action of the society and are 16 years of age. The general assembly establishes the value of the share which must be paid by a member. Irrespective of the number of subscribed or paid up shares, each member has the right to one vote only. All the managing and controlling bodies, beginning with the co-operative society and going on to the central union, are elected democratically from among the members and are obliged to submit periodical reports on their activity to those who elected them, and to superior bodies.

Through the form of organisation and the manner of conducting the activity of our consumer co-operatives, members have the possibility to exercise their right to control elected bodies, to verify economic and financial activities. A society which associates members from one or more administrative communes has, according to the rules, the following managing bodies: the general assembly, the council and the executive committee. Each society elects an auditing commission too. The general assembly, being the supreme body, reflects in the highest degree the democratic principles at the basis of our movement. It offers the possibility for members to take an active part in the management of the society, to express their opinions on the activity of managing bodies and of the auditing commission, to criticise shortcomings and to make proposals for improving the activity. The direct and active members' participation in solving the society's affairs, the expression of democratic principles at the basis of the organisation of our consumer co-operation, is demonstrated too by the great number of persons, nearly 50,000 including about 10,000 women, elected to managing and controlling bodies, and to village councils which take care of the activities of consumer co-operative units in a village, more than 85,000.



For enriching the professional knowledge of elected bodies and training the necessary staff, consumer co-operation has its own training centres, and important funds are used for educational purposes. In carrying on its economic-financial activities our movement enjoys full autonomy, the ownership of co-operative organisations, according to the constitution, being safeguarded by the state. Creatively using favourable conditions and the material means at its disposal, enjoying the precious experience of its elected bodies and staff, as well as the support of millions of members, the Rumanian co-operative movement is successfully carrying out its tasks, making a valuable contribution to the continuous raising of the welfare of the population.

In conclusion, I should like to express my agreement with the draft resolution submitted by the Central Committee.

**Dr W. Ruf, Switzerland:** I should first like to make a statement of principle. What is democracy? Is it the socialist state as described by Mr Klimov at the beginning of his paper? Is it what the state is capable of doing? We have been able to read about this and are impressed with what it is capable of doing. Is it where we have the rule of the majority? The majority, however, is not always fully conscious of the need for the freedom of the individual. We need to have the possibility for man to be a human being. We have to develop a proper respect for the minority. It is only truly authentic to talk of majority rule where minorities enjoy the right to participate. We have democracy where the minority enjoys as many rights as the majority. Mr Klimov has spoken of the independence of consumer co-operatives as an indication of their progress.

I now come to another idea which indeed meets those expressed, I am thinking of doors which are wide open. We are now in our supermarkets selling to one and all, to members and to non-members alike. Today we are interested only in the consumer as such and we work and toil for one and all. Our entire economic activity has become dynamic. Must we not also strive for a dynamic, lively, vital democracy? Let us throw the doors open and be prepared for all consequences. In trying to find the proper solution to our problem we shall be able to release ourselves from the old-fashioned concepts of democracy.

We have youth organisations, unions, universities and so on. Why, then, cannot we have representatives from those organisations to serve on our management committees, on a local, regional, national and even international basis? We have consumer co-operatives, agricultural credit co-operatives and housing co-operatives. Why cannot we have an interchange of seats and an integrated approach. One-third of the places on our management committees could be reserved for youth and for women representatives and in this way we would have a dynamic democracy and encompass all strata of the population.

The Swiss delegation supports the text of the resolution as well as the amendments of the Lega Nazionale.

**Dr F. Cortesi, Italy:** On behalf of the Confederazione Cooperative Italiane I have to express its support of the motion proposed by the Central Committee and of the amendments proposed by Lega Nazionale delle Cooperative.

I should like first to tell you about some Italian co-operative experiences in the field of co-operative democracy. In a co-operative society there exists not only the right to vote but also the possibility of member participation and influence on the daily life of the society. There is efficient machinery to ensure this, and we know that in some societies there are good results. There are also hundreds of agricultural co-operatives and co-operatives of family farmers which have voluntarily restricted the number of members to the minimum allowed by Italian law, which has enabled them to have continuous and wide relationships among members and to take democratic decisions in a decisive way. The democratic habit and co-operative training gives each member the ability to represent his first-degree co-operative at the meetings of the second and third degree co-operatives to which it indirectly belongs. Social activities of various kinds complete the picture. But these very efficient co-operatives also undergo extreme influences.

A very recent study has been made at university level of two similar groups of service co-operatives, one of which had close links with an external association with moral character and aims. The study showed that the members of this more dependent co-operative were much more ready than the members of the independent group of co-operatives to delegate decisions on things of a non-co-operative nature. There is in this case a moral interference with personal

and group freedom. One could comment that, if the final effect of this interference is not on the whole negative, we should not worry about it. We could also go a little further and say that if all decisions of a co-operative group are directly influenced by external groups, with positive overall results, this is something good. But we are speaking about co-operative democracy and in a co-operative society the voting rights and duties are as important as the participation of the members in the choices that create alternatives. In any case, the real value of a vote and participation in basic decisions cannot always be observed and can be put in different ways. Factors which are positive in themselves can bind the wife of a member and his ability to be well informed. Education itself can be an instrument of conditioning people, especially when the educational machinery is very efficient.

The solution of these problems is very difficult and it would be immodest to suggest detailed solutions which are valid for every situation. The area and type of freedom in each country are different, and they condition democracy in a different way. Co-operatives, nevertheless, can largely contribute to widening this area, allowing the spirit of innovation to develop and allowing the organisational ability of individuals and groups to fulfil their potential. We all know how easy it is for pure force all over the world to generate theories to justify its action; we all know that both monolithic dogma and capricious anarchism are dangerous for humanity. There are many trends involving the risk of moving towards one or other of these extremes.

In conclusion, I should like to express the wish that every co-operative movement may maintain within its internal polemic certain areas of freedom which are above or outside the interests of other sectors. Every relationship of the co-operative movement with other forces should be safeguarded by clauses relating to the movement's individuality and its capacity for enlightened democratic renewal.

**Mr M. Ivanovic, Yugoslavia:** The problem of co-operative democracy becomes more and more actual with the development of the economy and the permanent process of concentration and integration within the economy, especially within co-operatives.

It is well-known that socialist Yugoslavia has developed the system of democratic self-management. In other words, that all the people contribute to decisions taken in all the principal problems of the present and the future in the organisations and the communes, as in all other instances where decisions are taken. It is quite natural that these democratic principles are applied in all our co-operatives. All co-operative councils, committees and commissions are elected by secret ballot, for a period of two years, by an absolute majority of votes. The competence of various forms of co-operatives and of their associations are laid down in the statutes or decided by the general assemblies. In principle, co-operative authorities adopt the economic and financial plans, balance sheets and all other decisions which are provided for in the statutes or fixed by the general assemblies.

There are some problems which are very clearly stated in the documents presented to Congress. In Yugoslavia, in principle and in practice, the economic role of the co-operatives increases. Economically speaking, small co-operatives cannot survive. The process of integration and concentration of co-operatives, as well as their associations, develops very rapidly: for example, in ten years the number of agricultural co-operatives has risen to more than five thousand. Until now they have substantially increased their activity, but at the same time they have integrated into 1,700 co-operatives, and this tendency will continue. This concentration and integration of both the co-operatives and their associations increases more and more their reliance on the delegate system for the election of the co-operative authorities. But in all the large co-operatives and their associations there is a danger of bureaucracy and technocracy which might develop to a more or less important extent.

It is extremely difficult to find the real solution of the problems of a reasonable distribution of revenues, and the fixing of plans and work programmes, as well as the other solutions necessary for the development and efficiency of the co-operatives. So it happens that the principal co-operative formulas are not always very efficient. Yugoslav co-operators and theoreticians are working on these problems trying to find the best possible solutions to assure that the co-operatives do not move away from the co-operators. For the moment the best solution seems to be that of the co-operative section, in place of the former small co-operatives. In these sections, the co-operators enjoy the benefits of all the democratic co-operative institutions. While this solution raises certain difficulties in respect of bookkeeping, it gives the

co-operators the possibility to influence the efficiency of the work of the larger co-operatives. We do not believe that all the problems of co-operative democracy have been solved. They remain always actual. We are, therefore, most interested in the experiences of other co-operative movements.

We appreciate the initiative taken to put the problem of contemporary co-operative democracy on the agenda of our Congress. The Yugoslav delegation will support the resolution proposed by the Central Committee, also the two amendments proposed by the Lega Nazionale.

**Mr R. J. Dressel, USA:** I should like to say a few words about representative democracy in Greenbelt Consumer Services Inc., a large, urban consumer co-operative of which I am Board Chairman, serving over 30,000 members in the area surrounding Washington D.C. Greenbelt operates twenty-two supermarkets, six pharmacies, eight auto-service centres and six "Scan" contemporary furniture stores. We are the largest importer of Scandinavian furniture in the US. But our operation amounts to more than a good business; it is a good co-operative serving its members and being guided by them, and I note with much interest and satisfaction that many of our procedures support the proposals contained in the Central Committee's resolution.

The structure for the basic inter-action among our 30,000 members, and those charged with policy-making and administering the recommendations of the membership, is divided into three sectors: Area Councils, a Congress and a Board of Directors.

With regard to the Area Councils, representatives are elected by secret ballot by the members in order to supply a forceful channel through which members can express their views. Area councils consist of one representative for every two hundred members; they are responsible for the election of congressmen, advising the congress and board of directors on any subject of importance to the co-operative, such as local or national legislative and consumer affairs, and the educational needs of a co-operative nature. The councils are geographically distributed, based on the facilities and membership of the co-operative.

Secondly, the Congress provides a unified body of congressmen. It is composed of 100 members and creates a link between the elected representatives of the membership and the board of directors. The responsibilities of the congress are to act as an advisory group sensitive to the needs, philosophy and methods of service of which the members are in favour, to propose for office competent leaders to fill vacancies on the board. Functional committees of congressmen have responsibilities for the programme planning of particular elements, such as young adult activities, recreation and travel services, member benefits. This last item is of particular importance to the board of directors. Both the area councils and the congress provide definite leadership development opportunities for their members, and these members are, therefore, more informed than non-participating members.

Thirdly, the Board of Directors, composed of nine members, meets at least once each month, and is thoroughly briefed on all aspects of the co-operative. Directors can serve a total of nine years, a maximum of three three-year terms. The board acts as the highest policy-making group representing the membership. It has the important duty of putting into action policies and directives that will help guide the manager constructively and effectively towards goals adopted by the membership.

For co-operative educational work, we allocated a budget of 150,000 dollars yearly. One important item here is an annual orientation workshop which brings all elected and appointed elements together for the purpose of reaching a common understanding on the objectives and goals of the future. In addition, communication is given a high priority. We regularly publish both a member and employee newsletter, and an annual report. The well-illustrated annual report contains accountability comments from the board chairman, the congress speaker, the general manager and the auditors. We of the Greenbelt Consumer Services Co-operative firmly believe that political and economic democracy are indispensable to the free development of co-operative ideas and activities so that members have the maximum opportunity for participation.

**In conclusion I confirm that the United States delegation is behind this resolution.**

**Mr J. Podlipny, Czechoslovakia:** On behalf of the Czechoslovak delegation, I wish to thank Mr Klimov for his paper, in which he makes a clear analysis of the present state and application of co-operative democracy in the co-operative movements of the socialist countries, and which contains all the elements and fundamental principles on which the Czechoslovak movement is based. We believe that co-operative democracy exists in the conditions of state socialism as an integral part of socialist democracy and we fully agree that the problem of co-operative democracy does not depend solely on the mechanism of election, but is determined above all by the social and economic conditions in which the co-operative movement exists. Democracy, therefore, depends not only upon formal conditions, but equally upon real conditions, of the possibility for the workers to take part in the management, direction and control of the state.

The factor which we appreciate most in our present condition is the perspective of the co-operative movement. In accordance with our future development, the transition towards communism, the possibilities for the development of workers' organisations increase more and more. Among these organisations, the co-operative movement which unites economic activities with social activities and those of education, occupies an important place. This prospect is stressed alike in the documents of the communist and workers' parties, and is based on the co-operative ideas of Lenin, whose 100th anniversary will be celebrated next year by all progressive people.

I think it is unnecessary to complete Mr Klimov's paper by detailed facts about the application of co-operative democracy in our country, but I can give proof of the strength and importance of democratic principles in the Czechoslovak co-operative movement, which will be more convincing than a dry series of figures. It is well-known that the economic strength as well as the strength of democratic principles applied to any institution prove themselves above all when the society or the institution is going through a period of crisis and change. Our country and our co-operative movement passed through such a period at the end of last year and early this year, when certain right-wing elements tried to take advantage of the policy introduced in January 1968 with the object of harming the economy and the socialist order in Czechoslovakia. During this period, the co-operative movement was subjected to strong pressures. Today we can say that, basing itself on the democratic principles so firmly entrenched in its organisation and operations, the movement has come through this historic test with honour, and far from being weakened has emerged considerably strengthened. None of the co-operatives disappeared, on the contrary new societies, consolidated and adapted to the new conditions, were established. The movement was able to resist the pressures put upon it precisely because the principles of co-operative democracy are not sterile ideas, but normal practice which has always been based upon past experiences and applied in the everyday life of the co-operatives.

The Czechoslovak delegation will vote for the resolution.

**Mr I. Shapan, Israel:** I wish to state my views on co-operative democracy, having read with great interest the paper by Mr Klimov and listened to his speech. He asked how we could ensure that we have true co-operative democracy. I think that the principles of co-operative democracy were enshrined 125 years ago by the Pioneers of Rochdale, and in December we shall celebrate the foundation of the movement. One of the principles is one member one vote, irrespective of the number of shares held or acquired. There are also principles concerning subscriptions, free elections every year to the management organs of the co-operative. These principles are equally valid today, but we always need to adjust our work, our programmes and ideas, so as to be in line with the situation in our present-day world. We have witnessed the development of the co-operative movement in many countries. We know that the new, young, generations consider the movement from the economic and social point of view and find an interest in all sectors of the movement, in Sweden, in Finland and in other countries where we see the development of co-operative democracy.

There has also been a development of the co-operative movement in Israel which I would say is an integral part of our country. I can point to the existence of agricultural co-operatives in the kibbutz, where every year there are elections to the co-operative boards, with 100 per cent participation of members. The chairman of the board cannot be re-elected, and goes back to his workplace as a tractor driver or whatever was his former place in the kibbutz. This is true co-operative democracy in our view, and this does not all depend on the

political situation in a country. We can develop a co-operative movement in a democracy irrespective of the socio-economic structure.

Our agricultural co-operatives handle 70 per cent of the country's agricultural production; the transport co-operative handles 100 per cent since transport is wholly in the hands of the co-operative. Our consumer co-operatives have 20 per cent of the entire retail trade of the country, and in all sectors we have free co-operative democracy. I would invite Mr Klimov and his assistant, on behalf of the Israeli delegation, and in the name of Mr Yadin, to be the guest of the co-operative movement in Israel. Then they will be able to see for themselves how we implement co-operative democracy in the true sense of the word.

Quite apart from co-operative democracy we should underline that co-operation in all countries should be implemented and based on the principle of greater efficiency, and should have greater control.

The Israeli delegation supports the resolution submitted by the Central Committee.

**Mr R. Ahmed, Pakistan:** The three papers together cover almost the whole ground of co-operative democracy but, without wishing to detract from the excellence of the papers, I would suggest that a certain aspect of the problem has not received the attention it deserves. This is the functioning of co-operative democracy in the developing world. The problem of co-operative democracy takes a different complexion and has a different intensity in different areas of the world. One area may be represented by the so-called developed capitalist countries; another by the socialist countries; and a third by the developing countries with a capitalist type of economy.

In the developed countries with a capitalist economy or a mixed economy, the threat comes from the giant capitalist enterprises. Under pressure from their competition the co-operatives have to undergo structural changes and become as efficient as their main competitors in business. The enemy is external and identified. In the socialist countries there is no such enemy but the relationship with the state is a problem. Experience, however, shows that with the passage of time this problem is becoming easier and easier, and where socialism is maturing the state enterprises are transferring control to the co-operative enterprises, that is to say, the authority of the state is being transferred to the co-operatives.

In the developing countries, however, the problem is very complicated and very difficult. Apart from the fact that there exist, as in other capitalist countries, the big capitalist enterprises which want to compete ruthlessly with the co-operatives, there are three other main sources of danger to the co-operative societies. One is a capitalist exploitation, that is to say, the capitalist or the landlord joins a co-operative society not to function in the true co-operative spirit but to divert the resources of the society to himself. On paper the co-operative remains co-operative, there is one person, one vote but the one man is so influential and financially so powerful that the enterprise becomes a one-man show.

Then there is a danger from political exploitation. The politicians who are influential join the co-operative societies, become chairmen or directors and use the co-operatives as footstools for rising to higher political positions. These people also do great harm to the democratic element in the co-operative societies, inasmuch as they do not function in the true co-operative spirit.

The third source of danger is government control, that is control exercised by the co-operative department of government. The duty of the co-operative department is to promote and supervise the co-operative organisations, but quite often what happens is that, instead of helping the co-operative management of these enterprises, the officers of the department are tempted to manage them themselves. They get impatient, in good faith of course, with the inefficiency of the co-operative and remove the management, for which they have the power, and assume the management themselves. In many cases the officers of the co-operative department become chairmen or secretaries of co-operatives. The co-operatives continue to function, but the democratic element is actually destroyed.

In the developing world the problem is to create a socio-economic climate in which democracy will flourish. It is a very difficult plant and it is difficult to keep it flourishing, the only way is to see that it is in conditions where democracy can exist. Unless there is social democracy, unless there is social equity between individuals, it is very difficult to make co-operative democracy succeed. Social democracy can be brought about by legislation, by

such acts as land reform and such laws as taxation of higher incomes. All I would add is that the problem is so difficult that the co-operators in the developing countries will have to make special efforts to get together and bring about the solution.

**Mr V. Magnani, Italy:** I wish to thank the ICA Secretariat and the rapporteurs for their excellent work. The papers submitted to Congress help each of us, in our sphere of activity, to make co-operation a powerful movement in the struggle against all forms of exploitation of consumers, workers, farmers and technicians. I would like to express some thoughts on the value, the importance and the significance of co-operative democracy in the agricultural sector.

It is well-known that many countries are experiencing grave problems in this sector. On the one hand, there are problems of production, of international trade and the feeding of all people. On the other hand, there is the problem of the future of a large number of peasants and agricultural workers who, in the capitalist countries, find themselves in an impossible situation, not only because of their low incomes, but also because of the uncertainty of their future and the subjection they suffer from the decisions of the big monopoly groups. Furthermore, there is a problem concerning the size of the production units, a problem concerning different relations with the markets, and a problem of relations with industry.

All these problems are being discussed within the Common Market and are part of what is called the Mansholt Plan. But, in view of the importance of the orientation which the public authorities may take in the sectors of agriculture, of finance, of taxation and legislation concerning credits, what will be the priority in this field on the international plan?

In the face of these problems there arises the question of the greater efficiency of the capitalist enterprises because of the fact that in the co-operatives democratic methods will create difficulties. Here lies the choice of the enterprise as regards the liaison which exists between efficiency in agriculture and participation of the peasant in the solution of problems, and in democracy. This is the fundamental aim of the agricultural programme. For our part, we do not think the capitalist enterprises have solved this fundamental problem of agriculture itself, nor that of the future security of the peasants and their standard of life, nor even that of the contradictions which exist between the agricultural and industrial sectors.

But we can find very good examples shown by all types of co-operatives, especially production, processing and the marketing of products, which assure to the peasants and workers of the soil dignity and security. They also have participation in the programme of the co-operative which is discussed with the co-operators themselves and then entrusted to their execution which implies a personal commitment that is worth much more than all the guarantees of the large scale capitalists.

The problems of co-operative democracy are closely linked to the problems of agriculture, and we are sure that the application of the recommendations in the resolution of the Central Committee, and the action which the ICA will undertake in all the international organisations where it has a voice in the drawing up of plans concerned with the transformation of agriculture, will help the co-operative movements to create a concrete democratic alternative, which will be both idealistic and humane, to confront the power of the huge monopolies in the agricultural sector.

**Mr F. F. Rondeau, USA:** Congress has already been informed by previous speakers on behalf of the Co-operative League of the USA that we wholeheartedly endorse the resolution on this important subject of contemporary democracy, proposed by the Central Committee. I think that, by now, almost all the things that can be said and should be said on this subject have probably been very well covered. I had intended, at the time of my presentation, to tell you how we have been able to bring about a system of genuine democracy to function effectively in a co-operative insurance enterprise. Since, however, as a member of the Congress Committee, one of my responsibilities is to assist the President in keeping to the time schedule, I have decided to hold my speech until the next Congress. I would merely make this comment: there is a rather significant statement that comes from ancient Hindu literature to the effect that capacity to respond to the environment is the index of life. That, of course, is certainly true in all forms of life for our co-operative organisations in a business sense.

I submit that the subject we have been talking about, the element of democracy in membership involvement and participation, is also essential for our co-operatives in order to have a healthy organisation in a total sense. Only if we have that can we go a step further than this statement and say that our co-operatives may indeed be able to help shape their environment rather than merely respond to it.

**Mr J. Van Netten**, Netherlands: One must always follow excellent examples and I will follow the example set by Mr Rondeau. I want to express my appreciation for all the work that has been put into the papers, both by the authors and the ICA Secretariat.

The Dutch delegation supports the resolution.

**Mr P. Padovani**, Algeria: I will try, very briefly, to summarise nineteen years' work in developing countries, especially in North Africa and Libya, in relation to the remarkable papers presented to us.

In my view, three essential points emerge. First, our discussion is not merely academic for I can assure you that, despite wars and disturbances and destruction, co-operatives show extraordinary stability in periods of difficulty, at least as far as true co-operatives are concerned. Their members hide the archives and make sacrifices for their co-operatives and afterwards, when the storm has passed, those societies which have survived create new ones. The leaders are often imprisoned, but they come out again for they are honest and competent men who can be relied upon, and the prison itself is sometimes a sort of co-operative! This solidarity of our co-operatives is due to the fact that there is really an exchange between the co-operator and his organisation.

The second point is very important, since the Alliance will undoubtedly participate in enormous international administrative plans which are introduced in the developing countries. While these plans are often mere statistics, the Alliance will add that multiplying human factor which is the very soul of our achievements. I have seen in a neighbouring country of Algeria whole villages and thousands of dwellings created by the Government without having told the people of its intentions. The result was very bad, but statistically, from the point of view of the international organisations, it was good. On the other hand, when there has been collaboration with the technical co-operatives, a new social fabric has been created. Mr Klimov's paper is, therefore, certainly valuable. The social fabric is created by the co-operatives with great speed and solidity to the extent that those who belong to them are sincere.

My last point concerns the training courses for co-operatives organised by our Czech, Russian and British friends. These courses afford not only new methods of technical assistance but, still more, a new mentality. And it is only with this mentality that we shall be able to develop, otherwise the giant projects will never get off the ground, like foreign bodies which, after being grafted, are little by little rejected by a social fabric which was not sufficiently prepared.

This, I think, is a very important point and I hope the Alliance, if it participates in the enormous machine of aid and assistance, will endeavour to maintain this character of training men amongst themselves, for without it nothing can be achieved.

**Mr H. Sommer**, USA: I am President of the Ohio Farm Bureau Federation and a member of the Board of the Landmark Farm Bureau Co-operative Association, both of which have their headquarters in Columbus, Ohio, and I rise to speak in support of this resolution. In our co-operative associations we believe that it is necessary to provide members with the maximum opportunity for active participation, and we have organised more than 1,500 groups called Advisory Councils which meet monthly in farm homes. There are six to eight farm families in each group and most of them are patrons of our Landmark Farm Bureau Co-operatives and members of the Ohio Farm Bureau Federation.

We prepare a monthly four-page discussion guide and print it in our magazine *The Buckeye Farm News*. We also reprint and mail six copies with a letter to discussion leaders. A secretary keeps informal minutes and sends the conclusions to our state office where they are summarised and reported to our membership. Many of these discussion guides deal with

co-operative principles and practices. Our October 1969 guide, on the problems farmers have in getting adequate credit at reasonable rates, reminds farmers of the high interest rates they must pay for money and the hidden charges which are often included in instalment sales, and they are urged to make greater use of co-operative banks, credit unions, co-operatively-related insurance companies as a source of credit. Topics which we have discussed recently are: What is required to bargain and market more effectively, Will non-agricultural corporations dominate agriculture, International trade, its importance to agriculture, How can our farm organisations help us in marketing, and How can we meet the dangers of inflation.

We have had advisory council discussion groups in Ohio for the past 33 years. They were first organised in April 1936 after Murray D. Lincoln, then General Manager of Farm Bureau Co-operatives, visited St. Francis Xavier University in Antigonish, Nova Scotia, when he and his staff were impressed by the success of the Nova Scotia study circles and adapted them to conditions in Ohio. We have also learned much from the Swedish study circle programme of KF, and we believe that when co-operative patrons meet together in small groups under conditions which allow for a friendly exchange of facts and opinions they will reach sound decisions. When this thinking is reported regularly to the elected officials and staff of co-operatives it becomes one of the most important factors in building sound co-operatives.

I strongly urge the adoption of this resolution which, if implemented actively, would make our co-operative associations stronger.

**Mrs S. Rääkkönen, Finland:** Mrs Staros has already referred to discussions at the co-operative women's conference in Hamburg, prior to the Congress, and I would like to amplify her comments. First, I must remind you that half of the world population is made up of women, who are usually looked upon and studied as a minority group; they themselves have even adopted attitudes typical of a minority group. In many western co-operative movements also, half of the members are women but when it comes to decision-making and decisions on policy the women have very little to say. This is a flaw in democracy.

In most countries women are granted equal rights, but it is not honest to shy away from this and say women have the right to participate and it is their fault if they do not do so. If the co-operative movement truly tries in practice to implement democracy this is something to which it must pay attention. There are countries where there are not even laws and rules granting equality to women as in many of the developing countries where, for example, the married woman is deprived of many of her rights. In agricultural producer societies it is the women who do the agricultural work, but it is the husband who is the member and when the harvest is sold it is he who collects the money.

We had a very brilliant exposé at our conference by Mrs Greta Bergstrom, who has spent many years in Africa; she put her finger on many sore points, for example, that co-operatives sometimes deprive women of the little security they have when they own their own piece of land, without which they are quite destitute. These are things to which the co-operative movement must pay attention and which the ICA can help to correct.

In the consumer field, all people are consumers but some more than others, and women more than men. Consumer information is too often seen as something which is just for the women; there is no dialogue, and no channels to provide that the consumer's voice is heard before decisions are made. For example, decisions regarding shopping networks are made without hearing from those who do the shopping.

Sociologists say if there are groups in society which are capable of participating and have a desire to participate but are frustrated in these efforts, they will be a source of trouble and will become restless. I think this is the case with women. One's self-image reflects the opinion of others. We felt, at our conference, that women are tired of just reflecting the image that men put upon them, and are mistrustful of the glorification of the role of wife, mother and housekeeper.

This building is a good example of that image. If you look at the statues, there is the man-god hunting and the women with the spoon and the beehive, there are also a lot of women as goddesses on the ceiling, on every chandelier and doorpost. Women get tired of this, they want true democracy. They find reality with achievements and work much better than dreams.



**Mr M. Capek, Czechoslovakia:** On behalf of the Czechoslovak delegation I pay tribute to the authors of the papers, which contain very valuable data and new ideas. I would make a few remarks about the paper of Mr Kérinec and Mr Thedin, however, regarding the political issues of co-operative participation and the environment in which it is developed.

The characteristic of capitalism in what in the paper is called the western world, is over simplified, and concerns the fact to which attention is drawn by Mr Klimov; that is, the formal understanding of democracy which can camouflage the capitalistic essence and the class struggle which is now going on in different conditions than formerly. In the paper it is stated that the co-operative is the people's organisation. We would wish that in the whole world the co-operative should be a popular people's organisation, but we cannot but point out that the idea of co-operatives is abused in some countries by capitalists. In the history of Czechoslovakia we can cite examples of this, and other examples can be found at the present time in the capitalistic countries.

In my opinion the co-operative movement is carrying out its functions only when it defends the interests of the workers, promotes the implementation of their social aims, and contributes to their social progress. The co-operative movement requires great efficiency on the part of every co-operator and the development of a democratic basis. These are some of the remarks which we felt valuable as examples of co-operation and the further development of co-operative democracy.

#### Reply to the Discussion

**Mr A. Klimov:** I would like to answer a few questions put by my opponents, first of all the statement by Mr Korp. It is difficult for me to say something specific because, although his was a very lively, stormy, in fact even a heated speech, it was abstract; it was not specific, and I find it difficult to answer his questions. He was speaking mainly about the socialist countries and not so much about my paper, he said I was making propaganda for socialist ideas. Nor am I amazed that Mr Korp should have spoken in favour of capitalism; this is nothing new and was not entirely unexpected. I know about his experience on this subject, we know each other's advantages and we know each other's systems.

There was something else in Mr Korp's speech, however, that worried me. He warned us of the danger of co-operators from different systems coming closer, of the rapprochement between the east and the west. This warning seems to me to be quite superfluous, it seems it would be possible only if there were a rapprochement of ideologies. It is superfluous to raise this question and it would be vain for us to wait for a rapprochement of ideologies, although there are people who expect such a rapprochement.

We all know that the ICA is not a society for political unanimity but we must all act together within its framework to meet the tasks which the co-operatives have to solve. We must act in the interests of the co-operatives, this is why we come to the ICA and these objects have a great future in themselves. If you doubt this, Mr Korp, then I would like to believe that the chickens are not really counted. Either there will be division or a rapprochement; I think a rapprochement is much better for the future of humanity. I think it is very good indeed that at this Congress we have had a very clear process of rapprochement and unity of action, and we should be very happy about that; we must not inject a note of lack of confidence; we must not put up barriers or sound warnings in this context.

As regards the propaganda ideas, I did not expect to convert you, Mr Korp, or anybody else to my communistic beliefs; there is hardly any need for it. I think if Mr Korp levelled some criticism at me, it was because he does not come to grips with the problem before him.

Regarding Mr Etzler's comments, we do not disagree at all. He quoted the statement in my paper that the socialist democracy was for the majority of the people, but previously reference is made to his very statement: that it has to be democracy of the majority. The actual paragraph quoted in English does not seem to cover the entire text as it stands in Russian; therefore, I do not think there is any disagreement.

One or two speakers spoke against the views put forward in my paper because they based their reasoning on a political view and conviction which is opposed to mine. There is nothing very convincing about that I think, and there is no need to go into these arguments. In the olden days we had written evidence about discussions of democracy, about the role of the individual in society, and the concepts have not changed. There have always been arguments about them. We cannot find a solution which will enjoy everybody's agreement.

Listening to the discussion I arrived at the conclusion that the majority of speakers have shown interest in and have read my paper with attention. Many speakers have supplemented the ideas of the paper and I am very grateful to them.

**Mr N. Thedin:** First of all I would like, on behalf of Mr Kérinec and myself, to express our deep thanks for the generosity shown in discussing our paper and for the spirit in which this discussion has taken place. This is an attitude that goes for all the participants. We have had a fascinating day because we have been listening to a discussion in which the same problems have been viewed from many different angles. That has been enriching indeed.

The purpose we had when we set out on our work was to try to discuss the ideological and practical aspects of co-operative democracy. What are the aims? What are the institutional conditions under which co-operation has to work? What are the means available to us in order to achieve a more efficient democracy? As Mr Veverka said, our object has mainly been to show the difficulties and to discuss the problems. We have felt it would be quite meaningless to go into a political discussion of the advantages and disadvantages of different political systems.

Mr Klimov said that the Alliance is not a society for political unanimity. Of course, he is quite right but our feeling is rather that it should not be a society for political discussions at all.

There is one point in Mr Klimov's very interesting paper on which I would like to touch. That is where he speaks of "empty talk about freedom of personality and human rights". I mention this because in our opinion this is not empty talk, it is something that goes very deeply into our hearts, in fact, the freedom of personality and of human rights is the very essence, the very purpose of democracy. Without freedom of expression, as was underlined by several speakers, there can be no democracy in the sense of the word that we have; there can be no real possibility of controlling political leadership. I say this in order to show that in certain cases, and in some respects, when we use the same words we may have different meanings of those words. Always in international gatherings and in international organisations we run into semantic problems, we use words in different senses. That also has been underlined by certain speakers.

As far as co-operation in the communist countries is concerned, we have studied with great interest the paper of Mr Klimov and the reports embodied in the Secretariat paper, and we have listened to the speakers from the countries of socialist planned economy. It was interesting to me to hear how many of the speakers from these countries, Mr Klimov, Mr Janczyk and others, referred to Lenin as a great co-operative pioneer. I remember how Lenin, on his way back to Russia, passed through Stockholm. He was received by socialist friends in Stockholm and they found that he was very badly dressed, so they bought a new suit for him. They bought that suit in a store called PUB which was later taken over by the co-operative movement and is now the biggest co-operative department store in the country. That is, of course, not due to Lenin! But it might be interesting to know that there has been a kind of relationship between Lenin and Swedish co-operation!

Mr Kérinec and I, in our discussions of the problem, have been quite aware that democracy in the western world is imperfect. There exists in so many countries discrimination as between race and as between sex. There is a large inequality of income and opportunities, very large in some countries and a little smaller in others. But it is just because we are living in an imperfect world that we need the co-operative movement, as was stressed by Professor Lambert. Co-operation, after all, is a challenge, a protest, therefore we have to see to it that this protest, this challenge, is efficient and that it can really change the world. There are two conditions under which this can be done, one is economic efficiency, the other is democratic efficiency. Mr Klimov rightly underlined that without democracy, without efficient democracy, there can be no co-operation; but democracy can be efficient only if there is a continuous dialogue, a two-way traffic, between elected leaders and rank-and-file members.

We have raised a number of practical problems, we have listened with great interest to a constructive discussion about these problems, which concern co-operators in socialist planned economies and in mixed economies. I am not going to discuss now the problems of the socialist countries but I will mention that Mr Kérinec and I have had the privilege of studying how the co-operative movement functions practically in Poland and in Hungary, and the result has been reports which have been presented to the ICA and which finally led to the acceptance of the Hungarian and Polish movements as full members of this world organisation. I listened with great interest to the descriptions of the achievements of the Soviet Union and next time when I go to Moscow I will be very interested to study the consumer co-operative supermarkets.

I have to ask your indulgence, and to excuse myself, that there is no possibility, in the limited time at my disposal, of taking up all the interesting points that have been raised. Let me first, however, say on behalf of Mr Kérinec and myself that we have great pleasure in accepting the amendments presented by Mr Miana of Lega Nazionale. We do it with so much pleasure as it was understood in our text that co-operation should be represented in, and have an influence on, public planning, but it is much more clearly expressed in the Italian amendments.

Mr Korp in his intervention mentioned the necessity of building a bridging between science and co-operative practice, between sociological and economic science. I think this is very important, with very much of a future in it. We should all give serious thought to this problem, for with the growing importance of co-operation in economic and social life this bridge between the co-operative movement and science becomes more and more important. Mr Kemp underlined the necessity of an exchange of information. I would hope that one result of the resolution will be a strengthening of the exchange of information in the field of democratic practices, democratic solutions, in the various countries. Let me say personally that it is with extreme interest that I follow the development in this field in the United Kingdom, for what happens in the United Kingdom is of paramount importance to the world co-operative movement.

Mr Khvostov of the USSR said that Mr Kérinec and Mr Thedin mainly spoke about improvements within the co-operative movement, and that is true, then he said something, if I did not misunderstand him, to the effect that the state must help the co-operative movement through legislation and through financial help.

Whereas in the socialist planned economy countries co-operation forms part of the planned economy, in the mixed economy countries co-operation is a sector in a competitive economy, and (here I speak for the Swedish movement and I think for all movements in these countries) we simply do not want financial assistance from the state, because we want our complete independence. On the other hand, we are eager that there should be a fair legislation, a legislation which gives the co-operative movement the same rights, the same privileges, as other types of economy. It is for that purpose that it is essential to influence public opinion and public authorities strongly.

Few, if any, interventions have interested me so much as those made by two women, Mrs Staros of Poland and Mrs Räikkönen of Finland, speaking of the participation of women in co-operative activities. I think they have touched upon one of the most important problems, and one which Kérinec and I have not dealt with sufficiently. The Polish experience in this field is impressive and I feel that we have a lot to learn from that country about women's participation in co-operative activities. In my own country, it is certainly one of the weaknesses of our co-operative democracy that women's participation in our democratic organs is insufficient. Several years ago Mrs Alva Myrdal, now a member of the Swedish Government, wrote an article with the title *Women Conquer the Co-operative Movement*. Well, the women have not yet conquered the co-operative movement, but I have a strong feeling that there is a need for many more women of the capacity of Mrs Räikkönen and Mrs Staros in the co-operative movement, and that it is essential that we try to give the women all the possibilities we can to add to its democratic strength.

Some speakers referred to education and training and I listened with great interest to Mr Sommer who talked about the Advisory Councils in the United States which I once had the privilege of studying. They interested me so much the more because they show that the study circle method can be utilised in different kinds of surroundings in India, in Tanzania, in the United States, in Scandinavia, etc.

Dr Ruf made an appeal for a dynamic democracy, and he especially mentioned the necessity of contacts with other organisations, also the possibility of letting other organisations be represented on our elected organs. It might interest Congress to hear that in the new parliamentary organisation of the Swedish co-operative movement there is a possibility of adding to the Board of Directors of the Co-operative Union, which will be a Board consisting mainly of laymen, two nationally elected candidates who may represent other movements, for instance, the trade union movement; but, of course, they should be elected by the co-operative organs and not by the other organisations.

Mr Ahmed, in his very important statement, said that we had not given the developing countries the attention they deserve. He is quite correct. Let me only say that we felt this vast problem was outside the scope of our paper. It is one of the most important problems confronting us today and I feel it deserves its own papers and discussion at Congress.

Finally, I should like to say one thing about a very important subject which has been mentioned by many speakers, by Jerry Voorhis, Mr Veverka, Mr Sommer and others. That is that there must be member involvement and that the members must wish to participate. Here I feel we must widen our ideas. Co-operation means solidarity, irrespective of race, nation, sex, religion. I mean solidarity across all boundaries. Co-operation is old but in the world today co-operation is a young woman, because it has a message, a vision which can bring hope to mankind; and a vision which might attract the interest of the young generation. That vision is a very important aspect of the whole of our problem of democracy.

**The President:** I wish to clear up a misunderstanding which has arisen from Mr Thedin's reference to a statement in Mr Klimov's paper which in English reads – "Socialism is an economic system in the very nature of which democracy of a new type is implanted, based on the public ownership of the means of production. Democracy in socialist states is expressed not in parliamentary debates, not in the multi-party system (although in some socialist countries it does exist), not in empty talk about freedom of personality and human rights, but in the ensuring of material guarantees of the real freedom of the workers, their actual participation in the social, economic and political life of the country and in the management of its production processes". Our friends from Centrosoyus have pointed out that this is more or less, word for word, a quotation from some work of Lenin and they feel very strongly that Mr Thedin's remarks have a denigrating character. I am sure I speak on behalf of Mr Thedin in giving the delegates the assurance that he did not know it was a quotation from Lenin and discussed the matter in principle; he in no way denigrated a statement of Lenin. With those remarks I hope the position has been made quite clear and that the Soviet delegation will not think it necessary to make a protest.

**Mr Ch.-H. Barbier,** Switzerland: We have had an extraordinarily full and stimulating discussion and I thank all those who have taken part. I would also like, once again, to thank the rapporteurs.

First, I would say that world co-operation in September 1969 is strongly attached to democracy, and believes in it with deep sincerity. No delegate here would be prepared to part with a pound of flesh any more than they would be prepared to part with the democracy of their organisations. They are not ready, as the ICA Secretariat paper makes clear with especial vigour, to allow democracy to be emasculated. Among the interventions which have been made, I will only mention those of Mrs Staros and Mrs Raikkönen, even though Mr Thedin has already commented upon them. These interventions must be taken very seriously by all co-operators. The men of our century are still blind; they believe they can go into battle with only a half of their forces. They believe they alone, without the women, can foster life. In this they deceive themselves, for until we have solved the problem of the activity of the women, which must be at least equal to our own, the problem will remain unsolved.

My third and last remark is that the means indicated to us for creating workable co-operative structures are excellent, but the great difficulty is to find co-operators, both women and men, who are interested.

Here also, the ICA paper says these things in an excellent way. The quotation I would make, though I have not the actual text in front of me, insists that what is most important in

democracy is the direction of the intention of the democrats and the will to be one. The problem is, therefore, to create the will. We live in a world, the paper says, in which an avalanche of anxieties bears down upon us and diverts our efforts. We live in an age in which talent and stupidity are everywhere, in which the most authentic talent and stupidity are seen every day, and every evening are seen on television screens and heard on our radio. It is a question of knowing how we can be more interesting and how we can be taken more seriously. I believe that the solutions to this problem have, in part, been given here, but they must be developed further. It is, therefore, by the dynamism of which our societies and our co-operators give proof that we shall become more interesting.

To be followed it is not necessary first and foremost to arouse interest; above all it is necessary, purely and simply, to be. To the extent that we exist we shall be followed; to the extent that we know how to apply to the whole body of our members, to every strata of co-operator, the process of continuous education, we shall succeed in animating our movement.

Once again, I thank you for this discussion. I would have been obliged to enter into far greater detail had there been any opposition to the resolution of the Central Committee. But there was none and I am sure that, in a few moments, it will be adopted unanimously.

**The President:** We have come to the end of this exceedingly interesting discussion and we have now to take a decision on the resolution.

As there has not been any objection to the two amendments proposed by Lega Nazionale, may I simplify the procedure by asking Congress if it would be agreeable for us to take a vote on the resolution including the amendments.

Congress having agreed to this procedure,

**The President** took a vote by show of hands and

**Declared the resolution, as amended, carried unanimously**

## Proposals of Affiliated Organisations

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### ICA Office in West Africa

**Proposer:** Co-operative Union of Western Nigeria Ltd.

THE 24TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE  
ASKS the Central Committee to consider the possibility of setting up a Branch Office  
in West Africa with its headquarters in Nigeria.

**Amendment:** Proposed by Lega Nazionale delle Cooperative e Mutue, Italy.

Delete the words "in Nigeria" and substitute "where it is found to be most suitable"

**The President:** We have been informed by the representative of the Co-operative Union of Western Nigeria, who was here earlier in the week, that the amendment proposed by Lega Nazionale is acceptable to his Union. Will Congress accept the resolution with the proposed amendment?

The resolution was carried, as amended.

### Inter-Co-operative Trade

**Proposer:** The Co-operative League of the USA

THE 24TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE  
RECOGNISES the need for greater trade between co-operatives in keeping with the  
principles of co-operation among co-operatives;  
ACKNOWLEDGES the value of the detailed study already completed for South-East  
Asia; and  
REQUESTS the ICA, in collaboration with member co-operatives, to develop a general  
report on the trade taking place between co-operatives in the various countries and  
between countries. The report should show products or services handled, annual  
volume, how import or export regulations are handled, problems related to trade and,  
if possible, opportunities for further trade and the benefits to co-operative participants  
from such trade. Experiences of the International Co-operative Petroleum Association  
could be used as an example. Such data to be collected by a special ICA Committee  
formed for this purpose with the results of the survey to be discussed in regional seminars  
in Europe, Africa, Asia and the Americas.

### Inter-Co-operative Trade in Developing Countries

**Proposer:** National Co-operative Union of India

THE 24TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE  
NOTES with satisfaction that the subject of mutual collaboration between developing  
and developed countries was considered at length at the second and third Asian  
Agricultural Co-operative Congress held at Tokyo and New Delhi, respectively, in  
1964 and 1967;  
RECALLS that specific resolutions were passed in this respect; and  
REQUESTS the Alliance to consider those resolutions and take the necessary follow-up  
action to facilitate international trading between developed and developing countries  
to their mutual benefit.

**The President** pointed out that these two proposals had been merged into one with the consent  
of the proposers – The Co-operative League of the USA and the National Co-operative  
Union of India.

The text of the combined resolution was –

### **Inter-Co-operative Trade in Developing Countries**

THE 24TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE

RECOGNISES the need for greater trade between co-operatives in keeping with the principles of co-operation among co-operatives;

ACKNOWLEDGES the value of the detailed study already completed for South-East Asia;

NOTES with satisfaction that the subject of mutual collaboration between developing and developed countries was considered at length at the second and third Asian Agricultural Co-operative Congress held at Tokyo and New Delhi, respectively, in 1964 and 1967;

RECALLS that specific resolutions were passed in this respect;

REQUESTS the Alliance to consider those resolutions and take necessary follow-up action to facilitate international trading between developed and developing countries to their mutual benefit; and

TO SEEK funds outside the regular budgets and in collaboration with member co-operatives, to develop a general report on the trade taking place between co-operatives in the various countries and between countries. The report should show products or services handled, annual volume, how import or export regulations are handled, problems related to trade, etc., and, if possible, opportunities for further trade and the benefits to co-operative participants from such trade. Experiences of the ICPA (USA) could be used as an example. Such data to be collected by a special ICA Committee formed for this purpose with the results of the survey to be discussed in regional seminars in Europe, Asia, Africa and the Americas.

✓ **Mr V. N. Puri, India:** On behalf of the National Co-operative Union of India and in consultation and agreement with the Co-operative League of the USA, I introduce this resolution for adoption.

The Indian delegation, while specifically drawing the attention of Congress to developments in their part of the world in the sphere of international co-operative trade in the last few years, would now request a stock-taking of the situation by the Alliance, after which that the necessary action be taken to achieve the aims and objects of the co-operative ideology and fulfil the aspirations of the vast multitudes of people inhabiting our part of the world.

The Congress may recall that one of the points of the programme of long-term technical assistance, as endorsed by the 21st Congress of the ICA, is "promotion and expansion of trade between co-operative organisations in developing and highly-developed countries". This has been reiterated again and again in one form or another at succeeding Congresses.

The developing countries in the middle and far east, with Japan and Australia, have since the 21st Congress held three Asian Agricultural Co-operative Conferences, twice in Tokyo and once in New Delhi. These were followed by a conference on International Trade in South-East Asia, in Tokyo last year. In all these conferences, practical decisions were taken regarding promotion of co-operative trade. While many of these concern steps necessary to be taken by the movements in the developing countries to streamline and equip themselves so as to be able to fulfil any trading obligations which they may be called upon to discharge, some recommendations relate to the responsibilities which, in the opinion of the representatives of the developing countries and the different experts attending these conferences, devolve on the movements in the rest of the world. In this regard there were a series of recommendations which pertain to action to be taken on the part of government and what international organisations like ICA and AARRO can do to bring about better trading relations between the co-operatives of developed and lesser developed countries.

It is these points, which emerged in the various conferences, we would like the representatives here to note. It is impossible, and I do not think it desirable, for me to enumerate all the recommendations, but I would request that, while the ICA Secretariat has circulated these to all member organisations, the Congress may now decide that the attention of the

different sectors of the movement in various developed countries be drawn to the specific recommendations so that suitable action may be taken by them to help develop the co-operatives in the less developed countries.

I know this would require a good deal of sifting of the proceedings of many conferences and seminars and would involve much clerical work by the Secretariat, but I am sure the effort would be very worthwhile. While conceding that much was required, and is still required, to be done at the national level of the developing countries to enable them to cater for the needs of the developed countries in the field of standardisation of raw materials and consumer products, I would make bold to say that since the 21st Congress the movements in many countries in our part of the world have not been "wool gathering". Much thought has been given and action taken to safeguard the interests of both our producers and the consumers in the developed countries. There are many raw materials which do not require much sophisticated handling, and I am sure, to start with, the western movements could make a move in this sphere.

It is not enough that we meet in Congress once in three years, talk, pass pious resolutions and then go back. As a previous Director, Mr Watkins, once said "the acid test of international co-operation as an economic system lies not in the ideal but in the commercial sphere". I would request all delegates actively to consider ways and means to give effect to this idea, which is nothing else but a practical extension of our sixth principle of co-operation as enunciated by the Commission on Co-operative Principles, "co-operation amongst co-operatives".

Regarding the latter part of the resolution, suggesting practical means and methods of collecting data, providing material know-how, bringing to the notice of member organisations specific success stories and case studies, the Indian delegation could not be in greater agreement with the Co-operative League of the USA. We fully support the views and strongly urge the member organisations of developed countries to make special funds available to the ICA for undertaking this very laudable, practical and useful action. I am sure my colleagues from the Co-operative League would agree to this. On our part, in the lesser developed countries, we certainly agree, and I am sure we will work, to contribute whatever we can in spite of the restrictions regarding foreign exchange and other difficulties.

In your Inaugural Address, Mr President, you mentioned certain difficulties facing the co-operative movement *vis-à-vis* the international situation as it is developing today. There is a widening gap between the economic development of developed countries and of the lesser developed regions. If we are to bridge that gap co-operatively it is time we started, we have no time to waste. We must take action soon to avoid a catastrophe.

With these remarks I commend to Congress consideration of this resolution, and its adoption, so that proper and timely action may be taken by the movements to avoid a holocaust which is likely to come very soon.

**Mr T. Gorman, USA:** The Co-operative League is pleased to join with our friends of the Indian delegation in proposing this resolution.

In his opening Address to Congress, President Bonow referred to the continuity and consistency of ICA policies and actions in the field of international trade. There is an urgent need for bold initiatives and practical action in this field, the earlier the better. This joint resolution addresses itself to the needs and opportunity. We observe a number of independent efforts in this field of promoting co-operative trade. Trade surveys and other efforts are being programmed on co-operative trade opportunities in Africa and Latin America. To avoid disjointed efforts which, in the long run, may work at cross-purposes, we believe the ICA should assert some leadership and should be a co-ordinator of these endeavours, or through the liaison committee of the FAO, ILO, IFAP, ICA.

ICA has valuable experience in the South-East Asian trade study which is referred to in the resolution, and the European, Japanese and Argentinian co-operatives are all active in co-operative trade. Any studies of trade development activities in the continents of Africa and America have implications and, hopefully, two-way opportunities. It is within the ICA membership that extensive trade takes place, and it should logically be the ICA which takes leadership in seeing that efforts are co-ordinated, that the projects proposed be undertaken with funds outside the regular budget.



In our hemisphere we know of several efforts being funded to undertake such studies. The Organisation of Co-operatives of America plans to employ a man this year to undertake a study on the trade situation in America, making specific recommendations for action as to what should be done to promote co-operative trade. The Inter-American Development Bank, the Pan-American Foundation and others are stimulating such trade. We would hope also that the International Co-operative Bank might be interested in contributing to these efforts.

The resolution recommends that information obtained and opportunities available be communicated through regional seminars. Seminars provide not only the exchange of information but the opportunity for co-operators interested in trade to develop such opportunities through face-to-face discussion. A fine example of the value of such seminars is the coming Conference on the Promotion of International Co-operative Trade in Animal Feedingstuffs in Paris, with participants from Japan, America and Europe. We hope these discussions will be of a practical nature and an example of what this resolution on inter-co-operative trade in developing countries can mean.

We urge support of this resolution.

**Mr F. Di Marco, Italy:** On behalf of the Lega Nazionale delle Cooperative I have pleasure in supporting this resolution which recommends the ICA to promote and encourage initiatives and measures to increase international co-operative trade.

At a time when international trade is more and more essential to the development of economic relations throughout the world, we would stress that the growth of trade between the co-operative movements must be regarded by all organisations as one of the methods for strengthening the material bases of co-operation and increasing its capacity to fight against capitalist monopolies. We also stress that, in the present circumstances, the development of the system of international co-operative exchange represents an essential pre-requisite for improving the friendly relations, the reciprocal exchange of information and experiences, the solidarity and unity of the co-operative movements of the whole world.

Looking back over past experience, we can see that international co-operative trade, though not developing uniformly, has achieved satisfactory results from the concrete experiences of the movements in countries which have worked hardest to realise this policy internationally. The results obtained by Lega Nazionale, by the Polish, the British and other European movements have proved the validity of this policy and the possibility for strengthening and extending it to the developing countries. We think the results achieved by Centrosoyus are highly significant; it has continually increased its international trade by establishing commercial relations with a growing number of co-operative organisations in Europe, Asia and Africa, on the basis of mutual benefits and collaboration. All these experiences show that it is possible to achieve a further development provided, of course, that each organisation makes the necessary efforts and undertakes to assist the less developed movements.

Lega Nazionale is ready to help in this programme of solidarity and assistance. It is also ready to collaborate in the constitution of one organism to replace the three existing co-operative organisations in Italy.

In his Inaugural Address, Dr Bonow rightly reminded us that the resolution adopted by the Congress in 1946 on international co-operative trade represented an important directive for ICA action to encourage an increase of international co-operative trade in different socio-economic systems. Lega Nazionale appreciates the contribution the ICA has made to the development of international co-operative trade.

We are sure, however, that the ICA today has the necessary prestige and unity to make its work more effective in this field, and we, therefore, recommend to the new Central Committee and Executive the following initiatives which the ICA must undertake: To promote and encourage measures to create permanent forms of collaboration between co-operative movements with a view to improving existing commercial relations and to extend to all countries international trade and exchange in accordance with annual programmes based on the principles of mutual co-operation and reciprocal interest. To adopt all initiatives and interventions in order to contribute to the elimination of obstacles, restraints and regulations which nationally or internationally prevent the freedom and equality of trade between all countries.

In conclusion, Lega Nazionale supports the request of the Co-operative League of the USA for the establishment of a special committee within the ICA to deal with problems of international co-operative trade and, at the same time, suggests to the Central Committee and Executive the desirability of promoting an international conference on inter-co-operative trade and exchange.

**The Director:** This resolution has a very wide scope, and broadly two operative aspects. First of all, it asks the ICA to consider and take necessary follow-up action on the resolutions of the two Asian agricultural conferences which were held some years ago.

Let me say right away, there were no specific resolutions but there were broad recommendations, and a consensus which was reflected in these two conference reports. They dealt with a large number of general matters, like inter-co-operative trade relations, the policies of governments asking them to liberalise their economic policies, the assistance which could be provided from the developed to the developing movements in setting up expert-orientated industries, providing experts for long-term feasibility studies, agreements with co-operatives, and so on. There was also the aspect relating to the part played by existing international organisations. I do not recall the action already taken by the ICA as a result of these two conferences, except very briefly that its main responsibility was seen in terms of providing training in the field of trade, in which our Regional Office for South-East Asia has been particularly active since 1963.

The second part of the resolution calls on the ICA to seek funds outside its regular budget to develop a general report on trade between co-operatives in the various countries and between countries. The report is supposed to show products, services, annual volume and, if possible, opportunities for further trade, also the benefits to co-operative participants from such trade. It is suggested that this should be done by a special committee which would collect such data.

The Central Committee's point of view is that the first problem would be one of developing adequate resources for carrying out such a study. If these resources could be made available outside the regular budget of the ICA this study, in consultation possibly with the CWC and International Co-operative Bank and possibly other organisations, might be carried out. If adequate finances outside the budget are not available, however, the Central Committee feel that a more practical solution would be that the ICA should generate active interest and ask some selected national organisations to carry out national studies which could be co-ordinated at international level by the Secretariat in London. The Central Committee, therefore, broadly accept this proposal, with an alternative practical suggestion in case adequate resources are not available.

**The President:** All speakers have been in favour and the Director has commented upon how we can implement this resolution, with some reservations which he has explained.

May I ask for a show of hands on the combined resolution of the Co-operative League of the USA and the National Co-operative Union of India?

**The resolution was carried unanimously.**

## **Women in the Co-operative Movement**

**Proposer:** Federation of the Hungarian Co-operative Societies

**THE 24TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE**

NOTES that the activity of women in every branch of co-operation particularly in the field of production and consumption is considerable. According to their proportion in membership, women assert a right to play an increasing role in the management and control of co-operatives. This is borne out by the growth of interest shown towards the activity of the Women Co-operators' Advisory Council of the ICA; and

**CHARGES** the Central Committee to discuss the subject of The Situation and Role of Women in the Co-operative Movement at one of its next meetings.

**Mr F. Molnar, Hungary:** We all know that the number of women members in co-operatives is quite considerable, in Hungary it is 52 per cent. But, regretfully, the number of women in the authoritative bodies of the Alliance and of the movements in general is not very important. I think it would be desirable to increase women's participation in the higher co-operative bodies, in particular in the consumer co-operatives. After all, it is the women who cater for the satisfaction of the family's requirements. Of equal importance is the part played by women in agriculture and, on a smaller scale, in artisanal co-operatives. Women can be very useful co-workers alongside men in co-operatives and without their active participation we cannot hope to achieve complete results. We have an increasingly effective division of labour and the percentage increase in family participation has been quite considerable.

In addition, with the development of democracy, the part played by women in public life is gaining importance. In Hungary women's participation represents 20 per cent and in the member committees 40 per cent. Women play an active role in these higher bodies and their participation contributes to fruitful results but, unfortunately, the most important posts are not often filled by women.

We need to think of the special needs of women in dealing with development plans. The WCAC is mobilising women into the implementation of an over-riding task, and is dealing with very important problems. Recently it has convened women's meetings which afforded them an opportunity to give their views on the drafting of certain constitutional provisions. The WCAC, which does not replace the former international guild, has been undertaking very useful activities, and women co-operators are dealing with important questions that should also be dealt with by the Central Committee and Executive.

The Hungarian co-operatives propose that the subject of women in the co-operative movement should be considered at one of the forthcoming meetings of the Central Committee. This would not only promote women's activity but would afford an opportunity to consider the place to be given to women in management bodies in the co-operative movement generally.

**Mrs V. Zagulina, USSR:** The national women's co-operative organisations and the WCAC of the ICA are doing very useful work in the development of co-operative activity, but there is an urgent need to consider the problem of the woman's position in the co-operative movement, where they are capable of playing a much more important role as in public and economic life. In my own country after the great October revolution, women were granted, together with men, all rights of education, labour, leisure and participation in state affairs. These rights have not simply been enshrined in a statement, but are guaranteed constitutionally. In the Soviet consumer co-operatives more than 50 per cent of the workers are women and they hold more than 60 per cent of decision-making posts. Many women co-operators have been elected as representatives in agricultural areas and serve on the republican and regional councils.

Women could be equally active in the international co-operative movement where there are many problems which can be considered and decided with their participation and in their interests. First and foremost, is the question of the emancipation of women, full and equal rights in the family, in society, equal pay for equal work, questions of education, training of cadre, training of staff particularly for co-operatives, the dissemination of co-operative information, training of youth, all these are of vital interest to women and they could be extremely useful in these fields. This is not an exhaustive list of the problems which call for very careful attention by the Alliance.

But I note with regret that the role of women co-operators, the rights they enjoy and the possibilities open to them for participation in the majority of organisations, also the international, are not commensurate with the number of women members. We feel there is a real need for the ICA Central Committee and Executive to take a more active part in the work of the WCAC and thus open the way for wider women's participation.

The Centrosoyus delegation support the resolution submitted by the Hungarian co-operative federation and hope the Central Committee will take steps to implement it.

**Miss N. Cerrina, Italy:** The delegation of the *Lega Nazionale* agrees with the resolution of the Hungarian federation on the subject of women co-operators and stresses its significance in

view of the needs of the co-operative movement to encourage, by appropriate action and initiative, the participation of women in the life and management of co-operative enterprises which is a prime and fundamental aspect of democracy.

There can be no doubt that action along these lines enriches the work and practice of the co-operative movement, both in the elaboration of plans and in their implementation. In the consumer co-operatives where the process of concentration and structural reforms result in the creation of huge enterprises, members' participation in the life of the co-operative is being achieved by means of new instruments, for instance, members' groups, local councils, etc. The active presence of women in such bodies will promote co-operative policies better suited to the general interests of the family. In the agricultural co-operatives, the recognition of the woman as a producer assures that the organisation, with the introduction of new production techniques, will have at its disposal a qualified labour force, more suited to the demands of the modern agricultural co-operative.

In effect, the movement is moving towards a new society and to establishing itself as an economic, social and democratic structure. It is capable of constituting a force in which women will play an important role in society, a role which the woman consumer fulfils in becoming aware of the action she must undertake today against the dominating forces of monopoly. The rural woman must be in the forefront and fight with other democratic forces to remove the obstacles which prevent her full participation, obstacles like the outmoded legislative system which regards the head of the family as solely responsible for the farming enterprise, and the gaps in the welfare system as regards wages in this sector.

We hope the Central Committee, as the resolution proposes, will agree to examine at one of its coming meetings the situation and the role of women in the co-operative movement.

**Mrs M. Slepcanova, Czechoslovakia:** The resolution submitted by the Hungarian federation requests the Central Committee to discuss the situation and the role of women in the co-operative movement at one of its coming meetings.

The Czechoslovak delegation support this proposal and consider that it is timely.

**Mr L. L. Khachi, India:** My delegation give wholehearted support to this very timely resolution. It is the belief of my country, and my delegation, that no sociological ideology can function effectively and succeed unless women work side by side with men to achieve social, economic or ideological objectives, and it was in this belief that the National Co-operative Union of India constituted a Women's Advisory Committee at national level. Similar committees have also been constituted by various governments at state level.

It is a matter of pride for me, for my country and, I believe, for the women of the world that a woman is ruling one of the greatest democracies in the world, in India.

We are very happy that this resolution has been brought before us. The question arises whether we would like separate co-operatives for women. There may be certain areas where exclusively women's co-operatives are feasible and possible, but, by and large, it is necessary for men and women to work together in the same organisations. My suggestion would be that efforts be made to reserve a certain number of seats on boards of management for women. It may not be possible in some cases, for instance in elections, for women to participate fully. In my part of the world elections are a difficult affair and I do not know whether women would be able to contest elections at the same level as men. But certainly seats should be reserved for them on boards of management.

This is a very important resolution and we are confident that at the next Central Committee meeting there will be a larger participation of women, so that more colour, more gaiety will be seen at these deliberations, creating a liaison on a common platform.

**Mrs S. Rääkkönen, Finland:** This subject has been so well discussed that I feel I do not need to add many words. The Hungarian proposal seems to have been very well received and it is generally felt this is a theme which should be examined.

As the Central Committee accepted this proposal for the Congress agenda this means that it is in favour and feels there is reason to go deeper into the problem. As a basis for the future discussion we have many sociological and psychological researches which will give good guidelines and will clarify this problem.

There is one word of warning I would give: this question of woman's role is very emotional, and in this context I would remind you of a story which belongs to the mythology of the country to which our President belongs. The story goes that the god Thor went fishing with a giant and caught an enormous fish; he drew it up, but when they saw how enormous it was they were so afraid of it that Thor hit it on the head and the fish disappeared into the water. I think this is how human beings deal, partly subconsciously, with problems that have a heavy emotional context, but I would say it is not so dangerous if you look the fish, or the problem, in the face with a companion. It will be to the benefit of the co-operative movement, I think!

**The President:** As the Hungarian delegation do not wish to reply to the discussion, may I take it that you all accept the resolution and leave it to Central Committee to find a suitable time for discussing the problem as proposed?

The resolution was carried unanimously.

## Consumer and Agricultural Processing Industries in Developing Countries

**Proposer:** National Co-operative Union of India

THE 24TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE

APPRECIATES the steps taken in pursuance of the resolution on the subject adopted by the 22nd Congress held in Bournemouth in October 1963 and the follow-up action taken by the ICA and certain co-operative movements;

EMPHASISES the need for more active collaboration between the developed and developing countries in this direction; and

URGES the Central Committee of the ICA to receive the annual reports from member organisations and to review the progress of this regard.

✓ **Mr V. N. Puri, India:** In introducing this resolution I would point out that it is a reiteration and development of our continuing thought and concern regarding the development of the movements in the less economically developed countries.

This question was brought up by the Indian delegation at the Bournemouth Congress in 1963 which adopted a resolution on the subject and ever since there has been considerable follow-up action at various levels. The Technical Assistance Sub-Committee and the Regional Offices of the ICA which have been set up to identify and help solve the problems of the different regional co-operative movements have shown considerable progress in this direction. The 22nd Congress requested the affiliated organisations to do their utmost to increase their contributions in the form of technical assistance to lesser developed co-operative movements. We of the Indian delegation would request Congress, once again, to re-iterate that resolution on the provision of technical assistance by the developed movements to the lesser developed movements in the sphere of agricultural processing and consumer industries.

The ICA Regional Office in New Dehli has helped in moving towards the achievements of this objective by organising experts' seminars and conferences for promoting the exchange of experiences between the movements within the region. But this is not enough. These areas have a vast potential for developing these industries and, unless we are quick in moving into this area through co-operatives, the already deeply entrenched and powerful private sector will develop further roots, making it well nigh impossible for us to make any headway and it may become impossible to dislodge them.

In our country we think of the development of co-operatives as a complete economic system and we do not want to be lagging behind in any one sphere of activity, thereby endangering the whole system. In order to get rid of the big cartels wherever they exist, and to head off their coming into being in the developing countries, our delegation feels that the developed movements must come forward to help us in a much bigger way than previously in establishing these industries in the co-operative sector of the developing countries.

There are many examples of good collaboration between the movements, one is the coming into being of the Bhor milk co-operative in the Indian state of Maharashtra with the help of the German co-operatives, and through the help and untiring efforts of the ICA. The German aid to this project is to the extent of 1½ million rupees, and I take this opportunity to extend heartfelt thanks, on behalf of the Indian delegation and all co-operators in India, to our friends in the German co-operative movement. There could not be a more fitting place for expressing our gratitude to our friends and hosts of this Congress.

Another example of co-operation between the developed and the lesser developed movements is in Ceylon, where there are plans by the French movement for the setting up of a fish canning unit. Other projects are in various stages of discussion; for example, the SIDA, through the Swedish co-operatives and the Nafed, the organisation which I represent; also an Indo-Australian combined project for establishing agricultural processing units. Other forms of technical assistance are made available to the developing countries by the developed countries by standing guarantors, persuading governments and international agencies, bringing into contact the investors with the borrowers, and so on, which in our opinion are all of great advantage. The Indian delegation feel that all kinds of assistance, whether through the ICA committees or outside, should be catalogued for the Central Committee to consider.

I might mention that we have been involved in the biggest inter-co-operative venture that has taken place in the world, I refer to the fertiliser plant in our country, which is certainly the biggest in Asia. This has been possible by the Co-operative League of America persuading its governmental agency (USAID) and the Co-operative Union of India persuading the government of India to stand guarantee for the investors in the states to set up this greatly prized project, of which we are very proud.

I suggest there might be a request by this Congress that one full session of Central Committee be set aside for discussing these projects with a view to reaching certain broad decisions. This, in our opinion, would help to throw up new ideas for collaboration between different movements and would help to develop our inter-co-operative efforts for fighting hunger, poverty and want, thereby helping to promote peace.

**Mr F. Owen, USA:** The Co-operative League is pleased to support the Indian resolution on consumer and agricultural processing industries in developing countries. Major new inputs are moving into production and a green revolution is actually taking place in major developing areas of the world. Processing is of strategic importance to the solution of problems related to the high cost of food to the consumer and low income to the farmer.

There is a need to involve farm people as producers and farm and urban people as consumers in the investment and related economic and political control of major new economic development which must and will take place. Developing nations can overcome the problems of high cost of food to the consumer which often exist simultaneously with continued low incomes to the farmer-producer. These problems can be reduced if both producers and consumers are willing to organise separately and/or jointly and make investments in effective processing and marketing functions.

It is important to have integration and mutually supporting roles of various types of co-operative activities, this is to say, it has been actively demonstrated in rural economic areas that the more integrated a co-operative activity becomes the more powerful and successful it is in the market mechanism. The evidence indicates that short-term intermediate and developmental credit, marketing of agricultural produce and processing are all intimately connected with each other. US co-operatives, like those of other more developed nations, have invested large sums in processing operations and in recent years they have begun to explore possibilities of further integrating our own marketing, processing and consumer operations. Experience shows we should have brought about this integration fifteen to twenty years sooner, but there is no need for the co-operatives in the developing countries to make the same error.

The Co-operative League has been privileged to assist co-operatives in many countries in planning, organising, building and operating a number of oil-seed co-operative processing plants, fertiliser products, of the organisation and establishment of hybrid seed corn processing, and groundnut drying processing operations to preserve this commodity as an edible product. Many of these processed commodities are distributed through consumer co-operative outlets.

These and many more examples of assistance from the US and other more developed countries should be made available to all developing nations through the joint technical assistance programme of ICA, FAO, ILO, IFAP. We urge the Central Committee to receive annual reports from member organisations and to review the progress in this regard.

**The Director:** This proposal refers to the follow-up action taken on the resolution adopted by the Congress at Bournemouth in 1963. It was decided in the Secretariat that the most practical way of meeting the purpose of the resolution was to continue to ascertain the thoughts on what practical and technical know-how could be made available from advanced countries. This is being done all the time by the ICA, particularly in response to specific requests and this has appeared to us to be a meaningful way in which to carry out the wishes expressed in the resolution. The alternative would have been to carry out a broad general economic survey, in the absence of precise requests.

The chief purpose of the resolution under discussion is for annual reports from member organisations to be received by the Central Committee, presumably indicating the activities undertaken by them pertaining to the subject of the motion. The ICA Secretariat would then make a broad summary of these reports and present it to the Central Committee, highlighting some of the details of the actual work progressing in the field of consumer and agricultural processing industries.

A number of projects are already included in our plan for technical assistance, therefore the Central Committee, on the whole, is in agreement with the idea of the reports, their co-ordination at secretariat level and their presentation to the Committee for discussion at an appropriate time.

**The President:** There have not been any proposals to reject this resolution, so may I take it that you agree to accept the resolution?

**The resolution was carried unanimously.**

## **Agricultural Production Co-operatives**

**Proposer:** Central Co-operative Union, Bulgaria

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CONSIDERS that examination of the imperative question of the need to unite peasants in agricultural production co-operatives, and the part to be played by the Alliance in this matter, is pressing.

In this connection, the Congress

ENTRUSTS to the Central Committee of the Alliance the working out of measures concerned with the broadening of activity by the Agricultural Committee in giving comprehensive help to existing agricultural production co-operatives and in the establishment of new co-operatives in individual countries;

ASKS that plans be worked out outlining means for carrying out such assistance to national co-operative unions;

REQUESTS that particular attention be drawn in these plans to methods of giving help to agricultural production co-operatives in the developing countries;

URGES all types of co-operative organisations and members of the ICA to give every possible form of assistance and support to agricultural production co-operatives;

CONSIDERS it imperative to draw attention to those close economic ties which agricultural production co-operatives should establish with other types of co-operatives;

CONSIDERS that one of the most important future tasks of the members of the International Co-operative Alliance should be in connection with the effort to persuade the governments of their respective countries to introduce legislation for comprehensive help in the development of agricultural production co-operatives in providing technical assistance, and in granting to the co-operatives and their members privileges in tax relief, in leaseholds and in other similar matters;

**POINTS OUT** that the question of the development of economic connections between agricultural production co-operatives in all countries of the world, the interchange of experience between them, of information, literature, technical documentation, etc., is of very great importance. The Alliance and the Agricultural Committee should organise the publication of propaganda literature concerning the successes achieved by existing agricultural production co-operatives;

**ORGANISES** the exchange of specialists between individual countries interested in problems of agricultural co-operation.

**Mr S. Syulemezov, Bulgaria:** As the resolution of the Central Co-operative Union of Bulgaria on the necessity of uniting farmers into agricultural production societies and the role of the ICA in this field has been sent to the affiliated organisations, I would draw attention only to some of the main points.

Technical progress develops at a high rate in all branches and sub-branches of economy, including agriculture, at international level, but it cannot be applied in an agriculture characterised by small production units where only primitive implements and machines are available. Historical and economic development points to two main solutions.

The first is the way followed by many western and other capitalist countries. According to the so-called Mansholt Plan of the Common Market, by 1980 the number of farmers in these countries should be reduced by 5 million and their farms replaced by big production units; also the arable land of the member countries should be reduced by 5 million hectares. In order to realise this plan, all measures for helping and encouraging small and middle farmers would be stopped and the monies used as subsidies for structural improvements, that is to promote farms to not less than 80 to 120 hectares. This means ruin to many small and middle farmers. The so-called Green Plan of France, Italy, the German Federal Republic and others is nothing but a process of concentration by liquidating all inefficient farms and ruining small and middle-sized farmers as producers.

The second solution is the method of creating agricultural production societies as a reaction to monopolies. This type of society is practised in many countries, in socialist countries, in developed capitalist countries and in developing countries. It is only in the socialist countries, however, that all types of societies, including agricultural production societies, do not rely only on one or other form of partial material or moral support by the government, but represent an important part of the whole economic system of the country. The recent trends of creating farmers' associations, co-operatives and others, and the democratisation of existing ones provide good possibilities for the adaption of these organisations and the size of the production units to meet the requirements of technical progress and the market, and for the proper solution of social problems arising from them.

Still there are co-operative authorities and economists in some capitalist countries who say that co-operatives under socialism neglect the human element and that the individual cannot express his personality or make use of his creative and constructive initiatives. The experience of the socialist countries, and their co-operative movements in particular, proves just the opposite. Socialism guarantees the full application of the creative initiatives of individuals freed from exploitation in all spheres of social and economic life. In the co-operatives, wages are tied to the final results, which means that the more skilled a co-operator is or the better his production, the better are the results of his labour and, consequently, the higher are his wages. Therefore, the so-called socialist competition, and payment according to the final results of production, provides 40 to 50 per cent higher wages to the best co-operators. This is the impulse to produce more and better. There is no neglect of the human element; on the contrary, each individual is a member of the collective and his labour is the result of his social consciousness and care about the interests of the society, increasing the society's riches, and consequently, increasing his own. The mechanisation of agriculture makes farmers' labour easier, whilst the application of scientific and technological methods increases productivity and contributes to increasing the total incomes of the co-operators as well as their co-operative and social funds.

In big capitalist farms all these good results flow into the pocket of the owner-monopolist. Bourgeois monopolists tell farmers that if they join agricultural production societies they will lose their land and property. This is not true, and the experience of the socialist countries has



long shown that in the co-operative the farmer is a real owner of his land. Outside the co-operative he can easily lose his land and make it part of the big monopoly, thanks to bourgeois legislation on taxes, debts, etc.

The profits of a co-operative farm are distributed among the members first, according to the quantity and quality of applied labour; secondly, according to land participation, as rent, which should not exceed 30 per cent. The most essential conclusion, on the basis of our experience in agricultural production societies, is that each country characterised by small-sized individual farms can re-organise its agriculture by establishing agricultural production societies, avoiding nationalisation of land and preserving its private property. Our experience shows that private property in land is not an obstacle in creating agricultural production societies because the land is being evaluated and classified which serves as a basis for distribution of rent. The higher or lower rates of developing co-operation in the capitalist or developing countries will depend on the activity of the national co-operative unions, the initiatives of the primary societies and of co-operators themselves, as well as of all democratic and progressive movements, including the ICA.

The ICA has done a lot to promote all types of societies. The contemporary state, however, requires that it increases its initiatives concerning various aspects of agricultural production societies. This is of particular importance and necessity because the farmers who are members of consumer and credit societies are mostly interested in having more rational social and economic organisations to defend their production against monopolies.

The experience of our country is only part of the significant experience of all socialist countries and others as regards establishing one or another form of agricultural production society. The thorough and constant study of the experiences of such societies, wherever they are, should be one of the permanent tasks of the ICA.

Believing that agricultural production societies are one of the necessary forms of organisation, I urge Congress to adopt this resolution, which was unanimously approved by the Central Committee at its meeting in Oslo in April this year. This resolution will mobilise the activity of the international co-operative movement in this field and contribute to the more effective work of the Agricultural Conference in 1971.

**Dr L. Malfettani, Italy :** After listening to Mr Syulemezov's observations, I feel more encouraged to state why, in my view, the Bulgarian motion should be rejected.

The argument put forward by the President of the Bulgarian Union was proposed by Mr Syulemezov as one of the themes of the Agricultural Conference held in Hamburg a few days ago. At the same time, but separately, he submitted the same subject to the authorities of the ICA for inclusion amongst the resolutions for the Congress.

The Agricultural Executive did not consider it opportune to include this question on the agenda of the Agricultural Conference, for reasons which are entirely valid in respect of this Congress. This view is not mine alone, since I have been requested by the ICA Executive and the majority of the Central Committee to give some precise observations on this question.

First, the subject of agricultural co-operative productive societies must be considered in depth, taking into account experiences of other countries. While the text of the proposed motion is in the Congress agenda, it is necessary to know the spirit and the object of it, as they are exposed in a report which accompanied it. This report deals only with Bulgarian experience which cannot, alone, serve as the sole basis on which to draw conclusions.

Secondly, the subject is strictly specific and affects a particular sector of agricultural co-operation. It does not seem opportune to examine it in isolation, and to take decisions without any kind of liaison with other agricultural co-operative activities, in view of their independence one from another. Everywhere, production problems seem to be wholly subordinated to those of marketing. Not only in certain advanced countries, but also in certain developing countries, the production of certain products will soon have to be reduced instead of being increased.

Thirdly, the Agricultural Committee, and the Central Committee is in agreement, has decided to organise a big conference on agricultural co-operation in 1971, which will be open to all co-operative associations, even those which are not members of the Alliance. It will last

three days at least, and will have the support of governmental and non-governmental organisations, particularly the FAO. The results of this conference will serve as a basis for the preparatory work of the ICA Congress in 1972.

Therefore, in this prospective, the discussion of the resolution on productive co-operatives is, in my opinion, entirely premature, and I suggest that it should be referred to the Agricultural Conference for consideration. In the meantime, the Agricultural Executive, by accepting an invitation to hold a meeting in Bulgaria, will be able to obtain first-hand information and will have time and the possibility to undertake a study in depth of the experiences and opinions of other movements.

That is all I wish to say but, if the Congress so desires, I shall be happy to explain further my point of view on this subject.

**The President:** That is a practical suggestion from Dr Malfettani. It would mean that the resolution would be withdrawn from Congress on the understanding that it will be fully dealt with in the way indicated by Dr Malfettani.

Would you, Mr Syulemezov, be willing to accept the suggestion of Dr Malfettani?

**Mr Syulemezov** replied: We do not want to withdraw our resolution because we think it will contribute to the work of the Agricultural Conference in 1971.

**The President:** Do you want a decision to be taken on your resolution here in Congress?

**Mr Syulemezov:** Yes.

**The President:** Then we go on with the discussion.

**Mr N. Djavahidze, USSR:** The Central Co-operative Union of Bulgaria has taken a timely and valuable initiative in putting before Congress its motion concerning agricultural production co-operatives. We are all well acquainted with the situation of farmers in many advanced and capitalist countries. Indeed, the policy pursued by the monopolies is leading to the destruction of the small-scale and medium-scale farmer. The small farmers have to fight for their rights and struggle against the influx of monopolistic capital.

The ICA cannot afford to stand aside from the solution of these problems. It must make its contribution towards the defence of the small farmer, and one of the tools in this struggle is propaganda and the work carried on by the agricultural production co-operatives; otherwise the small farmers will be doomed. In socialist countries experience shows that the small and medium sized farmers can rid themselves of starvation conditions and avail themselves of the benefits of civilisation and culture. Experience in Bulgaria has shown that production outside the agricultural co-operative is doomed, but that agricultural production co-operatives can help towards ensuring the living conditions of the small and medium sized farmer.

I am very happy that the mover of this resolution is somebody who has had experience for many years, and even before the advent of the People's Republic of Bulgaria was active in an agricultural production co-operative. I think we should promote agricultural production co-operatives in newly developing countries as this would ensure that the level of economic development and living standards would be advanced. Finally, we should try to find measures to influence state legislation and promote the development of agricultural production co-operatives.

We support the Bulgarian motion which we feel is timely. I do not now want to speak to the points raised by Dr Malfettani. If the Agricultural Committee are going to debate this motion at the next meeting, well and good, but right now we have to take measures to implement the provisions of the motion, which should be adopted.

**Mr A. Rossini, Italy:** The text of the Bulgarian proposition is not, really, very clear, but the illustration given by the Union in its memorandum is all too clear. Briefly, the proposition seeks to condemn every type of agricultural co-operative which is not based on ownership of land, that is to say co-operatives whose land is the property of their members.

Now, I must make it clear to the Bulgarian co-operators that long before them Italy experienced this type of land-owning co-operative and the results were excellent. I will merely recall the big co-operative of Molinella, near Bologna, member of our General Association, which owns 3,000 hectares of land and functions very well. Italy, therefore, has co-operatives of the type which pleases the Bulgarian Union. But we also have numerous, very numerous, agricultural co-operatives of other types, of first and second degree, whose land is the property of the members. Why should we condemn such co-operatives which function very well, which considerably increase Italian agricultural production and which assure to their members a higher income than they would have were they not members? Co-operators must be free to choose the type of co-operative they prefer.

The memorandum of the Bulgarian Union contains some inaccuracies, particularly when it affirms that our Green Plan is nothing more than a process of concentration with the aim of liquidating inefficient farms, in other words of ruining the small and medium sized farmers as producers. On the contrary, the Green Plan seeks to strengthen the position of the small landowners by state subsidies and development loans. Obviously, modern agriculture demands a minimum of fifteen hectares of land, but the man with fifteen hectares is not a large landed proprietor. In Italy, he is looked upon as a small landowner. What our legislation seeks is to counter the drift of the peasants from the rural areas which is much more likely on the part of those who are not landowners.

The solution proposed by the Bulgarian Union is, in our opinion, contrary to the development of agriculture and to the amelioration of the standard of living of the peasants, who are so numerous in Italy, who contribute so efficiently to the development of agricultural co-operation, and to the development of true co-operation which, in our country, is based upon liberty.

**Mr L. Gasperi, Italy:** Lega Nazionale is in agreement with and will vote for the motion submitted by the Bulgarian Union concerning agricultural productive co-operatives. Further, the Lega urges the necessity everywhere to eliminate ground rents and also to unite the peasants in production co-operatives as a first step to equal income levels for all agricultural workers, or which, at least, are near the levels in other sectors of production.

It must also be stressed that the role of co-operatives for canning, processing and marketing of agricultural products is just as important in this connection. These co-operatives keep agricultural production out of the hands of speculators and middle men, defend the incomes of the peasants, guarantee the quality of the product, unite and protect consumers by direct contact between agricultural co-operative processing and consumption co-operatives.

In view of the importance of these agricultural problems, and of the role which co-operation can play in this sector, the Lega Nazionale agrees to an international conference on agricultural co-operation.

**Mr S. Dreyer, USA:** We believe that, except in rare instances, individual initiative and long-term agricultural production are not advanced in agricultural production co-operatives. By that term we believe that the proponents mean the co-operative ownership of land and all the mechanical factors of production. It is not something which we recommend to people in developing countries, consequently, we do not think that the ICA should promote the concept. We in the United States strongly believe in private initiative and private ownership of land. We achieve the results desired by this resolution by actively stimulating the effective use of purchasing, marketing and credit co-operatives by farmers.

Our delegates are instructed to listen to the discussion and are recommended to vote against the resolution, or to abstain, as the discussion dictates.

**Mr J. Prelovsky, Czechoslovakia:** The Czechoslovak delegation support the motion of the Bulgarian Union, which draws our attention and that of the world co-operative public to the problems of agricultural production co-operatives. It is well known that these co-operatives have developed most in socialist countries. But co-operatives of this type have developed and are still developing in different capitalist countries, and even the governments of many developing countries attach particular importance to agricultural productive co-operatives.

Certain documents concerning the resolution on various aspects of land reform, adopted by the General Conference of the ILO, also deal with these problems.

It would certainly be right that the ICA, with which an ever-increasing number of agricultural co-operative organisations are becoming associated, should take a position on this very important problem.

**Dr L. Malfettani, Italy:** I do not know, at this juncture, if I should speak in favour of my proposition to refer the motion submitted by Mr Syulemezov to the Agricultural Conference, or simply propose its rejection.

I would say that personally, and I think others are of the same opinion, I am not against this system of the exploitation of land. However, it must be made clear that if we approve this motion we affirm that the best solution for increasing production and uniting the peasants is by means of production co-operatives, that is to say of the type which exist in Bulgaria and in other countries of the collectivist system.

After the intervention of Mr Rossini I should like to quote some statements in the memorandum which accompanied this motion. It is said that the production co-operatives in Bulgaria, amongst others, have, to a large extent, benefited from the experience of the kolkhoz of the Soviet Union. Until now I did not know that the kolkhoz were co-operatives. The memorandum also speaks of a gradual evolution of production co-operatives in Bulgaria, and at one point it is said that the Russian peasants who belonged to the co-operatives retained ownership of the land. But a little later, it is stated that the owners have lost their modest income and now receive a wage for their labour. In other words, there has been a total dissolution of the system whereby land was once in the hands of the small producers.

This is why, having replied to the various speakers with the help of concrete examples, I think we should decide to refer the motion to the coming Conference, or consider its rejection by Congress.

**The President:** As Mr Syulemezov has refused to withdraw the resolution on the terms suggested, it is for Congress to take a decision for or against the resolution.

**Mr Syulemezov:** I would like to thank those speakers who supported our resolution. In reply to Mr Rossini, I would say that we do not speak against the Italian agricultural societies which farm their land, we have a very high respect for them. We speak against monopolies and in defence of co-operators.

As for Dr Malfettani's comment that we are using the experiences of the kolkhoz, we do not deny it; they are a form of co-operative, but we apply their experience according to conditions in our country. For many years in our agricultural production societies a rent of 30 per cent was paid on the land. It was only when the funds of the co-operative societies grew, and we were able to apply fertilisation and mechanisation, to have pensions for women at 55 and men at 60, and an increase in wages, that the co-operators themselves refused to have the distribution of rent. The land is the private property of the co-operators. This is the situation of all agricultural societies in the socialist countries. We had such societies in our country before the socialist revolution, therefore we believe that under capitalism agricultural production societies can be established and developed.

We have spoken much at this Congress about consumers, but most of these consumers are agricultural producers as well. If we do not support them, if we do not help them to co-operate in their production and to apply technical processes, many of them will be ruined. It was only the defence of the interests of co-operators that made us propose this motion.

With regard to the Agricultural Conference of which Dr Malfettani spoke, we express our full support and are ready to do everything for its successful work. The adoption of this resolution can only contribute because much will be done in the national co-operative unions in favour of this Conference. Therefore, our request is that you vote for the resolution.

**The President:** We will now take a decision on this resolution.

After a vote by show of hands,

**The President declared the resolution lost by a big majority.**

## Training of Personnel in Developing Countries

**Proposer:** National Co-operative Union of India

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NOTES that the success of the co-operative movements in developing countries depends largely upon the availability of trained personnel for key positions;

RECORDS its high appreciation of the work done by governments, international organisations and advanced co-operative movements for training such personnel;

TAKES NOTE of the recommendations made by the International Conference on Co-operative Education held by the Alliance in February 1968 in New Delhi, and in view of the need to co-ordinate and make the training programmes more relevant to the needs of the developing movements;

RESOLVES to appoint a Standing Committee on co-operative training and management developments to ensure a planned and co-ordinated training programme by the co-operative movements of developed countries and the International Co-operative Training Centres and with a view to rationalising available facilities for the maximum benefit of the co-operative movements in the developing countries; and

REQUESTS the Alliance to make an assessment of the requirements of the movements of developing countries in respect of training and education and take the necessary follow-up action including the designing of special courses to suit the special needs of a country or group of countries having identical situations.

✓ **Mr Y. Udaybhan Sinhji, India:** The era succeeding the second world war witnessed an all-round advancement of science and technology which has no parallel in history. The barriers of time and space, which at one time appeared insuperable, have now started yielding to the persistent human effort at eroding them through scientific techniques, culminating in man's recent conquests of the moon. The application of technological knowledge has almost engulfed all sectors of the corporate life of our society. Nations that have been quick on the uptake have readily taken to the newly developed techniques of organisation and management and have made a marked impact on their economy. Their business and industrial organisations have been continuously assimilating advanced methods in their structural patterns and have built up an outstanding capacity of progressing faster than those in developing countries which, for some reason or other, could not do so. The public sector, the private enterprise sector and the co-operatives in advanced countries have more or less kept pace with each other in modelling their working to suit their ever-changing socio-economic spectrum. As a result, the development of know-how and expertise in many fields of their economy has been quite outstanding.

On the other hand, in the developing countries the application of scientific techniques in running the various organisations has yet to cover a lot of ground. While in the developed countries the adoption of advanced methods has been more or less uniform in respect of the public sector, the private sector and the co-operatives, it has not been so in the developing countries. So, situated as they are, the co-operatives in the less developed countries, have been lagging behind the other two sectors in this regard, and face the danger of being edged out. Their position can be retrieved only if they are equipped with advanced techniques without further delay to meet the challenge, and they would naturally look to their friends in the developed countries for the flow of technical know-how and expertise to them.

The report of the ICA Commission on Co-operative Principles, headed by the late Professor Karve, rightly laid unprecedented emphasis on the importance of education and training, and co-operation among co-operatives. These two principles have a very special significance in the present context of co-operative development in less advanced countries, for the state governments have realised the importance of training and have been providing certain necessary facilities. International organisations and advanced co-operative movements have also taken a hand in the task, and some of them have been regularly providing facilities for the purpose, along with scholarships, which are greatly appreciated. It is gratifying to note that special training courses and seminars have been organised by countries like Australia, the USSR and other European countries.

But this satisfaction should not lead us into complacency. An effort of much greater dimensions has still to be made, and is not being made fast enough. The inhibition of growth and weakness in co-operative development anywhere in the world are of concern to all co-operatives. If these trends are not checked, and timely remedies found, there will be continuing scope for tension and conflict. As the co-operative life is the very antithesis of conflict and offers conditions of sound, harmonious progress all over the world, its well-knit base, encompassing the whole world, is of the utmost importance. A sustained watch over the performance of training programmes on an international level is, therefore, essential, along with the necessary follow-up action. To make the programmes more effective and meaningful, a proper prior assessment of training needs of different less developed countries is imperative, so that suitable tailor-made courses can be devised. The international conference on co-operative education held by the ICA in New Delhi in February 1968 made some pertinent recommendations on the lines just mentioned. Visits of qualified instructors from developed countries to developing countries for this purpose would be of great help in assessing the needs and patterns of training required.

Technical aid and industrial collaboration, even on a substantial scale, to less developed countries will not have the desired effect if the education and training of local personnel are not adequately provided. This may necessarily involve some expenditure, and the advanced co-operatives would, it is hoped, make some provision for the purpose. If necessary, the state governments of developed countries could also render aid to their own co-operatives and to the entire co-operative world. They could afford to do so if only a small fractional percentage of their expenditure on defence were regularly channelled to strengthen the solidarity of co-operatives. If this were done, the pace of economic development in the less fortunate countries would be positively accelerated and the conditions created for achieving more uniform progress throughout the world.

The wide gaps in the rate of growth generate a sense of isolation and alienation in the minds of the people in the areas concerned, which gives rise to tensions and potential dangers to peaceful progress. It is, therefore, necessary that co-operatives in developed countries, with the full backing of their governments, should make a greater effort as regards training programmes for the less developed co-operatives. Then the technical aid that may be made available would also have a better chance of success.

The ICA has a key role to play in this respect, and if Congress supports this resolution it will set in motion a programme of continuous link-up between co-operatives all over the world through the medium of training in modern techniques.

**Mr J. J. Musundi, Kenya:** On behalf of the National Federation of Co-operatives I support the resolution of the National Co-operative Union of India. Perhaps the greatest problem facing the co-operative movement in developing countries today is lack of trained personnel to manage the co-operative enterprises efficiently at all levels. I can justify this statement by the fact that there are only a small number of delegates from the developing countries at this Congress today. This does not mean there are no co-operatives in the developing countries, on the contrary, there are hundreds. The fact that developing countries are not represented proves that they are not properly and efficiently managed.

I take the example of my own country, Kenya, where although we have a very big working community we have failed to organise consumer co-operatives. Those that have been formed have very often fallen by the wayside due to competition and lack of trained manpower to manage them. The situation would perhaps have been quite different if we had had trained manpower to run the affairs of these co-operatives. A few years ago we embarked on an exercise of member education and training of staff in our rural areas by means of two mobile communication units which were equipped with films and film projectors, and teaching material. But, disappointingly, our efforts did not serve the purpose we had in mind due to lack of resources.

Our government recognised the problem which confronted the co-operative societies because of inefficient management and approached the Nordic governments to assist Kenya in solving the problem. I am glad to say that, through the assistance of the Nordic countries, a Co-operative College has been established and, in addition, means have been developed at the farmers' training centres to cope with the increasing demand for training. The Co-operative College and the farmers' training centres are serving a very useful purpose.

In conclusion, I would appeal to all co-operators in the more developed countries to extend their aid to those less developed by offering opportunities for training in their co-operative institutions so that we can enlarge this family of co-operators.

**Mr B. Khvostov, USSR:** Centrosoyus considers that the adoption of the resolution submitted by the Co-operative Union of India would promote the training of personnel, which is of overriding importance in the developing countries. The authoritative bodies of the ICA have repeatedly adopted recommendations on this and similar subjects, but so far, they were general in character and did not pinpoint organisational and specific measures. The present resolution provides for the appointment of a standing committee on co-operative training and management. We feel there is a need for such a body, and this is dictated by our daily life. The increase in national organisations, structural sub-divisions, all these need to be combined, and their activities need to be carried out on a unified and methodical basis.

There has been unanimous support for this from the participants of the Education Conference, and similar statements have been made by delegates to the present Congress. Such a body will present a unified ICA policy concerning the training of personnel which will meet the requirements of the developing countries, or groups of countries, and provide them with the possibility to study the training and education of people in advanced countries. We will have unified grants and methodical guidance; we will have co-ordinated efforts by the ICA, assisted by the specialised agencies of the UN, and also the support of other non-governmental organisations. In this way we will establish different international programmes in the field of training. Finally, and this is a most important point, we will publicise and study the experience acquired by individual countries and organise an exchange of experience for technical assistance to co-operators in developing countries.

We, in our country, have laid emphasis on the training of cadre and management personnel. Similar activities have also been pursued by the co-operative organisations in a number of other countries. The time has now come to study and publicise experience in this field and to co-ordinate our work. The training of personnel in developing countries is one of the most topical necessities. Centrosoyus supports the proposal of the National Co-operative Union of India.

**The Director:** This resolution has two operative aspects. It asks us to appoint a standing committee on co-operative training and management development to ensure a planned and co-ordinated training programme. Secondly, it asks the Alliance to make an assessment of the requirements of the movements in developing countries in respect of training and education.

Regarding the first I would draw the attention of Congress to the Conference on Co-operative Education held in New Delhi early last year, at which this particular question of co-ordination was discussed and members of developed and developing movements were present. I would also refer to the conference in Denmark where the aspect of co-ordination on the part of the advanced movements was considered. So far as the question of assessment of requirements is concerned, this is a subject which will have to be discussed and assessed by the national movements themselves.

The Central Committee, therefore, finds itself in agreement in principle with the motion but would like to suggest a more practical approach to realising its objectives. This approach would broadly follow these lines: from the ICA it would be possible for us to send out a structured questionnaire on which studies and information could be collected regarding the training aspects. This could be co-ordinated in London, and passed on to the various members of international co-operative training centres. Finally, if the document were ready in time, it should be presented to the conference in connection with the International Education Year planned as a follow-up of the New Delhi Conference. There does not seem to be a need for a standing committee because this work on co-ordination would be done by the Secretary for Education and Technical Assistance.

In brief, the Central Committee agrees with this motion but suggests what it believes to be a more practical way of realising it.

**The President:** May I ask Mr Y. Udaybhan Sinhji if he is satisfied with the way in which the Central Committee has discussed the possible implementation of the resolution?

Mr Y. Udaybhan Sinhji having indicated his satisfaction,

The President continued: May I then suggest that we take a decision on the principle content of the motion, and that its implementation will be on the lines suggested by the Director.

Agreed.

## Co-operative Housing

**Proposer:** Gesamtverband gemeinnütziger Wohnungsunternehmen, Federal Republic of Germany

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NOTES that the provision of housing for the broad masses is still an outstanding problem;

RECOGNISES that there is a need for a healthy residential environment for the population including good social and recreational amenities and all related facilities;

NOTES that in the solution of these very important problems for the families and individuals, co-operative methods have proved themselves to be of the greatest significance, and that in most countries co-operative housing is playing an ever-increasing role;

ASKS governments in industrialised as well as in developing countries to pay more interest to co-operatives in solving their housing problems;

CONSIDERS that it is of the greatest importance that the United Nations should be given more resources to assist its members, particularly in the developing countries, in solving the problems of housing and a satisfactory social milieu by means of co-operative methods; and

DECLARES its willingness to support any action taken by international and national bodies for the application of co-operative methods in the field of housing in the light of the resolution taken by the 23rd General Assembly of the United Nations (2459/XXIII).

**Mr W. Pahl, Federal Republic of Germany:** It is well known that all over the world there is an acute housing shortage and that even today, in the second half of the twentieth century, there are still far too many people who are compelled to live in unthinkable, inhuman housing conditions. From the report submitted by the Housing Committee and in pursuance of its discussion, we heard some very interesting statistics, I shall, therefore, confine myself to a very brief introduction of the resolution, with special reference to the developing countries.

An active housing policy will not only remove the housing shortage but will bring about an improvement in the standard of living and improve the whole economic situation of a country. The infrastructural measures, the investments made in this connection such as the building of roads, transport, education, social and cultural requirements, sport, leisure and many others show that increased housing activities have a multiplying effect. These industries are getting more contracts, more employment possibilities are created, and thus there is an economic upturn for the entire population. If you agree with us that most countries are still short of proper housing conditions, that there is a lack of housing, quantitatively and qualitatively, I invite you to endorse our resolution.

Through the co-operation of the Gesamtverbund the first multi-national administrative project for an East African country has been realised. This is a promising beginning and we hope that we will be able to go ahead and strive for more constructive achievements.

Through this resolution we also hope to solve the problem of housing supply which would be worthy of human beings, and we would like to arouse the conscience and awareness of those responsible for it. The Housing Conference, I would add, has unanimously endorsed our resolution.

**Mr A. Rossini, Italy:** The housing situation is also very serious in Italy but I will not speak of this. Naturally, we shall vote for the resolution.



I will limit myself to asking the President of the Alliance and, more particularly, the Housing Committee, to collect all relevant statistics and information on housing possibilities in all countries, and to publish them each year. In this way it will be more easy to convince national and international bodies of the vital necessity of applying co-operative methods in the field of housing.

**Mr W. Campbell, USA;** It is with great pleasure that the Co-operative League of the USA endorses this resolution.

We also suggest to the President and Director that the resolutions adopted by the Congresses in 1960, 1963 and 1966 be again directed to the United Nations to remind them of the decisions asking for a special agency, in support of housing, in the United Nations. There is very little being done but it is done by a small dedicated staff at the United Nations, and until more resources are put at their disposal the job will continue to be difficult.

**The President:** May I take it Congress will act as wisely as on earlier occasions and unanimously approve the resolution on housing which is supported by the Housing Auxiliary Committee.

**The resolution was carried unanimously.**

## **Action on the United Nations Resolution 2459/XXIII\***

**Proposer:** Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Poland

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HIGHLY APPRECIATES the efforts made by the United Nations and its Specialised Agencies aiming at the promotion of the socio-economic development of the developing countries;

WELCOMES the Resolution of the 23rd Session of the United Nations General Assembly on the Role of the Co-operative Movement in the Economic and Social Development;

RECOGNISES that UN Resolution 2459/XXIII confirms the important role of the co-operative movement in the development of different countries, and especially in the realisation of the programme of the development of various fields of production – agricultural, artisanal and industrial – in the field of trade, services, medical care and education, as well as in the realisation of economic and social reforms, and especially land reform;

DRAWS attention to the fact that the co-operative form of ownership gives special possibilities to activate social initiative and to mobilise human and financial resources under social control for their effective use for the benefit of social progress and economic development, thus effectively bringing low-income persons into the main stream of development;

OBSERVES that creative technical assistance efforts have been developed directly between co-operatives in many countries represented in the 60 nation membership of the International Co-operative Alliance. These programmes have offered flexibility, economy and maximum participation among the member co-operatives;

DECLARES the willingness and readiness of the Alliance for the further development of co-operation with the United Nations, its Specialised Agencies and other national and international organisations in the fields of common interests;

CALLS upon developing nations to make use of the FAO, ILO, ICA, IFAP joint programme of technical assistance, and urges more developed countries to co-operate actively with requests for assistance;

**\*NOTE:** The Co-operative League of the USA had submitted a proposal on Technical Assistance to Developing Countries which was included in the Agenda of Congress; at the request of the Central Committee at Hamburg the delegates of The Co-operative League had agreed to associate its proposal with that of the Central Agricultural Union of Poland on Action on the United Nations Resolution 2459/XXIII; in withdrawing its resolution the delegates of The Co-operative League had proposed certain amendments to the Polish text which had been accepted.

**REQUESTS** the Central Committee and Executive Committee of the Alliance to encourage its members to prepare and forward to the joint programme case studies of their co-operative organisations which are developing activities in various geographical regions and in different socio-economic systems to find how the co-operative movement can accelerate the socio-economic development of countries;

**REQUESTS** the Director of the Alliance to forward the results of these studies in the form of a report to the Secretary-General of the United Nations, its Specialised Agencies and also to the governments of states where the ICA member organisations are developing their activities;

**CALLS** upon the Central and Executive Committees of the Alliance to elaborate long-term programmes of training, taking into consideration the most essential needs of co-operative organisations especially in the developing countries;

**RECOMMENDS** that the International Co-operative Alliance elaborate a programme of work with agricultural co-operatives with special emphasis on the role of agricultural co-operatives in the increase of agricultural production and in the fight against hunger;

**URGES** the Central and Executive Committees and member organisations of the Alliance to actively promote co-operative development as a counteracting force to monopolies in the developing countries and especially work for full implementation of the 1967 Resolution of the Central Committee, adopted in Prague concerning the struggle against monopolies;

**APPEALS** to the United Nations and its Specialised Agencies to ascribe a greater part of the funds at their disposal to co-operative organisations for the realisation of joint projects of technical assistance and pre-investments in developing countries, taking advantage of the consultative assistance of the Alliance and its members; and

**REQUESTS** the United Nations to appeal to its Members to direct through the co-operative organisations in their countries a greater part of the technical assistance for States who are Members of the United Nations.

**Mr T. Janczyk, Poland:** The United Nations resolution on the role of co-operation in economic and social development is well known to all of us. The important point is that the 124 members of the United Nations expressed unanimous support for this resolution, that they have extended and are going to extend assistance to the co-operative movement. The resolution imposes a moral obligation on the ICA, to which the Polish co-operators feel the Alliance must give a positive answer. The ICA and the member co-operative organisations should regard this resolution as an invitation to submit a programme for cultural and economic development, a struggle against monopolistic capital. We should regard it as an attempt towards the development of an international plan, and also for expanding technical assistance to co-operative organisations in developing countries. This is why we submitted our resolution to Congress.

This text expresses gratitude to the United Nations for having drawn attention to the activities of the ICA, and involves us in further co-operation with the specialised agencies of the United Nations. It recommends the committees of the Alliance to elaborate a programme of activity with agricultural co-operatives, with special emphasis on the role of agricultural co-operatives in increasing agricultural production and in the fight against hunger. Special attention is drawn to the fact that the co-operative form of ownership gives possibilities for the mobilising and sharing of all resources which, under conditions of co-operative democracy, are necessary for economic development and social progress.

The Central Committee and the Executive are requested to make case studies of co-operatives developing in different geographical regions and under different socio-economic systems to ascertain how the movement can accelerate the socio-economic development of countries; and the Director is asked to send the results of these studies to the Secretary General and to the specialised agencies of the United Nations.

The resolution also contains a proposal for the elaboration of long-term training programmes, embodying the essential needs of co-operatives in developing countries. In our opinion the ICA should state its preparedness to elaborate a long-term programme of training and education, and enlist the assistance of the United Nations; there should be seminars and study circles. The resolution emphasises the need for the continuous struggle against capitalist monopolies, and appeals to the United Nations for financial support, especially for the developing countries.

We might say that our resolution is a programme in itself, which we think should be implemented in connection with the UN resolution. Our original text was supplemented in the Congress Committee by some suggestions from the representative of the Co-operative League of the USA. We hope this resolution will be implemented by all the ICA member organisations, and I ask Congress to support the resolution as amended by the Congress Committee.

**Mr S. Dreyer, USA:** The Co-operative League is pleased to associate itself with the Polish resolution, and we thank the Polish delegates for accepting a few amendments which we proposed. I think the gratitude of all of us should go to the Peasant Self-Help Co-operatives and other groups of persons for the initiative in gaining the General Assembly's acceptance of the historical UN resolution. Mr Janczyk has elaborated on the resolution now before Congress and I hope all delegates have studied it and will give it their support and active implementation.

**The Director:** The Central Committee, while finding itself in agreement in principle with the contents of the Polish resolution, suggests that a number of its aspects have a great deal of relevance to several of our on-going activities. The Secretariat, therefore, should examine this, accept it in principle and carry out these studies in conjunction with a number of aspects to which we are already giving attention.

I would mention two or three. There is a suggestion for elaborating long-term training programmes, especially for developing countries. This point was partly replied to by me on behalf of the Central Committee in connection with an earlier motion. Then, there is a reference to the development of a programme of work for agricultural co-operatives, this will come before the Agricultural Conference which is envisaged. Again, in my reply to the debate on the Central Committee's report I mentioned the action we had taken in the field of monopolies.

Therefore, while the Central Committee is in agreement with this resolution, it points out that a number of its aspects will be related to activities which we are already undertaking. I would add that the Secretariat attaches very great importance to the resolution of the United Nations General Assembly.

**Mr R. B. Bastin, United Kingdom:** In view of the unanimity expressed for this resolution and without diminishing its importance, I feel this is the moment at which it might be appropriate to move that the question be now put.

**The motion for the closure having been seconded,**

**The President said:** We have to proceed immediately to a decision on the resolution, after which Mr Janczyk, if he desires, will have an opportunity to speak again.

**On a show of hands, the resolution was carried unanimously.**

Mr Janczyk did not wish to speak again.

## **Co-operative Legislation**

**Proposer:** National Co-operative Union of India

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WELCOMES the helpful attitude of the governments in the developing countries towards the co-operative movements as well as their keenness to associate their co-operative movements with the schemes of national development;

FEELS that there is scope for the co-operative laws in the developing countries to conform progressively to the principles of co-operation as recently adopted by the Alliance; and

REQUESTS the Alliance to undertake a study of the various legislative enactments, rules, and bye-laws regulating the co-operative movement in the developing countries and to suggest improvements therein with a view to making them more conducive to the proper and healthy development of the co-operative movement and its leadership.

**Amendment:** Proposed by Lega Nazionale delle Co-operative e Mutue, Italy.

Amend the title to read Co-operative Legislation in Developing Countries.

**Mr J. L. Khachi, India:** I know that the subject of law in itself is rather dull and dreary and towards the end of this very good Congress, it would not be proper for me to take up too much time. We are very grateful to the President, the Executive and the Central Committee for giving our resolution a place on the agenda and we heard the Director in Central Committee give a brief résumé of the comments which the Executive had made on it. We fully appreciate and share the limitations of the ICA in this connection, for the subject involves money, labour and time, and even diplomacy.

It is not appropriate for the ICA at this stage to work on a common codification which may not be acceptable to various states, and which might be construed as an affront to national sovereignty. However, we hope that it does recognise the significance of our viewpoint and is alive to the inherent dangers and apprehensions which co-operatives are facing in developing countries. The ICA study, even if touching only the fringe of the issues, would greatly highlight our problems and we might be able to gain by such an analytical study. The two Regional Offices could collaborate in the study and share their common experiences in the regional movements.

It is not my intention to go into a detailed history of the various stages through which co-operative legislation has traversed in various developing countries. The acts of law, then being colonial in nature, provided for a strong governmental grip on co-operative institutions, and the main acts were used to exercise governmental authority to control co-operatives in the name of protection and friendship, but they really dictated to the co-operatives. This authority was carried out by a Registrar, Commissioner or a Director.

The heralding of freedom in our countries gave the co-operatives an opportunity to play a more dynamic and purposeful role. They came to be relied upon as an instrument of social and economic justice, aimed at creating a co-operative commonwealth. Therefore, great stress was laid on the role of co-operatives in the various plans which these countries formulated to improve the lot of their peoples. Now many governmental pronouncements in developing countries place co-operatives on a very high pedestal, and we welcome this trend.

Our delegation feels, however, that the various co-operative acts and laws are now outdated, retrospective, bad in co-operative spirit, and cannot meet the requirements of the changed times and the new dimensions which the co-operatives have assumed. This trend has been further strengthened by the emergence of an enlightened and dedicated co-operative cadre in the developing countries, who look upon the arbitrary and undemocratic powers of the Registrars with suspicion and resentment. We feel that, in order to make co-operatives instruments of social policy and conducive to the welfare of our people, the autonomy of co-operative institutions should be safeguarded and the principles of co-operation be allowed to breathe in fresh air. The role of Registrars and their arbitrary powers should be redefined and trimmed so that non-official leadership makes its effective, purposeful and healthy contribution towards the advancement of the co-operatives, and gives them complete and unfettered autonomy. It is our conviction that not even golden chains studded with diamonds can help the co-operative movement to grow, a free atmosphere is the first guarantee for its development.

Therefore, while we stress that there is need for discipline and for a code of conduct amongst co-operatives, which of course should be faithfully followed, we cannot agree to a situation where co-operative democracy is subjugated to governmental direction, having its day-to-day work hampered and interfered with. It is here that we seek the support of the world co-operatives for the preservation of co-operative principles by giving the resolution unanimous support, so that co-operatives grow in a freer atmosphere in developing countries, unfettered and without controls.

We feel that co-operative laws should not be static, that they should conform to the social and economic objectives enshrined in the various constitutions of the developing countries and commended in governmental statements of policies. We also feel that periodic reviews are desirable and we are convinced that, to start with, the ICA will make some case studies to highlight the dangers inherent in allowing unfettered powers to governmental functionaries.

We are confident that delegates will share the anxieties and apprehensions of the co-operators of the developing countries and lend us unanimous support, so that non-official leadership grows and helps to preserve the co-operative ideals, as well as serving their people who have long been exploited. I have no doubt this Congress will stand by the developing countries and help us keep the co-operative flag flying.

**The President:** The Lega Nazionale have suggested amending the title to read Co-operative Legislation in Developing Countries. As this is obviously the subject of the resolution, may I take it that there is no need for the Lega to move this amendment?

**This was agreed** and **The President** asked the Director to suggest how the resolution could be implemented.

**The Director:** Mr Khachi has made my task very easy. What the Central Committee envisage is that, perhaps in the immediate future, what is possible is a more general report on co-operative legislation in some selected developing countries. We could take out certain specific areas and give them consideration within the general framework of developing countries. There is no intention of having any detailed legal commentary on co-operative legislation. That, briefly, is the thinking of the Central Committee.

**Mr N. Uzgören, Turkey:** Speaking for the first time before this honourable assembly, I bring the sincere and cordial greetings of my friends in the Turkish Co-operative Association which was founded in 1931.

The question of co-operative legislation always arouses real interest and Turkey can offer a particularly interesting experience. The co-operative movement has existed in Turkey for fifty years although unfortunately it has not had the same success as in the advanced countries, because it suffered from a number of illnesses. Developed countries have known the same troubles, and have been able to surmount them, but the developing countries, of which we are one, suffer terribly from this situation.

Inspired by the publications of the ILO we have, during many years, asked that a special law should be promulgated on co-operatives in general. What has happened? After the 1961 Revolution, Parliament introduced, within the constitutional laws, and this will be of interest to all developing countries, a simple little phrase that: "The Government will endeavour to promote the co-operative movement". Based on this article 51, a special new law on co-operatives was promulgated two months ago, and after eight years of work on the question! And if the little phrase which I quoted had not been introduced into the constitutional law, we should not yet have obtained our new law on co-operatives.

**Mr S. Colabella, Argentine,** moved that the question be now put, and the motion was seconded.

**The President:** Is the closure motion accepted?

**Agreed.**

**Mr Khachi:** I wish only to say we feel that if we accept the amendment to the title the scope of the resolution may be limited to the developing countries. Our idea was that whereas we should have a comparative study with the developing countries, we must have before us the ideals, principles, standpoints and qualifications of the developed countries. Then we could learn from the advanced movements. We do not want to remain developing countries; we want to be developed countries one day. I would ask the Lega not to press the amendment to the title but enable us to have the advantage of studying the qualifications of the advanced movements.

**The President:** The title does not really matter; it is the substance that counts. I will ask the Director to comment on it.

**The Director:** We in the Secretariat continuously collect information on co-operative legislation from a number of countries, and it should be quite possible either to make that information available to the representative of the Co-operative Union of India or to build it into the general framework about which I spoke a few minutes ago.

**The President:** I take it that, with that assurance, we are ready for a decision, and I will ask those in favour of adopting this resolution, to be implemented in the way indicated, to show.

**The resolution was carried unanimously**

## Emergency Resolutions

### The Situation in Greece

**Proposer:** Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Poland

Co-operative organisations all over the world, affiliated to the International Co-operative Alliance, observe with great fear the situation in Greece where democracy was liquidated after power was taken over by a fascist military junta.

The Authorities of the International Co-operative Alliance have protested against the removal of the elected officers of the Greek Co-operative Movement.

THE 24TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE supports this protest and

DEMANDS that terrorism against Co-operators cease, and that all imprisoned Co-operators and fighters for freedom for the Greek Nation be liberated, and

ASKS co-operative organisations of the ICA to support the fight of the Greek Nation for Democracy, and the struggle for independence of the Greek Co-operative Movement.

**Mr Z. Engel, Poland:** We all know that the situation in Greece is very dangerous. We have discussed this problem many times at ICA meetings, and the ICA is opposed to the discrimination against the co-operative movement. Recently we have received information concerning further discrimination against the co-operatives, and the situation is very serious. A book published by the British co-operators deals with this question. We are obliged to protest against the action of the military junta which has liquidated democracy and made impossible the activity of co-operative organisations.

With these things in mind we have proposed, in accordance with Article 25(b) of the Rules, this emergency resolution on the Situation in Greece, and we ask Congress to give it full support.

**The President:** This is not a controversial resolution and it fits in exactly with the kind of action the authorities of the ICA have already undertaken. The elected leaders of the co-operatives in Greece were removed by the military junta and other people put in their place. The ICA protested against this drastic action and took the appropriate steps.

This resolution was accepted by the Congress Committee as an emergency resolution because it is known that the situation has deteriorated very seriously. The matter is before the Human Rights Commission of the Council of Europe, and there is the question of expelling Greece from that body.

In view of these facts, and the shortage of time, may I ask those who had wished to speak if they would be satisfied for me to move from the Chair the unanimous adoption of this emergency resolution?

**The resolution was carried unanimously.**

### Membership Subscriptions

**Proposer:** Centrosoyus, USSR

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APPEALS to the Central Committee and requests it to annul its decision to increase the membership subscription in 1970 and 1971 and to find other ways and means to balance the ICA Budget.

**Mr F. Kolesnik, USSR:** I have already had occasion to submit the reasons for this proposal, but there is one additional point. This particular question, as some speakers seem to claim,

is not linked at all to technical assistance. The position of Centrosoyus with reference to technical assistance for the developing countries was clearly expounded when Mr Klimov spoke on the contribution of Centrosoyus to this work. We should like a card vote on our present proposal.

**The President:** A card vote will be taken. I call upon Mr Southern to put the position of the Central Committee.

**Mr R. Southern:** Congress is asked to reject this emergency motion from Centrosoyus. To refer this matter back to the Central Committee would place it in a very embarrassing position, because the Central Committee cannot possibly ignore the sentiments of Congress. The decision to increase subscriptions was not reached lightly and the Central Committee is not enthusiastic about its own proposal, but it has no option other than to decide on these increases if we are to maintain the central core of our administration. This has nothing to do with technical aid or any other aspect of our international co-operative activity. Subscriptions maintain the offices of the ICA and its democratic structure. Sterling has been devalued and in this connection I must say thank you very sincerely to those organisations in harder currency countries which decided to maintain their subscriptions at their former rates, thus giving a considerable advantage in sterling terms.

I would also ask Congress to recall that in Britain, as in so many other countries, the value of sterling is steadily falling because of increasing inflation, and here is the problem for the ICA. Unless we get increased subscriptions in terms of sterling we shall be compelled to reduce some of our activities, and where are we to start? Are we to start by limiting the number of our working languages? Are we to reduce our publications to those which can pay their way? Are we to reduce the staff? Are we to reduce the service to our Auxiliary Committees? Are we to have less frequent meetings and conferences? Are we to diminish our educational work? Are we to abandon what little we are doing already for women co-operators? These are the practical questions which arise out of the financial situation and unless there are some proposals which can be considered by this Congress for a reduction of these activities it is not displaying a very responsible attitude simply to say that we should not increase subscriptions but look for savings and increases in finance elsewhere. These are not realistic proposals, they represent hopes and expectations for which there is no evidence. Because the Central Committee has faced this situation realistically, because there is no alternative, and because this motion from Centrosoyus does not show a proper sense of responsibility, Congress is asked to reject it.

**Mr P. Sæiland, Norway:** I move that the question be now put.

**The President:** There are many seconders from the floor, and I put the closure motion to the vote.

**The motion was carried.**

**The President:** It is unusual for your Chairman to take a position on a particular question but, as Chairman, I have some responsibilities and I explained that position to the Central Committee in Oslo. If you think of the many constructive and valuable suggestions made during the course of this Congress to expand and intensify our activities in the most varied fields, involving very considerable costs and certainly, as a consequence, an increase of the staff of the ICA, then I think the position must be quite clear.

**The President** later announced the result of the card vote as follows –

For the resolution 200, Against 427 and

**Declared the emergency resolution lost.**

## Election of the Central Committee

The following representatives of member organizations, whose nominations have been received in accordance with the rules, were elected members of the Central Committee.

Algeria.....	P. Padovani
Argentina.....	C. Chiaraviglio, S. Colabella, A. Monin
Austria.....	A. Korp, O. Sagmeister, F. R. Schmidt, L. Strobl, F. Reinthaler
Belgium.....	M. Doms, P. Lambert, R. Ramaekers, J. Vandersmissen, J. Eerdekens, J. Lambert, A. Gengoux, M. Derbaix
Bulgaria.....	S. Syulemezov, T. Guerguiev Bébov, S. Péchev Tzékov
Canada.....	K. F. Harding, W. B. Melvin, J. T. Phalen, Y. Daneau, M. J. Légère, A. Rouleau
Ceylon.....	E. Wijesuriya
Chile.....	W. Sommerhoff
Cyprus.....	R. N. Clerides, M. Eshref
Czechoslovakia.....	R. Holec, M. Kabát, M. Marik, J. Podlipny, P. Poruben, L. Smrcka, P. Tonhauser, F. Vychodil
Denmark.....	K. Møller, C. Pedersen, K. Nielsen, E. Groes, L. P. Jensen
Eire.....	W. Carroll, P. Kelly
Finland.....	J. Jalava, E. Salovaara, K. Peitsalo, P. Kuoppala, M. Mustonen, V. Loppi, V. Luukka, E. Särkkä
France.....	F. Burette, M. Couvrecelle, M. Degond, R. Kérinec, J. Lacroix, Ch. Veverka, A. Antoni, A. Cramois
Federal Republic of Germany.....	C. J. Bock, W. Flügge, O. Paulig, W. Peters, C. Wiederkehr, W. Hesselbach, W. Rittner, W. Ambrosius
Ghana.....	F. Mark-Addo
Hungary.....	F. Molnár, L. Rév
Iceland.....	E. Einarsson
India.....	P. Bose, R. Kankasabai, B. Perakash, V. N. Puri, P.S.R. Naidu, Y. Udaybhan Singh
Iran.....	H. Mossaed
Israel.....	S. Brandt, I. Shapan, N. Ushpiz, A. Yadlin, Sh. Berent
Italy.....	G. Banchieri, W. Briganti, I. Curti, S. Miana, L. Vigone, L. Malfettani, A. Mayr, A. Rossini
Japan.....	S. Nakabayashi, S. Katayanagi, M. Mihashi, A. Mijawaki, T. Ando
Kenya.....	J. J. Musundi
Malaysia.....	A. Hourmain
Netherlands.....	J. F. van Netten, J. G. Nijhof
Nigeria.....	E. T. Latunde, P. Igbinosun
Norway.....	R. Haugen, P. Søliland
Pakistan.....	R. Ahmed, S. I. H. Zaidi
Peru.....	R. Bandouin
Poland.....	Z. Engel, T. Janczyk, J. Sobieszcański, Mrs Z. Staros, T. Szelazek, W. Kasperski, F. Lós, B. Trámpczyński
Roumania.....	C. Mateesco, I. Alexe
Sweden.....	M. Bonow, G. Etzler, H. Hjalmanson, N. Thedin, H. Hakansson, S. Kypengren, G. Blomqvist, K. Back, J. Sallborg
Switzerland.....	E. B. Blümle, W. Gnaedinger, R. Kohler, O. Schmutz, H. Thuli, A. Vuilleumier, W. Bleile, E. Debrunner
Tanzania.....	B. M. Juma
Turkey.....	N. Uzgören
USSR.....	M. M. Denisov, N. S. Djavahidze, M. D. Hasanov, A. P. Klimov, F. D. Kolesnik, A. I. Krashennikov, I. A. Krumin, V. K. Yakovenko
United Kingdom.....	C. Greenwood, E. H. Mireylees, Lord Jacques, R. Southern, Lord Taylor of Gryfe, H. W. Whitehead, G. Williams
USA.....	H. A. Cowden, G. Dunlap, S. Dreyer, T. J. Gorman, R. F. Morrow, F. F. Rondeau, A. J. Smaby, L. Woodcock
Yugoslavia.....	M. Ivanović, later replaced by M. Koncar



### **International Organisations**

Organization of the Co-operative of America, San Juan, Puerto Rico.....	R. A. Vicens
Nordisk Andelsforbund, Copenhagen, Denmark.....	L. Lundin
International Co-operative Bank Co Ltd., Basle, Switzerland.....	H. -U. Mathias
International Co-operative Petroleum Association, New York, USA.....	A. R. Carlsson

## **ICA Jubilee Triennial Prize**

**The President:** Mr. Klimov, a member of the International Jury, will report.

**Mr A. P. Klimov:** Speaking in the name of the International Jury, we wish to ask Congress to allow us more time to consider the works which have been submitted. 27 books were received, mostly voluminous, including several of very high merit.

Unfortunately we have not been able so far to study them all. Therefore we ask Congress to allow us more time, also to agree that we present our report and recommendations to the next meeting of the Central Committee. This will enable us to make a careful selection worthy of the ICA.

**The President:** Will Congress agree to the wise decision of the Jury?

**Agreed**

## **Date and Place of the Twenty-Fifth Congress**

**The President:** With regard to the date and place of the next meeting, I suggest that Congress should leave this to be decided by the Central Committee and Executive, to whom suggestions will no doubt be made in due time. Is that agreed?

**Agreed**

## **Vote of Thanks**

**The President:** We have come to the end of four days of intensive work and I should like to express my sincere appreciation for the very friendly atmosphere of our deliberations. It is true that we have had differing opinions on some subjects but the unanimous decisions we have been able to take augur very well for the work of implementation which will now be the task of the Central Committee and the newly elected Executive. The most heavy burden will, as always, be carried by our Officers, the Director and the Administrative Secretary.

I think the very constructive discussions during this Congress represent something of a turning point. The emphasis has been practically entirely on co-operative problems which are of common concern and common interest to all forms of co-operative enterprise and for all co-operative movements, irrespective of the fact that they are working in different social and economic systems.

I wish to thank most sincerely our German hosts, including the staff, who have served us so brilliantly. We thank them all for the perfect arrangements which they made. It is no easy task to organise such a large Congress as this, and we are very grateful for all they have done for our well-being and efficient working.

I also want to ask our German hosts to convey to the Town Hall authorities our sincere appreciation not only for the reception and greetings, which we have enjoyed very much, but also for providing us with such splendid facilities for holding the Congress in this beautiful Town Hall.

I thank most sincerely the Director, the Administrative Secretary and the whole staff who have had a very heavy burden of work.

I thank the interpreters who have as usual given us excellent service, also the reporters.

Finally, I thank all participants in the Congress for your very fine collaboration which has made it an easy task for me, as your Chairman, to conduct the business of Congress. I wish you all a safe journey home and I declare the Congress closed.

**The vote of thanks was carried unanimously.**

## APPENDIX 1

### Affiliated Organisations

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<b>Algeria</b>	Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, Oran
<b>Argentina</b>	Federación Argentina de Cooperativas de Consumo, Buenos Aires Intercoop, Editora Cooperativa Limitada, Buenos Aires Asociación Argentina de Cooperativas y Mutualidades de Seguros, Buenos Aires Federación Argentina de Cooperativos de Credito Ltda., Buenos Aires
<b>Australia</b> ✓	Co-operative Federation of Australia, Brisbane
<b>Austria</b>	"Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Vienna Bank für Arbeit und Wirtschaft AG, Vienna Zentralkasse der Konsumgenossenschaften, Vienna Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Vienna Österreichischer Raiffeisenverband, Vienna
<b>Belgium</b>	Société Générale Coopérative, 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
<b>Brazil</b>	Aliança Brasileira de Cooperativas (ABCOOP), Sao Paulo Uniao Nacional das Associações de Cooperativas (UNASCO), Rio de Janeiro
<b>Bulgaria</b>	Central Co-operative Union, Sofia
<b>Burma</b>	National Co-operative Council, Rangoon
<b>Canada</b>	Co-operative Union of Canada, Ottawa Conseil Canadien de la Coopération, Ottawa
<b>Ceylon</b> ✓	Co-operative Federation of Ceylon, Colombo
<b>Chile</b>	Federación Chilena de Cooperativas de Ahorro y Credito Ltda., Santiago de Chile Cooperativa Sodimac Ltda., Santiago de Chile
<b>Colombia</b>	Cooperativa Familiar de Medellin Ltda., Medellin
<b>Cyprus</b>	Co-operative Central Bank Ltd., Nicosia Cyprus Turkish Co-operative Central Bank Ltd., Nicosia Vine Products Co-operative Marketing Union Ltd., Limassol
<b>Czechoslovakia</b>	Ustredni Rada Druzstev, Prague
<b>Denmark</b>	De samvirkende danske Andelsselskaber, Copenhagen Det Kooperative Faellesforbund i Danmark, Copenhagen Faellesforeningen for Danmarks Brugsforeninger, Albertslund
<b>Dominica</b>	Dominica Credit Union League, Roseau

<b>Eire</b>	Irish Agricultural Organisation Society Ltd., Dublin Co-operative Development Society Ltd., Dublin
<b>Finland</b>	Kulutusosuuskuntien Keskusliitto, Helsinki Osuustukkukauppa, Helsinki Yleinen Osuuskauppojen Liitto, Helsinki Suomen Osuuskauppojen Keskuskunta, Helsinki "Pellervo-Seura", Helsinki
<b>France</b>	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 Confédération Française de la Coopération Agricole, Paris Caisse Nationale de Crédit Agricole, Paris Fédération Nationale de 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
<b>Germany (Federal Republic of)</b>	Bund deutscher Konsumgenossenschaften GmbH, Hamburg Großeinkaufs-Gesellschaft Deutscher Konsumgenossenschaften GmbH, Hamburg Volksfürsorge Lebensversicherung Aktiengesellschaft, Hamburg Volksfürsorge Deutsche Sachversicherung Aktiengesellschaft, Hamburg Gesamtverband gemeinnütziger Wohnungsunternehmen, Cologne
<b>Ghana</b>	Alliance of Ghana Co-operatives, Accra
<b>Greece</b>	Pan-Hellenic Confederation of Unions of Agricultural Co-operatives (S.E.S.), Athens
<b>Guyana</b>	British Guiana Co-operative Union Ltd., Georgetown
<b>Haiti</b>	Caisse Populaire Dominique Savio, Petion-Ville
<b>Hungary</b>	Federation of the Hungarian Co-operative Societies, OKISZ, Budapest
<b>Iceland</b>	Samband Isl. Samvinnufélaga, Reykjavik
<b>India</b>	National Co-operative Union of India, New Delhi National Agricultural Co-operative Marketing Federation Ltd., New Delhi
<b>Iran</b>	Sepah Consumers' Co-operative Society, Teheran Credit and Housing Co-operative Society of Iran, Teheran Central Organisation for Rural Co-operatives of Iran, Teheran
<b>Israel</b>	"Hevrat Ovdim" Ltd., General Co-operative Association of Jewish Labour in Eretz-Israel, Tel-Aviv "Merkaz" Audit Union of Co-operative Societies for Loans and Savings, Tel Aviv "Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, Tel-Aviv
<b>Italy</b>	Legg Nazionale delle Cooperative e Mutue, Rome Confederazione Cooperative Italiane, Rome Associazione Generale delle Cooperative Italiane, Rome

<b>Ivory Coast</b>	Centre National de la Coopération et de la Mutualité Agricoles, Abidjan
<b>Jamaica</b>	Jamaica Co-operative Union, Ltd., Kingston
<b>Japan</b> ✓	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
<b>Jordan</b>	Jordan Co-operative Organisation, Amman
<b>Kenya</b>	Kenya National Federation of Co-operatives Ltd., Nairobi
<b>Korea</b> ✓	National Agricultural Co-operative Federation, Seoul
<b>Malaysia</b> ✓	Co-operative Union of Malaya, Kuala Lumpur Sarawak Co-operative Central Bank Ltd., Kuching
<b>Malta</b>	Farmers' Central Co-operative Society Ltd., Marsa
<b>Mauritius</b>	Mauritius Co-operative Union, Port Louis
<b>Mexico</b>	Confederación de Cooperativas de la República Mexicana, C.C.L. Mexico
<b>Netherlands</b>	Coöperatieve Vereniging U.A. Centrale der Nederlandse Verbruiks-coöperaties, "Co-op Nederland", Rotterdam Association of Enterprises on a Co-operative Basis, Amsterdam
<b>New Guinea</b>	Federation of Native Associations, Port Moresby
<b>Nigeria</b>	Co-operative Union of Eastern Nigeria Ltd., Aba Co-operative Union of Western Nigeria Ltd., Ibadan Lagos Co-operative Union Ltd., Lagos Mid-Western Nigeria Co-operative Federation Ltd., Benin City
<b>Norway</b>	Norges Kooperative Landsforening, Oslo BBL A/L Norske Boligbyggelags Landsforbund, Oslo
<b>Pakistan</b> ✓	West Pakistan Co-operative Union, Lahore Karachi Central Co-operative Consumers' Union Karachi Co-operative Housing Societies' Union Karachi Co-operative Union Ltd. Karachi Fishermen's Co-operative Purchase and Sales Society Ltd. Karachi Central Co-operative Bank Ltd. Sind Baluchistan Provincial Co-operative Bank Ltd., Karachi East Pakistan Co-operative Union Ltd., Dacca Provincial Fishermen's Co-operative Society Ltd., Chittagong
<b>Peru</b>	Cooperativa de Seguros "Inca" Ltda., Lima Cooperativa del Seguros del Peru, Ltda., Lima
<b>Philippines</b> ✓	Central Co-operative Exchange Inc., Manila
<b>Poland</b>	Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Warsaw Central Union of Building and Housing Co-operatives, Warsaw "Spolem" Union of Consumer Co-operatives, Warsaw Central Union of Work Co-operatives, Warsaw
<b>Roumania</b>	"Centrocoop" Uniunea Centrala a Cooperativelor de Consum, Bucharest Ucecom Uniunea Centrala a Cooperativelor, Mestesugaresti, Bucharest

<b>Singapore</b> ✓	Singapore Co-operative Union Ltd.
<b>Sweden</b>	Kooperativa Förbundet, Stockholm Folksam Insurance Group, Stockholm Sveriges Lantbruksförbund, Stockholm Hyresgästernas Sparkasse- och Byggnadsföreningars, HSB: Riksförbund, Stockholm Svenska Riksbyggen, Stockholm Kooperativa Kvinnogillesförbundet, Stockholm
<b>Switzerland</b>	Coop Schweiz, Basle Genossenschaftliche Zentralbank, Basle Coop Lebensversicherungs-Genossenschaft Basel, Basle Verband ostschweiz. landwirtschaftlicher Genossenschaften, Winterthur Verband sozialer Baubetriebe, Zurich
<b>Tanzania</b>	Co-operative Union of Tanganyika Ltd., Dar-es-Salaam
<b>Tunisia</b>	El Ittihad, Tunis
<b>Uganda</b>	Uganda Co-operative Alliance, Kampala
<b>United Kingdom</b>	Co-operative Union Ltd., Manchester Co-operative Wholesale Society Ltd., Manchester Scottish Co-operative Wholesale Society Ltd., Glasgow Co-operative Insurance Society Ltd., Manchester Co-operative Permanent Building Society, London
<b>USA</b>	Co-operative League of the USA, Chicago
<b>USSR</b>	Central Union of Consumers' Co-operative Societies of the USSR and RSFSR, "Centrosoyus", Moscow
<b>Yugoslavia</b>	Glavni Zadruzni Savez FNRJ, Belgrade
<b>Zambia</b>	Eastern Province Co-operative Marketing Association Ltd., Fort Jameson

#### **International Organisations**

Nordisk Andelsforbund, Copenhagen, Denmark  
 Organisation of the Co-operatives of America, San Juan, Puerto Rico  
 International Co-operative Banking Company, Ltd., Basle, Switzerland  
 International Co-operative Petroleum Association, New York, USA  
 Sociedad Interamericana de Desarrollo de Financiamiento Cooperativo, Washington, USA

## APPENDIX 2

### Subscriptions Received

for the Years 1966, 1967 and 1968

	1966 £	1967 £	1968 £
Algeria.....	14	14	24
Argentina.....	174	174	191
Australia.....	40	40	70
Austria.....	1,309	1,319	1,336
Belgium.....	2,230	2,345	2,983
Brazil.....	6	6	9
Bulgaria.....	202	203	203
Canada.....	917	913	1,160
Ceylon.....	203	203	203
Chile.....	27	68	24
Colombia.....	47	47	47
Cyprus.....	159	159	160
Czechoslovakia.....	2,709	2,709	2,709
Denmark.....	1,785	1,785	1,843
Eire.....	472	472	496
Finland.....	4,663	4,798	4,605
France.....	6,544	6,690	7,172
Germany (Federal Republic of).....	5,658	5,603	5,909
Ghana.....	—	203	203
Greece.....	203	203	—
Guyana.....	—	—	35
Haiti.....	4	4	5
Hungary.....	203	203	435
Iceland.....	365	365	365
India.....	203	203	878
Iran.....	32	105	114
Israel.....	994	1,138	1,003
Italy.....	3,451	3,451	4,033
Jamaica.....	25	25	25
Japan.....	608	608	1,616
Jordan.....	41	41	47
Kenya.....	25	25	25
Korea.....	135	135	135
Malaysia.....	242	242	278
Malta.....	4	4	4
Mauritius.....	41	41	41
Netherlands.....	708	747	1,003
New Guinea.....	—	67	78

	1966	1967	1968
	£	£	£
Nigeria.....	203	203	203
Norway.....	1,404	1,404	1,662
Pakistan ✓.....	68	68	203
Peru.....	—	—	68
Philippines ✓.....	51	60	60
Poland.....	5,527	6,062	6,140
Roumania.....	203	203	203
Singapore ✓.....	14	14	13
Sweden.....	6,025	6,025	6,902
Switzerland.....	2,811	2,810	2,863
Tanzania.....	310	310	313
United Kingdom.....	22,272	20,611	18,836
USA.....	5,364	5,369	6,264
USSR.....	13,500	13,500	13,500
Yugoslavia.....	203	203	233
Zambia.....	—	50	20
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International Co-operative Banking Company Ltd., Switzerland.....	135	135	233
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